

CITY OF NORWALK,  
CONNECTICUT



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
**FISCAL YEAR ENDED JUNE 30, 2012**  
DEPARTMENT OF FINANCE  
125 EAST AVENUE  
NORWALK, CONNECTICUT



# **CITY OF NORWALK, CONNECTICUT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012



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, 2012

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, Connecticut (the "City") for the fiscal year ended June 30, 2012.

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, 2012.

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 LLP have issued an unqualified ("clean") opinion on the City of Norwalk's financial statements for the year ended June 30, 2012. 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 86,460, 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 2.6% of the City's total grand list. This 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 regains its momentum, a number of new developments are underway in the City of Norwalk, providing opportunities in all sectors. 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.

2012 was a pivotal year as several new large-scale developments broke ground in Norwalk. AvalonBay Communities began construction on Avalon East Norwalk, a 240 unit multifamily development at 8 Norden Place, located on the rear parcel at Norden Park. This will be the second multifamily development by AvalonBay Communities in Norwalk and will add new residents and round-the-clock activity to complement the adjacent employers located within this industrial development park. Construction is also underway on a new 168,000 sq ft data center at 10 Norden Place by FPG Norden DC, LLC. The new 2 story data center replaces a proposed 4 story office building approved in 2007 and will add a new low traffic generating use to the existing development park campus. Together these developments will provide a complimentary mix of new commercial and residential development on this important 78 acre parcel.

In addition, permits were issued to begin construction on a new Hotel Zero at 353 Main Avenue and a new addition to Norwalk Hospital on Maple Street. Construction is underway on the new hotel which will add a 96 hotel rooms with a 4,000 sq. ft. restaurant to Main Ave, just south of the Merritt Parkway. A 96,000 square foot addition for Norwalk Hospital will include an expanded Emergency Department, new surgical facilities, a state of the art cancer care center and the rehabilitation of adjacent space all of which will be served by the recently completed 628 space parking garage designed to accommodate the Hospital's future expansion plans.

Two new developments for South Norwalk were approved in 2012; a 52 unit multifamily building at 99 Washington Street and a mixed use development at 20 North Water Street. The new construction at 99 Washington Street will replace an existing parking lot with a 5 story building housing a 90 space parking garage and 52 housing units and includes plans to rehabilitate an existing 3 story historic building on the property with a 3,200 sq. ft. restaurant and 4,750 sq. ft. office. The plans for 20 North Water Street in South Norwalk include construction of a new 133,000 sq. ft. mixed use building opposite the Maritime Aquarium with 108 housing units along with ground floor retail and restaurant and a pedestrian plaza. The former Norwalk Company building at 20 North Water St. was demolished in August 2012 and construction is scheduled to begin in early 2013.

Several projects were completed in 2012 including a new 33,000 square foot Innovation Center for Pepperidge Farm, an important addition to its corporate headquarters on Route 1 in Norwalk, which will assist the company in developing new products for the snack food market. Two new facilities for seniors were also completed in 2012: Maplewood at Strawberry Hill: an 84 unit congregate housing and assisted living facility opened its new location at 73 Strawberry Hill Avenue in November 2012. ElderHouse, a senior day facility located adjacent to the Congregational Church on the Green, completed construction on a new second story addition to its existing building allowing it to expand its daytime programming for elderly residents. LA Fitness completed construction of a 12,000 square foot addition to their existing 48,000 sq. ft. fitness facility. This facility is located at iPark adjacent to new Class A medical office space, repositioning this former manufacturing and warehouse facility into a new mixed use complex with state-of-the-art medical offices.

The newest possible addition to Norwalk's retail market is a proposed 135,000 sq. ft. Lowe's Home Improvement Center to be located at 100 Connecticut Avenue. The Zoning Commission received an application to construct the proposed home center on the site of the former Purdue Frederick corporate headquarters in October 2012. If approved, Lowe's would join Home Depot and Costco on Connecticut Avenue, Norwalk's golden mile for retail.

Norwalk's largest mixed use developments are scheduled to move forward in 2013. Waypointe, a mixed-use development on West Avenue just north of Loehmann's Plaza, received approvals to build the first two phases of its plan to reinvent West Avenue. The first phase includes 326 new multifamily units, 43,000 sq. ft. of retail and restaurant uses and a 626 space parking garage on a 10 acre parcel and the second phase located at 15 Merwin Street will add another 95 multifamily units along with ground floor retail and restaurant space. Further south, plans for District 95/7, a 1.1 million square foot mixed use development with office, retail and restaurant space along the west side of the Norwalk Harbor just south of Interstate 95, are progressing on a new 232 unit multifamily building in place of the previously approved hotel. The hotel will add 24 hour activity to the office, retail and restaurant uses proposed for the northern parcels. New financing was received to support Wall Street Place by POKO-IWSR Partners with 101 residential units, retail and restaurant uses and the City's first automated parking garage located on Isaacs Street in Norwalk Center. Combined, these three projects will bring nearly 800 new housing units to downtown Norwalk in 2013.

A variety of smaller commercial developments are also progressing. In October 2012, Petco received approval to locate a new 15,939 square foot Pooch Hotel in an existing 3 story building at 230 East Avenue. The new facility will convert a former fitness center into 150 overnight suites for dogs and will also provide dog daycare and grooming facilities. The Zoning Commission also approved a 9 unit conservation development for a property at 329 Chestnut Hill Road adjacent to the border with the Town of Wilton. A new 180 child day care center opened on the first floor at 770 Connecticut Avenue in 2012; complementing the new Crunch Fitness Center, a 26,200 sq. ft. health club which opened in 2011. Winston Prep started construction on a new 12,000 sq ft classroom building to its existing campus on West Rocks Road and the City is well underway with the construction of a new Fire Station and headquarters at 121 Connecticut Avenue which will house the department's headquarters and a new citywide telecommunications system. The rehabilitation of a historic building for 11 extended stay hotel rooms at the Norwalk Inn on East Avenue is nearly complete and a new third floor addition to the existing hotel is expected to begin construction in 2013. Construction is nearly complete on the final phase of Summerview Square, a multifamily development located at Jefferson and West Main Streets. The first units are complete and occupied; the final phase will add another 32 units. A new two story 24,800 sq. ft. CVS Pharmacy with drive through window at the corner of Connecticut and Scribner Avenue is scheduled to break ground in 2013, adding a third store CVS store in Norwalk.

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 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 including Xerox Corporation, Hewitt Associates, Diageo PLC and General Electric Capital. 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 this corporate park property.

The Planning Commission is moving forward with the implementation of the City's Plan of Conservation and Development for Norwalk. The Plan envisions new transit-oriented green development with active street level uses and upper floor housing located near existing MetroNorth transportation facilities. Work is underway to implement the Pedestrian and Bikeway Transportation Plan for Norwalk which provided a blueprint for creating a more walkable community with a connected system of bikeways throughout the City. The creation of new Village Districts to preserve Norwalk's historic character while permitting compatible new development is another focus of the City's Plan. The Zoning Commission approved a new Golden Hill Village District, the City's fourth village district, in 2010 and a new Silvermine Tavern Village District in 2008 to ensure that the historic Silvermine Tavern will continue as a historic landmark into the future.

Steady growth in Norwalk has continued in 2013. The number of zoning permits issued continues to increase gradually, an indicator that development will continue to trend in a positive direction. In the six months, the number of zoning permits issued has exceeded the 20 year average for those months.

### **RELEVANT FINANCIAL POLICIES**

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.

Two of the major drivers of the City Budget have been medical insurance costs for both current and retired employees and contributions to Pension Plans. The City Policy has included controlling these costs as part of negotiated contracts. During the 2011-12 Fiscal Year, one settled union agreement modified the grid for retiree contributions for health insurance basing it on years of service and for the first time in this union future retirees will need to contribute towards insurance. This is one step to control these significant costs. The City and employee coalition for employees covered under the Employees' Pension Plan also settled their agreement. One significant element was that all employees under that one pension plan hired on or after July 1, 2012 will now be covered under a defined contribution plan rather than the current defined benefit plan. This will limit the City's contribution to 5% and it is projected to save significant monies in the long-term.

In another effort to control costs, the budget formulation message to departments for the last 3 budget cycles has stated 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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for presentation of state and local government financial reports.

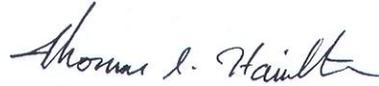
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the programs standards. The CAFR must satisfy both generally accepted accounting principles and applicable 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 21 consecutive years (fiscal years 1991 through 2011). 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 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 cursive script that reads "Thomas S. Hamilton". The signature is written in black ink and is positioned above the printed name and title.

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, 2011

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.



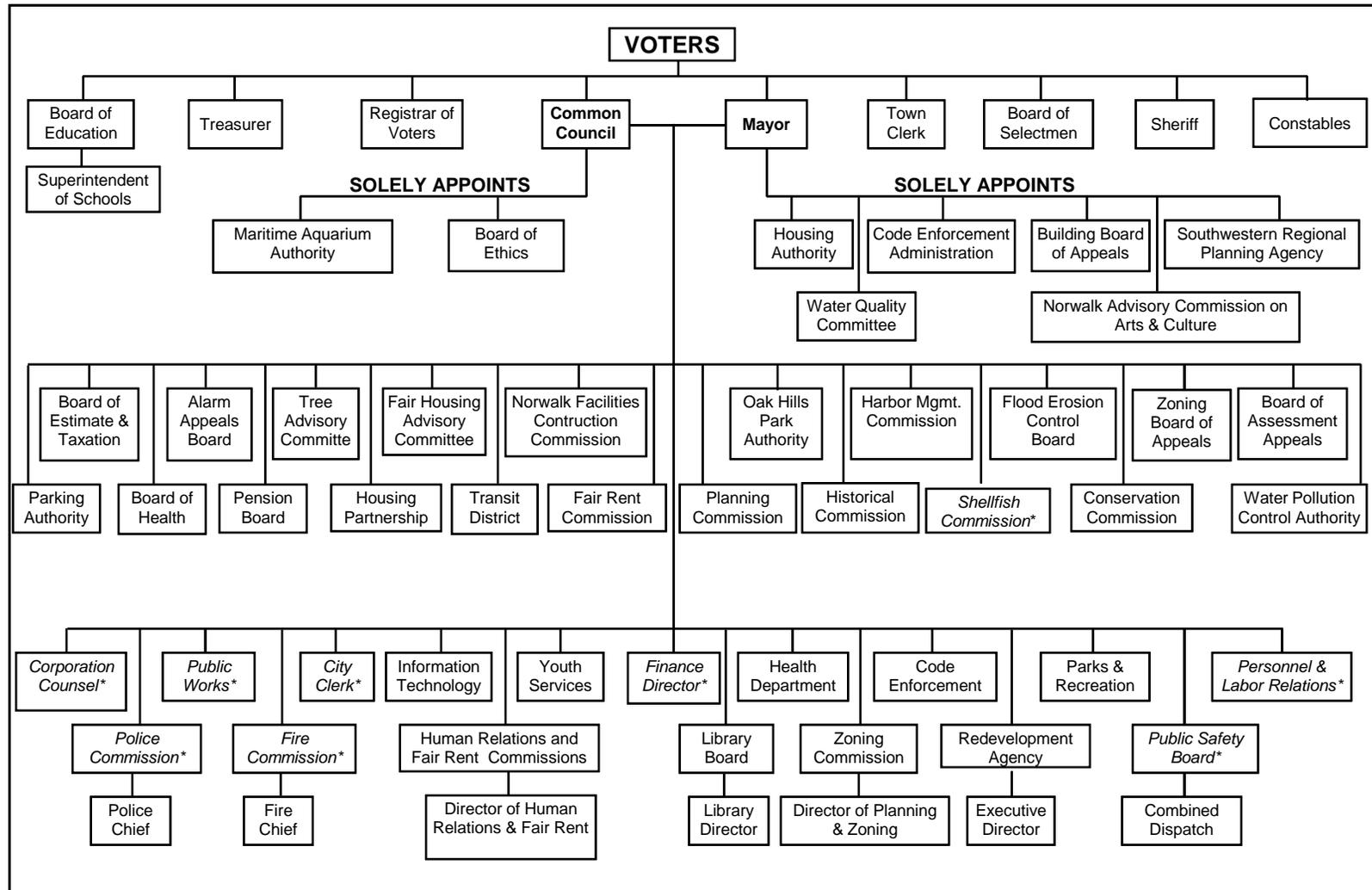
*Linda C. Sandison*

President

*Jeffrey R. Emer*

Executive Director

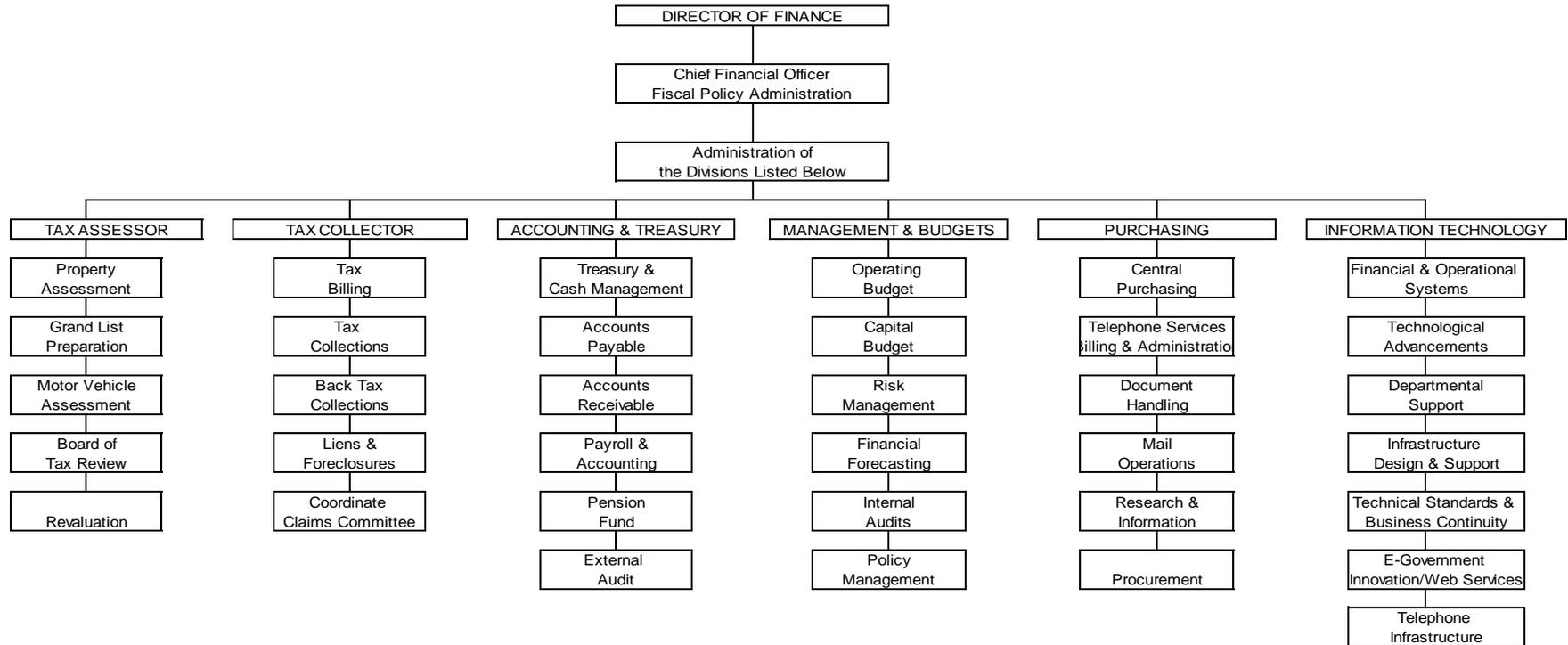
# CITY OF NORWALK GOVERNMENT ORGANIZATION



**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**

---

	Carvin J. Hilliard President	
	Douglas E. Hempstead Majority Leader	
	Anna Duleep Minority Leader	
Fred A. Bondi	Michael Geake	John Igneri
Bruce Kimmel	Nicholas D. Kydes	Michelle Maggio
David McCarthy	Matthew Miklave	Warren Pena
Jerry Petrini	Joanne Romano	David Watts

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

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

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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, 2012, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Norwalk, Connecticut's basic financial statements. The introductory section, individual and combining nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual and combining nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*McGladrey LLP*

New Haven, Connecticut  
December 28, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

- The City's net assets increased by \$12.1 million or 3.4 %. The governmental net assets increased by \$2.1 million or 0.8% and the business-type net assets increased by \$10.0 million or 12.1%.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reports an increase of \$0.6 million or 1.9%.

### 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 and 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 Funds (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 No. 34 including 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 Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 119,831	\$ 126,208	\$ 12,905	\$ 10,322	\$ 132,736	\$ 136,530
Capital assets	472,988	460,945	142,300	131,868	615,288	592,813
<b>Total assets</b>	<b>592,819</b>	<b>587,153</b>	<b>155,205</b>	<b>142,190</b>	<b>748,024</b>	<b>729,343</b>
Current and other liabilities	53,590	53,746	27,273	3,212	80,863	56,958
Noncurrent liabilities	260,277	256,564	37,266	56,310	297,543	312,874
<b>Total liabilities</b>	<b>313,867</b>	<b>310,310</b>	<b>64,539</b>	<b>59,522</b>	<b>378,406</b>	<b>369,832</b>
Net assets:						
Invested in capital assets, net of debt	274,568	263,358	83,057	77,295	357,625	340,653
Restricted	1,186	626	-	-	1,186	626
Unrestricted (deficit)	3,198	12,859	9,606	5,373	12,804	18,232
<b>Total net assets</b>	<b>\$ 278,952</b>	<b>\$ 276,843</b>	<b>\$ 92,663</b>	<b>\$ 82,668</b>	<b>\$ 371,615</b>	<b>\$ 359,511</b>

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

## Normal Impacts

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

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

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

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

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

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

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

## Current Impacts

The major impacts to Net Assets in governmental activities was the issuance of \$17.3 million of new debt and the construction on major capital projects this year: The other major impacts were \$15.5 million of principal on debt paid this year and \$9.5 million of depreciation on fixed assets. The major impacts to Net Assets in business-type activities was the issuance of \$.7 million of new debt, \$4.0 million principal paid on debt this year and \$3.5 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

Table 2 Changes in Net Assets (In Thousands)						
	Governmental Activities		Business-Type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charge for services	\$ 18,641	\$ 18,678	\$ 19,865	\$ 18,521	\$ 38,506	\$ 37,199
Operating grants and contributions	53,899	49,006	-	-	53,899	49,006
Capital grants and contributions	5,122	5,156	5,991	4,629	11,113	9,785
<b>General Revenues:</b>						
General property, taxes and assessments	260,827	256,470	-	-	260,827	256,470
Interest income	1,645	1,950	215	289	1,860	2,239
Other general revenues	5,930	6,439	135	-	6,065	6,439
<b>Total revenues</b>	<b>346,064</b>	<b>337,699</b>	<b>26,206</b>	<b>23,439</b>	<b>372,270</b>	<b>361,138</b>
<b>EXPENSES</b>						
<b>Program Activities Primary Government:</b>						
<b>Governmental Activities:</b>						
General government	14,301	13,725	-	-	14,301	13,725
Education	225,079	214,237	-	-	225,079	214,237
Public safety	46,257	46,491	-	-	46,257	46,491
Health and welfare	4,266	4,896	-	-	4,266	4,896
Public Works	33,984	29,909	-	-	33,984	29,909
Recreation, arts and cultural	9,463	9,112	-	-	9,463	9,112
Debt service	10,605	10,128	-	-	10,605	10,128
	<b>343,955</b>	<b>328,498</b>	<b>-</b>	<b>-</b>	<b>343,955</b>	<b>328,498</b>
<b>Business-Type Activities:</b>						
Parking Authority	-	-	5,422	5,551	5,422	5,551
Water Pollution Control Authority	-	-	10,789	10,515	10,789	10,515
	<b>-</b>	<b>-</b>	<b>16,211</b>	<b>16,066</b>	<b>16,211</b>	<b>16,066</b>
<b>Total expenses</b>	<b>343,955</b>	<b>328,498</b>	<b>16,211</b>	<b>16,066</b>	<b>360,166</b>	<b>344,564</b>
<b>Increase in net assets</b>	<b>2,109</b>	<b>9,201</b>	<b>9,995</b>	<b>7,373</b>	<b>12,104</b>	<b>16,574</b>
<b>Net Assets, beginning</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>
<b>Net Assets, ending</b>	<b>\$ 278,952</b>	<b>\$ 276,843</b>	<b>\$ 92,663</b>	<b>\$ 82,668</b>	<b>\$ 371,615</b>	<b>\$ 359,511</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 measures in collecting delinquent taxes. The major impact on expenses was an increase in expenditures in the Education cluster due to the State of Connecticut contributing \$4.1 million addition for City teachers in a defined benefit plan and the remainder due to increases in salaries and fringe benefits. The other impacts included \$3.2 million in employee benefits for increases in non-education health insurance and capital outlay increases in accordance with capital 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 2012 to Fiscal Year 2011*

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 \$.5 million more in actual revenues than expenditures. The impact revenue against expenditures was minimal compared to the size of budget,

*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) there was no significant change in revenues. There were two changes in expenditures of note. One was adding \$1.1 million in the Assessor’s office for the revaluation for October, 2013 and adding \$542,000 in workers’ compensation for a contribution to fund their Incurred but not reported claims.

*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). There were no significant revenue variances. Actual expenditures were \$3.5 million less than the final budget. A significant difference was caused in General Government with no expenditures against the additional \$1.1 million in the Assessor’s office: \$.7 million less spent in Public Works due to fewer snow storms than expected and \$.4 million unspent in contingency.

**Capital Projects Fund**

*Comparing Fiscal Year 2012 to Fiscal Year 2011*

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) major impacts were Intergovernmental Revenues for redevelopment and public works projects from the state, issuance of

bonds, and expenditures mainly for redevelopment, New Fire Headquarters, parks and public works projects.

### Water Pollution Control Authority

*Comparing Fiscal Year 2012 to Fiscal Year 2011*

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 \$73.3 million which is \$10.1 million more than the beginning of the year. Major impacts was capital construction at the Wastewater Treatment Plan.

### Parking Authority

*Comparing Fiscal Year 2012 to Fiscal Year 2011*

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 17) reported a fund net assets of \$19.3 million which is \$.1 million less than the beginning of the year (\$19.4 million). There were no major impacts.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the City had \$615.3 million invested in a variety of capital assets, as reflected in the following schedule:

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Land	\$ 23,629,897	\$ 4,838,762	\$ 28,468,659
Construction in Progress	3,099,257	-	3,099,257
Land Improvements	7,664,965	48,347	7,713,312
Machinery and Equipment	12,561,432	400,600	12,962,032
Buildings and Improvements	248,198,696	122,159,248	370,357,944
Infrastructure	177,833,689	14,853,539	192,687,228
<b>Total</b>	<b>\$ 472,987,936</b>	<b>\$ 142,300,496</b>	<b>\$ 615,288,432</b>

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Beginning balance	\$ 460,945	\$ 131,868	\$ 592,813
Additions/transfers	21,536	13,950	35,486
Disposals/transfers	-	-	-
Depreciation	(9,493)	(3,518)	(13,011)
<b>Total</b>	<b>\$ 472,988</b>	<b>\$ 142,300</b>	<b>\$ 615,288</b>

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

## Debt Outstanding

As of year-end, the City had \$250.0 million in debt (bonds, notes, etc.) outstanding compared to the \$251.2 million last year, a .5% net decrease (considering new borrowing and debt retirement). The following summarizes Outstanding Debt which is presented in more detail in Note 6.

During the year the City issued \$18.0 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.

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

	<u>2012</u>	<u>2011</u>
<b>Governmental:</b>		
General obligation bonds	\$ 208,705	\$ 206,706
	<u>208,705</u>	<u>206,706</u>
<b>Business-Type:</b>		
Parking Authority-general obligation bonds	10,930	11,245
Water Pollution Control Authority - general obligation bonds and Clean Water Fund notes	30,552	45,064
	<u>41,482</u>	<u>56,309</u>
<b>Total</b>	<u>\$ 250,187</u>	<u>\$ 263,015</u>

## ECONOMIC FACTORS

The unemployment rate for Norwalk was 6.6%, down from 7.9% a year ago. This compares favorably to the state rate of 8.0% and national rate of 7.9%.

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, 2011, and 2012 has continued to be low due to the sluggish real estate market. The City constantly monitors the stock market and its effect on future pension contributions and Intergovernmental Revenue due to the effect economic recession.

## 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.

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## **Basic Financial Statements**



CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2012

	Governmental Type Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 38,173,503	\$ 5,649,201	\$ 43,822,704
Investments	53,054,883	6,549,020	59,603,903
Receivables, net of allowances for collection losses:			
Property taxes, net	4,285,659		4,285,659
Charges, net	-	237,927	237,927
Accounts, net	4,637,766	468,402	5,106,168
Federal and state governments	3,214,021	-	3,214,021
Inventories and prepaids	553,089	-	553,089
Deferred charges	1,084,749	-	1,084,749
Net pension asset	74,801	-	74,801
Restricted cash	14,752,858	1,997,455	16,750,313
Capital assets, not being depreciated	26,729,154	4,838,762	31,567,916
Capital assets, net of accumulated depreciation	446,258,782	137,461,734	583,720,516
<b>Total assets</b>	<b>592,819,265</b>	<b>157,202,501</b>	<b>750,021,766</b>
<b>Liabilities</b>			
Accounts payable and accruals	32,261,238	2,135,165	34,396,403
Unearned revenue	21,329,103	1,163,693	22,492,796
Long-term liabilities:			
Due within one year	26,435,719	23,974,100	50,409,819
Due in more than one year	233,841,438	37,266,279	271,107,717
<b>Total liabilities</b>	<b>313,867,498</b>	<b>64,539,237</b>	<b>378,406,735</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	274,568,182	83,057,571	357,625,753
Restricted:			
General government	180,010		
Public safety	98,068	-	98,068
Health and welfare	170,214	-	170,214
Public works	15,000	-	15,000
Machine operations	8,992	-	8,992
Education	710,867	-	710,867
Community grants	2,637	-	2,637
Unrestricted	3,197,797	9,605,693	12,803,490
<b>Total net assets</b>	<b>\$ 278,951,767</b>	<b>\$ 92,663,264</b>	<b>\$ 371,615,031</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, 2012

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	\$ (14,301,037)	\$ 4,828,349	\$ 2,749,024	\$ -	\$ (6,723,664)	\$ -	\$ (6,723,664)
Education	(225,079,428)	1,263,380	47,373,406	-	(176,442,642)	-	(176,442,642)
Public Safety	(46,256,863)	397,821	-	-	(45,859,042)	-	(45,859,042)
Health and welfare	(4,266,234)	559,251	3,777,036	-	70,053	-	70,053
Public Works	(33,983,862)	10,626,923	-	5,122,483	(18,234,456)	-	(18,234,456)
Recreation, arts and cultural	(9,462,892)	965,772	-	-	(8,497,120)	-	(8,497,120)
Interest on debt	(10,605,062)	-	-	-	(10,605,062)	-	(10,605,062)
<b>Total governmental activities</b>	<b>(343,955,378)</b>	<b>18,641,496</b>	<b>53,899,466</b>	<b>5,122,483</b>	<b>(266,291,933)</b>	<b>-</b>	<b>(266,291,933)</b>
Business-type activities:							
Parking Authority	(5,421,965)	5,298,397	-	-	-	(123,568)	(123,568)
Water Pollution Control Authority	(10,789,266)	14,701,504	-	5,991,361	-	9,903,599	9,903,599
<b>Total business-type activities</b>	<b>(16,211,231)</b>	<b>19,999,901</b>	<b>-</b>	<b>5,991,361</b>	<b>-</b>	<b>9,780,031</b>	<b>9,780,031</b>
Total primary government	\$ (360,166,609)	\$ 38,641,397	\$ 53,899,466	\$ 11,113,844	(266,291,933)	9,780,031	(256,511,902)
General revenues:							
Property taxes					260,826,722	-	260,826,722
Grants and contributions not restricted to specific programs					5,929,512	-	5,929,512
Unrestricted investment earnings					1,644,718	214,939	1,859,657
Total general revenues					268,400,952	214,939	268,615,891
Change in net assets					2,109,019	9,994,970	12,103,989
Net assets - beginning					276,842,748	82,668,294	359,511,042
Net assets - ending					\$ 278,951,767	\$ 92,663,264	\$ 371,615,031

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

CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
<b>Assets</b>				
Cash and cash equivalents	\$ 35,810,513	\$ 13,277,752	\$ 2,646,816	\$ 51,735,081
Investments	30,104,405	12,110,228	1,827,938	44,042,571
Receivables (net of allowances for collection losses):				
Property taxes	4,236,525	49,134	-	4,285,659
Accounts receivable	4,413,115	-	167,927	4,581,042
State and federal governments	783,468	869,453	1,561,100	3,214,021
Inventories and prepaids	22,729	-	29,934	52,663
<b>Total assets</b>	<b>\$ 75,370,755</b>	<b>\$ 26,306,567</b>	<b>\$ 6,233,715</b>	<b>\$ 107,911,037</b>
<b>Liabilities</b>				
Accounts payable	\$ 19,788,499	\$ 4,668,877	\$ 2,576,675	\$ 27,034,051
Unearned revenues	18,591,333	750,000	1,987,770	21,329,103
Deferred revenues	5,844,473	49,134	-	5,893,607
<b>Total liabilities</b>	<b>44,224,305</b>	<b>5,468,011</b>	<b>4,564,445</b>	<b>54,256,761</b>
<b>Fund balances</b>				
Nonspendable	22,729	-	29,934	52,663
Restricted	-	14,752,858	1,185,788	15,938,646
Committed	-	6,085,698	453,548	6,539,246
Assigned	2,591,791	-	-	2,591,791
Unassigned	28,531,930	-	-	28,531,930
Total fund balances	31,146,450	20,838,556	1,669,270	53,654,276
<b>Total liabilities and fund balances</b>	<b>\$ 75,370,755</b>	<b>\$ 26,306,567</b>	<b>\$ 6,233,715</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.	472,987,936
Deferred charges	1,084,749
Net pension asset	74,801
Deferred revenues are not available and therefore not recognized in the funds.	5,893,607
Accrued interest is not reported in the funds	(4,644,089)
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.	(3,824,263)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(246,275,250)

Net assets of governmental activities \$ 278,951,767

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, 2012

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
<b>REVENUES</b>				
Property taxes, interest and liens	\$ 261,268,852	\$ 19,364	\$ -	\$ 261,288,216
Intergovernmental	16,742,938	5,122,483	24,711,725	46,577,146
State on-behalf payments	18,462,058	-	-	18,462,058
Licenses, permits, fees and other	9,288,167	-	9,353,329	18,641,496
Interest	1,005,687	343,962	-	1,349,649
<b>Total revenues</b>	<b>306,767,702</b>	<b>5,485,809</b>	<b>34,065,054</b>	<b>346,318,565</b>
<b>EXPENDITURES</b>				
Current:				
General government	8,159,745	-	492,945	8,652,690
Health and welfare	1,921,248	-	1,948,942	3,870,190
Education	173,117,163	-	21,146,290	194,263,453
Employee benefits	32,605,147	-	-	32,605,147
Public safety	38,675,243	-	19,358	38,694,601
Community grants	3,016,255	-	1,156,262	4,172,517
Public works	16,152,282	-	274,143	16,426,425
Recreation, arts and culture	7,426,222	-	393,344	7,819,566
Maritime Center operations	-	-	8,089,949	8,089,949
Capital outlay	-	27,126,784	-	27,126,784
Debt service:				
Principal	15,450,787	-	-	15,450,787
Interest	9,831,290	1,141,074	-	10,972,364
<b>Total expenditures</b>	<b>306,355,382</b>	<b>28,267,858</b>	<b>33,521,233</b>	<b>368,144,473</b>
<b>(Deficiency) excess of revenues over expenditures</b>	<b>412,320</b>	<b>(22,782,049)</b>	<b>543,821</b>	<b>(21,825,908)</b>
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	-	17,289,583	-	17,289,583
Issuance of refunding debt	18,022,000	-	-	18,022,000
Premium on bond issuance	1,275,925	-	-	1,275,925
Payments to escrow	(19,138,282)	-	-	(19,138,282)
<b>Total other financing sources</b>	<b>159,643</b>	<b>17,289,583</b>	<b>-</b>	<b>17,449,226</b>
<b>Net change in fund balances</b>	<b>571,963</b>	<b>(5,492,466)</b>	<b>543,821</b>	<b>(4,376,682)</b>
<b>FUND BALANCES, beginning</b>	<b>30,574,487</b>	<b>26,331,022</b>	<b>1,125,449</b>	<b>58,030,958</b>
<b>FUND BALANCES, ending</b>	<b>\$ 31,146,450</b>	<b>\$ 20,838,556</b>	<b>\$ 1,669,270</b>	<b>\$ 53,654,276</b>

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

CITY OF NORWALK, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2012

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

Net change in fund balances – total governmental funds	\$ (4,376,682)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	12,042,551
Change in net pension asset	16
Changes in deferred revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(549,269)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,326,058)
Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds at the time the liability is incurred.	(767,764)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	<u>(2,913,775)</u>
Change in net assets of governmental activities	<u>\$ 2,109,019</u>

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, 2012

	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	\$ 5,312,995	\$ 336,206	\$ 5,649,201	\$ 1,191,280
Charges receivable, net	237,927	-	237,927	-
Other receivables	466,763	1,639	468,402	56,725
Investments	5,872,287	676,733	6,549,020	9,012,312
Prepays	-	-	-	500,425
<b>Total current assets</b>	<b>11,889,972</b>	<b>1,014,578</b>	<b>12,904,550</b>	<b>10,760,742</b>
Restricted cash	1,537,695	459,760	1,997,455	-
Capital assets, net	112,653,791	29,646,705	142,300,496	-
<b>Total assets</b>	<b>126,081,458</b>	<b>31,121,043</b>	<b>157,202,501</b>	<b>10,760,742</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Current maturities of bonds and notes payable	23,407,757	566,343	23,974,100	-
Accounts payable and accrued liabilities	1,873,597	261,568	2,135,165	583,098
Claims payable	-	-	-	3,629,688
Unearned revenue	543,641	620,052	1,163,693	-
<b>Total current liabilities</b>	<b>25,824,995</b>	<b>1,447,963</b>	<b>27,272,958</b>	<b>4,212,786</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds and notes payable	26,902,685	10,363,594	37,266,279	-
Claims payable	-	-	-	10,372,219
<b>Total long-term liabilities</b>	<b>26,902,685</b>	<b>10,363,594</b>	<b>37,266,279</b>	<b>10,372,219</b>
<b>Total liabilities</b>	<b>52,727,680</b>	<b>11,811,557</b>	<b>64,539,237</b>	<b>14,585,005</b>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets (net of related debt)	63,881,043	19,176,528	83,057,571	-
Unrestricted	9,472,735	132,958	9,605,693	(3,824,263)
<b>Total net assets (deficit)</b>	<b>\$ 73,353,778</b>	<b>\$ 19,309,486</b>	<b>\$ 92,663,264</b>	<b>\$ (3,824,263)</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 (DEFICIT) - PROPRIETARY FUNDS

For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
<b>OPERATING REVENUES</b>				
City and member's contributions	\$ -	\$ -	\$ -	\$ 47,939,559
Charges for services	14,566,767	5,298,397	19,865,164	-
<b>Total operating revenues</b>	<b>14,566,767</b>	<b>5,298,397</b>	<b>19,865,164</b>	<b>47,939,559</b>
<b>OPERATING EXPENSES</b>				
Administrative and operations	6,999,773	3,849,688	10,849,461	1,088,215
Depreciation	2,581,488	936,438	3,517,926	-
Salaries, benefits and claims	411,133	234,946	646,079	50,060,188
<b>Total operating expenses</b>	<b>9,992,394</b>	<b>5,021,072</b>	<b>15,013,466</b>	<b>51,148,403</b>
<b>Operating income (loss)</b>	<b>4,574,373</b>	<b>277,325</b>	<b>4,851,698</b>	<b>(3,208,844)</b>
<b>NONOPERATING INCOME (EXPENSE)</b>				
Investment income	194,217	20,722	214,939	295,069
Other Income	134,737	-	134,737	-
Interest expense	(796,872)	(400,893)	(1,197,765)	-
<b>Total nonoperating income (expense)</b>	<b>(467,918)</b>	<b>(380,171)</b>	<b>(848,089)</b>	<b>295,069</b>
<b>Net income (loss) before contributions</b>	<b>4,106,455</b>	<b>(102,846)</b>	<b>4,003,609</b>	<b>(2,913,775)</b>
Capital contributions	5,991,361	-	5,991,361	-
<b>Change in net assets</b>	<b>10,097,816</b>	<b>(102,846)</b>	<b>9,994,970</b>	<b>(2,913,775)</b>
<b>FUND NET ASSETS (DEFICIT), beginning</b>	<b>63,255,962</b>	<b>19,412,332</b>	<b>82,668,294</b>	<b>(910,488)</b>
<b>FUND NET ASSETS (DEFICIT), ending</b>	<b>\$ 73,353,778</b>	<b>\$ 19,309,486</b>	<b>\$ 92,663,264</b>	<b>\$ (3,824,263)</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, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 14,735,808	\$ 5,960,315	\$ 20,696,123	\$ 47,899,231
Payments to suppliers	(7,573,987)	(3,854,409)	(11,428,396)	-
Payments to employees/claims paid	(418,740)	(238,188)	(656,928)	(49,284,995)
<b>Net cash provided by (used in) operating activities</b>	<b>6,743,081</b>	<b>1,867,718</b>	<b>8,610,799</b>	<b>(1,385,764)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Principal payments on debt	(4,302,858)	(541,112)	(4,843,970)	-
Insurance recover on damaged property and equipment	134,737	-	134,737	-
Interest paid on debt	(801,586)	(437,524)	(1,239,110)	-
Proceeds from notes payable	9,548,597	226,000	9,774,597	-
Intergovernmental	5,575,818	-	5,575,818	-
Purchase of property and equipment	(13,224,722)	(726,046)	(13,950,768)	-
<b>Net cash used in capital and related financing activities</b>	<b>(3,070,014)</b>	<b>(1,478,682)</b>	<b>(4,548,696)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>				
Purchase of investments	(1,889,722)	(195,324)	(2,085,046)	-
Sale of investments	-	-	-	150,994
Investment income	194,217	20,722	214,939	295,069
<b>Net cash provided by (used in) investing activities</b>	<b>(1,695,505)</b>	<b>(174,602)</b>	<b>(1,870,107)</b>	<b>446,063</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>1,977,562</b>	<b>214,434</b>	<b>2,191,996</b>	<b>(939,701)</b>
<b>Cash and Cash Equivalents</b>				
Beginning	4,873,128	581,532	5,454,660	2,130,981
Ending	<u>\$ 6,850,690</u>	<u>\$ 795,966</u>	<u>\$ 7,646,656</u>	<u>\$ 1,191,280</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used in) Operating Activities</b>				
Operating income (loss)	\$ 4,574,373	\$ 277,325	\$ 4,851,698	\$ (3,208,844)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,581,488	936,438	3,517,926	-
Changes in assets and liabilities:				
Decrease in charges receivable	107,523	-	107,523	-
Increase (decrease) in other receivables	(35,986)	661,917	625,931	(40,328)
Decrease in prepaids	-	-	-	87,113
Decrease in accounts payable and accrued expenses	(581,822)	(7,962)	(589,784)	-
Increase in claims and judgments payable	-	-	-	1,776,295
Increase in unearned income	97,505	-	97,505	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,743,081</b>	<b>\$ 1,867,718</b>	<b>\$ 8,610,799</b>	<b>\$ (1,385,764)</b>
<b>Noncash Investment Activities</b>				
Net increase in fair value of investments	<u>\$ 5,316</u>	<u>\$ 613</u>	<u>\$ 5,929</u>	<u>\$ 68,188</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, 2012

	Trust Funds	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,864,909	\$ 84,847	\$ 1,629,168
Investments:			
U.S. Government Agency	902,583	-	19,820
Corporate bonds	15,750	-	-
Common stock	37,392,259	-	-
Hedge/alternative investments	95,175,400	-	-
Index Funds	61,987,620	-	-
Commingled funds	69,497,346	-	-
Mutual Funds	79,292,159	-	6,171
Certificates of Deposit	1,779,813	-	39,082
<b>Total investments</b>	<b>346,042,930</b>	<b>-</b>	<b>65,073</b>
Secured lending transactions	9,962,928	-	-
Accounts receivable	43,856	-	-
Prepays	30,949	-	-
<b>Total assets</b>	<b>366,945,572</b>	<b>84,847</b>	<b>1,694,241</b>
<b>LIABILITIES</b>			
Secured lending transactions	9,962,928	-	-
Accounts payable	1,005,476	-	1,694,241
<b>Total liabilities</b>	<b>10,968,404</b>	<b>-</b>	<b>1,694,241</b>
<b>Net Assets Held in Trust</b>	<b>\$ 355,977,168</b>	<b>\$ 84,847</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, 2012

	Trust Funds	Private Purpose Trust Fund
<b>Additions</b>		
Contributions:		
Employer	\$ 21,345,188	\$ -
Plan members	3,318,719	-
Other	412,715	3,122
<b>Total contributions</b>	<b>25,076,622</b>	<b>3,122</b>
Investment (loss) income:		
Interest and dividends	7,342,748	871
Net depreciation in fair value of investments	(10,784,834)	-
Investment expense	(1,118,472)	-
<b>Net investment (loss) income</b>	<b>(4,560,558)</b>	<b>871</b>
Securities lending transactions income	36,944	-
Securities lending transactions expense	(1,824)	-
<b>Net investment income - securities lending</b>	<b>35,120</b>	<b>-</b>
<b>Deductions</b>		
Benefits paid	34,782,646	-
General and administrative	456,677	10,250
<b>Total deductions</b>	<b>35,239,323</b>	<b>10,250</b>
<b>Net decrease</b>	<b>(14,688,139)</b>	<b>(6,257)</b>
<b>Net Assets Held in Trust</b>		
Beginning of year	370,665,307	91,104
End of year	<b>\$ 355,977,168</b>	<b>\$ 84,847</b>

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

# CITY OF NORWALK, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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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 in Government Accounting Standards Board Codification, Section 2100, have been considered and as a result, there are no agencies or entities that should be 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, a legally separate organization 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, members of the Common Council and additional members.

## **CITY OF NORWALK, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS, Continued** **June 30, 2012**

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#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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. 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, 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.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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.

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 its 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.

Pursuant to the provisions of GASB Statement No. 20, 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 GASB. 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.

## **CITY OF NORWALK, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS, Continued** **June 30, 2012**

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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 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, including property taxes receivable, for the primary government are reported net of an allowance for doubtful accounts, totaling approximately \$1,922,000 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.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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#### 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.

Property, plant, and equipment 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.

#### 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

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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.

#### **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 and unspent bond proceeds reduces this category.

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

***Unrestricted Net 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 for a specific purpose by a government using its highest level of decision-making authority. The City of Norwalk Common Council is the highest level of decision-making authority for the City and can commit fund balance through the adoption of a resolution/ordinance prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution/ordinance remains in place until similar action is taken to remove or revise the limitation.
- **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. Under the City's adopted policy, the Director of Finance has the authority to assign amounts for a specific purpose.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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- **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.

#### **Pension accounting**

##### ***Pension Trust Funds:***

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

##### ***Governmental Funds and Governmental Activities:***

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of GASB 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 began contributing on July 1, 2007.

##### ***Governmental Funds and Governmental Activities:***

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of GASB 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, 2012**

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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	\$ 208,705,203
Premiums and gains/losses on refunding, net of accumulated amortization	4,467,408
Gross pension obligation	1,386,844
Early retirement	851,500
Capital lease	185,240
Other post-employment obligation	16,087,225
Claims payable	462,000
Compensated absences	14,129,830
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ 246,275,250</u></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	\$ 21,535,483
Depreciation expense	<u>(9,492,932)</u>
	<hr/>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 12,042,551</u></u>

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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	\$ (35,296,000)
Premium amortization	1,374,974
Deferred gain/loss amortization	(800,880)
Principal repayments:	
Bonds refunded	18,645,050
General obligation debt	14,652,054
Capital lease payments	<u>98,744</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>\$ (1,326,058)</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	\$ 1,671,821
Accrued interest	(22,276)
Pension liability	138,796
Early retirement	408,000
Other post-employment obligation	(3,319,371)
Deferred charges	12,266
Claims payable	<u>343,000</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>\$ (767,764)</u></u>

#### **Note 3. Cash, Cash Equivalents 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, 2012

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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.

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, 2012, approximately \$29,072,000 of the entity's bank balance of \$34,275,000 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, 2012**

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Cash and investments of the City consist of the following at June 30, 2012:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 57,788,984
State of Connecticut Short-Term Investment Fund	287,893
Cutwater Connecticut Class	15,075,064
<b>Total cash and cash equivalents</b>	<u>73,151,941</u>
<b>Investments</b>	
General Fund	
U.S. Government Agencies	9,169,010 *
Mutual Funds	2,854,934
Certificates of Deposit	18,080,461
<b>Total general fund</b>	<u>30,104,405</u>
Non-Major Funds	
U.S. Government Agencies	556,742 *
Mutual Funds	173,352
Certificates of Deposit	1,097,844
<b>Total non-major funds</b>	<u>1,827,938</u>
Capital Projects Fund	
U.S. Government Agencies	3,688,457 *
Mutual Funds	1,148,467
Certificates of Deposit	7,273,304
<b>Total capital projects fund</b>	<u>12,110,228</u>
Internal Service Funds	
Common Stock	2,892,804 *
U.S. Government Securities	2,809,999
U.S. Government Agencies	290,888 *
Mutual Funds	1,223,389
Corporate Bonds	1,221,628 *
Certificates of Deposit	573,604
<b>Total internal service fund</b>	<u>9,012,312</u>
WPCA:	
U.S. Government Agencies	1,788,544 *
Mutual Funds	556,895
Certificates of Deposit	3,526,848
<b>Total WPCA</b>	<u>5,872,287</u>
Parking Authority:	
U.S. Government Agencies	206,115 *
Mutual Funds	64,178
Certificates of Deposit	406,440
<b>Total parking authority</b>	<u>676,733</u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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**Investments, Continued**

Trust Funds:

U.S. Government Agencies	902,583	*
Corporate Bonds	15,750	*
Common stock	37,392,259	*
Mutual Funds	79,292,159	
Index Funds	61,987,620	
Hedge/alternative investments	95,175,400	
Commingled funds	69,497,346	
Certificates of Deposit	1,779,813	
<b>Total trust funds</b>	<u>346,042,930</u>	

Agency Funds:

U.S. Government Agencies	19,820	*
Mutual Funds	6,171	
Certificates of Deposit	39,082	
<b>Total agency funds</b>	<u>65,073</u>	

**Total investments**

405,711,906

**Total cash, cash equivalents and investments**

\$ 478,863,847

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

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

**Statement of Net Assets**

Cash and cash equivalents	\$ 60,573,017
Investments	59,603,903
<b>Total statement of net assets</b>	<u>120,176,920</u>

**Fiduciary Funds:**

Cash and cash equivalents	12,578,924
Investments	346,108,003
	<u>358,686,927</u>

**Total cash, cash equivalents and investments**

\$ 478,863,847

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

*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	\$ 2,809,999	\$ -	\$ 1,798,224	\$ 505,585	\$ 506,190
U.S. Government Agencies	16,622,159	-	13,526,828	3,095,331	-
Pooled fixed income	15,362,957	15,362,957	-	-	-
Corporate Bonds	1,237,378	15,750	434,696	459,867	327,065
Certificates of Deposit	32,777,396	2,389,805	23,875,494	6,022,097	490,000
<b>TOTAL</b>	<b>\$ 68,809,889</b>	<b>\$ 17,768,512</b>	<b>\$ 39,635,242</b>	<b>\$ 10,082,880</b>	<b>\$ 1,323,255</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
AAAm	\$ -	\$ -	\$ 15,362,957	\$ -
AA+	169,128	16,622,159	-	884,020
AA	153,222	-	-	-
A+	153,573	-	-	-
A	300,785	-	-	-
A-	444,920	-	-	-
Unrated	15,750	-	-	1,925,979
	<b>\$ 1,237,378</b>	<b>\$ 16,622,159</b>	<b>\$ 15,362,957</b>	<b>\$ 2,809,999</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

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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	\$ -	\$ 5,844,473
Advanced tax collections	12,992,518	-
Tax overpayments	2,630,847	-
Grants and other	2,967,968	-
<b>Capital Projects:</b>		
Grants	750,000	-
Tax revenue	-	49,134
<b>Nonmajor Funds:</b>		
Grants	1,987,770	-
<b>Total</b>	<u>\$ 21,329,103</u>	<u>\$ 5,893,607</u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 23,629,897	\$ -	\$ -	\$ 23,629,897
Construction in progress	308,259	2,790,998	-	3,099,257
Total capital assets, not being depreciated	<u>23,938,156</u>	<u>2,790,998</u>	<u>-</u>	<u>26,729,154</u>
Capital assets, being depreciated:				
Land improvements	14,305,437	823,169	-	15,128,606
Machinery and equipment	39,364,492	3,133,579	-	42,498,071
Buildings and improvements	332,540,353	1,806,935	-	334,347,288
Infrastructure	191,384,072	12,980,802	-	204,364,874
Total capital assets being depreciated	<u>577,594,354</u>	<u>18,744,485</u>	<u>-</u>	<u>596,338,839</u>
Less accumulated depreciation for:				
Land improvements	7,009,313	454,318	-	7,463,631
Machinery and equipment	28,073,811	1,862,828	-	29,936,639
Buildings and improvements	79,862,093	6,286,499	-	86,148,592
Infrastructure	25,641,908	889,287	-	26,531,195
Total accumulated depreciation	<u>140,587,125</u>	<u>9,492,932</u>	<u>-</u>	<u>150,080,057</u>
Total capital assets, being depreciated, net	<u>437,007,229</u>	<u>9,251,553</u>	<u>-</u>	<u>446,258,782</u>
Governmental activities capital assets, net	<u>\$ 460,945,385</u>	<u>\$ 12,042,551</u>	<u>\$ -</u>	<u>\$ 472,987,936</u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

	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	13,334,287	8,852	-	13,343,139
Buildings and improvements	148,610,146	13,941,915	-	162,552,061
Infrastructure	28,677,753	-	-	28,677,753
Total capital assets, being depreciated	191,131,474	13,950,767	-	205,082,241
Less accumulated depreciation for:				
Land improvements	443,238	17,703	-	460,941
Machinery and equipment	12,771,109	171,430	-	12,942,539
Buildings and improvements	37,494,097	2,898,716	-	40,392,813
Infrastructure	13,394,137	430,077	-	13,824,214
Total accumulated depreciation	64,102,581	3,517,926	-	67,620,507
Total capital assets, being depreciated, net	127,028,893	10,432,841	-	137,461,734
Business-type activities capital assets, net	\$ 131,867,655	\$ 10,432,841	\$ -	\$ 142,300,496

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 144,865
Education	5,118,635
Public safety	1,317,041
Health and welfare	37,712
Public works	2,135,716
Recreation, arts and cultural	738,963
<b>Total depreciation expense – governmental activities</b>	<b>\$ 9,492,932</b>
<b>Business-type activities:</b>	
Parking Authority	\$ 936,438
Water Pollution Control Authority	2,581,488
<b>Total depreciation expense – business-type activities</b>	<b>\$ 3,517,926</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**Note 6. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 206,158,635	\$ 35,296,000	\$ (33,013,622)	\$ 208,441,013	\$ 15,674,994
Maritime Center bonds	547,672	-	(283,482)	264,190	264,190
Deferred amounts:					
For issuance premiums and gain/loss	5,041,502	800,880	(1,374,974)	4,467,408	-
<b>Total bonds and notes payable</b>	<b>211,747,809</b>	<b>36,096,880</b>	<b>(34,672,078)</b>	<b>213,172,611</b>	<b>15,939,184</b>
Compensated absences	15,801,651	4,576,121	(6,247,942)	14,129,830	6,300,000
Capital lease	283,984	-	(98,744)	185,240	103,847
Net pension obligation	1,525,640	-	(138,796)	1,386,844	-
Other post-employment obligation	12,767,854	3,319,371	-	16,087,225	-
Early retirement accrual	1,259,500	25,500	(433,500)	851,500	363,000
Risk financing activities	12,371,872	51,690,223	(50,060,188)	14,001,907	3,629,688
Claims payable	805,000	-	(343,000)	462,000	100,000
<b>Total other long term debt</b>	<b>44,815,501</b>	<b>59,611,215</b>	<b>(57,322,170)</b>	<b>47,104,546</b>	<b>10,496,535</b>
<b>Governmental activity long-term liabilities</b>	<b>\$ 256,563,310</b>	<b>\$ 95,708,095</b>	<b>\$ (91,994,248)</b>	<b>\$ 260,277,157</b>	<b>\$ 26,435,719</b>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds and notes payable	\$ 44,812,147	\$ 1,514,000	\$ (4,843,963)	\$ 41,482,184	\$ 4,215,905
Interim Clean Water Fund notes	11,497,605	8,260,590	-	19,758,195	19,758,195
<b>Total bonds and notes payable</b>	<b>56,309,752</b>	<b>9,774,590</b>	<b>(4,843,963)</b>	<b>61,240,379</b>	<b>23,974,100</b>
<b>Business-type activity long-term liabilities</b>	<b>\$ 56,309,752</b>	<b>\$ 9,774,590</b>	<b>\$ (4,843,963)</b>	<b>\$ 61,240,379</b>	<b>\$ 23,974,100</b>

## **CITY OF NORWALK, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS, Continued** **June 30, 2012**

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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 \$14,130,000 as of June 30, 2012. This amount is recorded in the government wide statements, and paid out of the General Fund.

#### **Net pension obligation**

GASB 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, 2012 was approximately \$1,387,000. This amount is recorded in the government wide statements, and paid out of the General Fund.

#### **Other Post Employment Obligation**

GASB 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, 2012 was approximately \$16,087,000. 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, 2012 is approximately \$851,500 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, 2012 is approximately \$462,000. 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, 2012**

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**Bonded indebtedness**

As of June 30, 2012, 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	3.00-4.00	6,477,450
Capital improvement	3.00-4.00	1,686,142
Capital improvement	4.00-5.75	1,530,563
Capital improvement	3.00-5.00	15,735,000
Capital improvement	4.00-5.00	8,584,667
Capital improvement	2.00-5.00	50,928,021
Capital improvement	3.00-5.00	15,935,550
Capital improvement	2.25-5.00	14,114,000
Capital improvement	2.00-5.00	15,869,127
Capital improvement	3.00-5.00	23,440,493
Capital improvement	1.60-5.20	6,000,000
Capital improvement	1.60-5.20	12,844,000
Capital improvement	3.00-4.00	18,022,000
Capital improvement	2.00-4.00	17,274,000
		<u>\$ 208,441,013</u>

**Capital Lease**

Machinery and equipment with a cost of approximately \$655,000 and accumulated depreciation of \$483,000 at June 30, 2012 is committed under capital lease arrangements. Future minimum payments under capital lease arrangements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2013	\$ 110,820
2014	83,115
<b>Total</b>	<u>193,935</u>
Less amount representing interest at 5.05%	(8,695)
<b>Total</b>	<u>\$ 185,240</u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

**Maritime Center Project Bonds**

Purpose	Interest Rate %	Amount
Maritime Center Project - Refunding G.O. Bonds, 1986 Series	6.95-7.20%	<u>\$ 264,190</u>

***Business-Type Activities***

**Enterprise Debt**

Purpose	Interest Rate %	Amount
Water Pollution Control Authority Bonds	2.75-6.50%	\$ 8,809,058
Water Pollution Control Authority Clean Water Fund Notes	2.00%	21,743,189
Parking Authority G.O. - Parking Fund	2.00-6.50%	10,929,937
		<u>\$ 41,482,184</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, 2012 is as follows:

Year Ended June 30, 2012	General Obligation Debt	Maritime Center Project Debt	Total Interest Amount	Total Principal and Interest Amount
2013	\$ 15,674,994	\$ 264,191	\$ 9,739,087	\$ 25,678,272
2014	17,693,254	-	7,514,203	25,207,457
2015	17,303,099	-	6,896,594	24,199,693
2016	16,244,293	-	6,256,653	22,500,946
2017	14,846,893	-	5,584,715	20,431,608
2018-2022	62,132,060	-	19,594,377	81,726,437
2023-2027	47,872,033	-	8,023,618	55,895,651
Thereafter	16,674,386	-	1,270,065	17,944,451
	<u>\$ 208,441,013</u>	<u>\$ 264,191</u>	<u>\$ 64,879,312</u>	<u>\$ 273,584,516</u>

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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, 2012 is as follows:

Year Ended June 30,	WPCA Debt	Parking Authority Debt	Total Interest Amount	Total Principal and Interest Amount
2013	\$ 3,649,562	\$ 566,343	\$ 1,172,903	\$ 5,388,809
2014	3,762,212	759,896	1,022,374	5,544,482
2015	3,771,717	776,207	909,879	5,457,803
2016	3,669,653	741,013	800,605	5,211,271
2017	3,427,049	632,413	693,467	4,752,928
2018-2022	9,729,761	3,217,770	2,164,551	15,112,082
2023-2027	2,106,973	3,650,994	859,849	6,617,816
Thereafter	435,320	585,302	71,301	1,091,923
	<u>\$ 30,552,247</u>	<u>\$ 10,929,937</u>	<u>\$ 7,694,930</u>	<u>\$ 49,177,114</u>

#### **Interim financing**

The City received interim financing from the State of Connecticut of \$19,758,195 for renovations to their wastewater plant. When the project is complete, the short-term interim financing will be restructured into long-term debt.

#### **2012 General Obligation Bond – In-Substance Defeasance**

On July 11, 2011, the Town issued \$18,810,000 of general obligation refunding bonds with an average interest rate of 3.13%, of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the City dated 2007 and 2008 (the Refunding Bonds"). Net proceeds of \$19,975,091 (after payment of expenses of \$166,623), which was placed in an irrevocable trust under an Escrow Agreement dated July 2011 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$712,441, and a cash savings of \$842,600 between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$19,456,000 at June 30, 2012. The balance of the defeased bonds was approximately \$18,650,000 at June 30, 2012. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

#### **In-Substance Defeasance – Prior Years**

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

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements.

#### **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, 2012 as follows:

General purpose	\$	32,381,200
Schools		7,401,330
Sewer		33,108,219
Urban Renewal		7,644,000
<b>Total</b>	<b>\$</b>	<b>80,534,749</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	\$ 590,751,556	\$ 153,537,350	\$ 437,214,206
Pension	787,668,742	-	787,668,742
Schools	1,181,503,113	112,918,776	1,068,584,337
Sewers	984,585,927	85,037,247	899,548,680
Urban renewal	853,307,804	21,311,924	831,995,880

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,837,893,731.

#### **Subsequent Event**

On July 10, 2012, the City refunded \$18,985,000 of general obligation bonds to refinance previous general obligation bonds at a lower interest rate. The bonds will mature through 2029.

On August 15, 2012, the City issued \$26,000,000 of general obligation bonds to finance certain capital projects. The bonds will mature through 2032.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

**Capital Projects**

A summary of the uncompleted capital projects of the City at June 30, 2012 follows:

	Project Authorizations	Expenditures Fiscal 2012	Expenditures Cumulative	Unexpended Authorization Balances
	(a)	(b)	(c)	
Department of Public Works				
Clean Water	\$ 45,000,000	\$ 12,715,461	\$ 33,145,163	\$ 11,854,837
Sanitary Sewers	11,395,001	318,084	4,835,946	6,559,055
Drainage	6,660,000	3,042,764	3,398,399	3,261,601
Roads and Highways	20,540,882	5,917,576	9,802,966	10,737,916
Other	1,831,000	1,672,579	1,294,138	536,862
Police Department	193,000	122,825	172,027	20,973
Fire Department	15,558,250	3,347,901	2,138,856	13,419,394
Parks and Recreation	24,580,641	7,330,248	14,437,784	10,142,857
Board of Education	68,046,043	916,852	58,708,069	9,337,974
Redevelopment Agency	45,830,265	2,302,915	27,586,534	18,243,731
Traffic and Parking	10,916,806	2,885,998	5,161,868	5,754,938
Total	<u>\$ 250,551,888</u>	<u>\$ 40,573,203</u>	<u>\$ 160,681,750</u>	<u>\$ 89,870,138</u>

- (a) Represents cumulative Capital Budgets for projects that remain open at June 30, 2012.
- (b) Represents current year expenditures for projects that were open at June 30, 2012.
- (c) Represents aggregate expenditures for projects that were open at June 30, 2012.

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, of approximately \$1,580,000. 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.

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

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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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, 2012, the actuarial valuation date utilized was July 1, 2011.

At the last actuarial valuation date, July 1, 2011, membership consisted of:

	<u>Police</u>	<u>Fire</u>	<u>Employees'</u>	<u>Food Service</u>
Retirees, disabled members and beneficiaries currently receiving benefits	187	146	631	29
Terminated employees entitled to benefits but not yet receiving them	2	1	117	11
Active members	140	122	644	62
Drop members	24	8	-	-
	<u>353</u>	<u>277</u>	<u>1,392</u>	<u>102</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% 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% 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% 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, 2012 was approximately \$9,892,000.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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% 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% 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, 2012 was approximately \$9,411,000.

#### **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% of final average salary, for each year of service (maximum 35 years). Benefits being paid to retired members are increased 1.5% per year.

Members are required to contribute 3.75% 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, 2012 was approximately \$35,206,000.

#### **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% 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, 2012 was approximately \$938,000.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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#### Total Payroll

Total payroll for the City for the year ended June 30, 2012 was approximately \$167,022,000 of which approximately \$55,447,000 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 \$17,157,000 for the year ended June 30, 2012.

The City's annual pension cost and net pension obligation (asset) related to the Plans for the year ended June 30, 2012 were as follows:

	Employees'	Police	Fire	Food Service
Annual required contribution	\$ 2,497,652	\$ 2,272,357	\$ 898,283	\$ 88,905
Interest on net pension obligation	40,430	85,436	-	(6,172)
Adjustment to annual required contribution	(40,534)	(85,656)	-	6,188
Annual pension cost	2,497,548	2,272,137	898,283	88,921
Contributions made	(2,561,323)	(2,272,357)	(898,283)	(88,905)
Increase (decrease) in net pension obligation (asset)	(63,775)	(220)	-	16
Net pension obligation (asset), beginning of year	490,057	1,035,583	-	(74,817)
Net pension obligation (asset), end of year	\$ 426,282	\$ 1,035,363	\$ -	\$ (74,801)

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**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, 2010	\$ 893,835	99.5%	\$ 528,866
June 30, 2011	1,678,620	102.3%	490,057
June 30, 2012	2,497,548	102.6%	426,282
<b><u>Police Benefit Fund</u></b>			
June 30, 2010	\$ 1,202,093	91.3%	\$ 1,032,738
June 30, 2011	1,927,883	99.9%	1,035,583
June 30, 2012	2,272,137	100.0%	1,035,363
<b><u>Firemans Benefit</u></b>			
June 30, 2010	\$ -	100.0%	\$ -
June 30, 2011	335,135	100.0%	-
June 30, 2012	898,283	100.0%	-
<b><u>Food Service Plan</u></b>			
June 30, 2010	\$ 88,702	100.5%	\$ (74,612)
June 30, 2011	89,325	100.2%	(74,817)
June 30, 2012	88,921	100.0%	(74,801)

**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>						
July 1, 2011	\$ 92,709,077	\$ 114,305,654	\$ 21,596,577	81.1%	\$ 9,892,305	218.3%
<b>Firemen's Benefit Fund</b>						
July 1, 2011	\$ 92,030,902	\$ 96,804,918	\$ 4,774,016	95.1%	\$ 9,411,149	50.7%
<b>Employees' Pension Plan</b>						
July 1, 2011	\$ 175,719,300	\$ 184,739,161	\$ 9,019,861	95.1%	\$ 35,205,960	25.6%
<b>Food Service Employees' Pension Plan</b>						
July 1, 2011	\$ 1,712,480	\$ 2,228,282	\$ 515,802	76.9%	\$ 937,656	55.0%

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, 2012**

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Additional information as of the latest actuarial valuations follows:

	Employees' Pension Plan	Police Benefit Fund	Firemens' Benefit Fund	Food Service Pension Plan
Valuation date	July 1, 2011	July 1, 2011	July 1, 2011	July 1, 2011
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining amortization period	25 years	25 years	25 years	25 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	8.00%	8.00%	8.00%	8.00%
Projected salary increases	4.00%	4.00%	4.00%	4.00%
Cost of living adjustments	1.50%	1.50%	1.50%	0.00%
Inflation	2.00%	2.50%	2.50%	2.50%

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**TRUST FUNDS**  
**SCHEDULE OF PLAN NET ASSETS**  
**June 30, 2012**

	Pension Trust Funds				OPEB Trust Fund	Total
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,536,548	\$ 1,870,535	\$ 1,961,748	\$ 29,797	\$ 3,466,281	\$ 10,864,909
Investments, at fair value:						
U.S. Government Agency	-	-	-	-	902,583	902,583
Corporate Bonds	7,623	3,944	4,105	78	-	15,750
Common Stock	18,098,683	9,362,689	9,746,775	184,112	-	37,392,259
Mutual Funds	27,940,922	14,454,215	15,047,156	284,240	21,565,626	79,292,159
Hedge/alternative investments	46,067,006	23,831,073	24,808,696	468,625	-	95,175,400
Commingled funds	33,638,258	17,401,517	18,115,380	342,191	-	69,497,346
Index Funds	30,003,384	15,521,148	16,157,873	305,215	-	61,987,620
Certificates of Deposit	-	-	-	-	1,779,813	1,779,813
Security lending transactions	4,822,278	2,494,629	2,596,966	49,055	-	9,962,928
Accounts receivable	-	-	-	-	43,856	43,856
Prepays	-	-	-	-	30,949	30,949
<b>Total assets</b>	<b>164,114,702</b>	<b>84,939,750</b>	<b>88,438,699</b>	<b>1,663,313</b>	<b>27,789,108</b>	<b>366,945,572</b>
<b>LIABILITIES</b>						
Security lending transactions	4,822,278	2,494,629	2,596,966	49,055	-	9,962,928
Accounts payable	-	-	-	-	1,005,476	1,005,476
<b>Total liabilities</b>	<b>4,822,278</b>	<b>2,494,629</b>	<b>2,596,966</b>	<b>49,055</b>	<b>1,005,476</b>	<b>10,968,404</b>
<b>Net Assets Held in Trust</b>	<b>\$ 159,292,424</b>	<b>\$ 82,445,121</b>	<b>\$ 85,841,733</b>	<b>\$ 1,614,258</b>	<b>\$ 26,783,632</b>	<b>\$ 355,977,168</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**SCHEDULE OF CHANGES IN PLAN NET ASSETS**  
**Year Ended June 30, 2012**

	Pension Trust Funds				OPEB Trust Fund	Total Trust Funds
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund		
<b>Addition</b>						
Contributions						
Employer	\$ 2,561,323	\$ 898,283	\$ 2,272,357	\$ 88,905	\$ 15,524,320	\$ 21,345,188
Plan members	1,358,844	731,936	834,475	26,931	366,533	3,318,719
Other revenue	-	-	-	-	412,715	412,715
<b>Total contributions</b>	<b>3,920,167</b>	<b>1,630,219</b>	<b>3,106,832</b>	<b>115,836</b>	<b>16,303,568</b>	<b>25,076,622</b>
Investment Income						
Interest and dividends	2,562,519	1,327,452	1,373,426	25,354	2,053,997	7,342,748
Net depreciation in fair value of investments	(5,131,392)	(2,658,733)	(2,720,038)	(45,517)	(229,154)	(10,784,834)
Investment expense	(551,804)	(275,804)	(285,542)	(5,322)	-	(1,118,472)
<b>Net investment income (loss)</b>	<b>(3,120,677)</b>	<b>(1,607,085)</b>	<b>(1,632,154)</b>	<b>(25,485)</b>	<b>1,824,843</b>	<b>(4,560,558)</b>
Securities lending transaction income	17,882	9,250	9,630	182	-	36,944
Securities lending transaction expense	(883)	(457)	(475)	(9)	-	(1,824)
<b>Net investment income- securities lending</b>	<b>16,999</b>	<b>8,793</b>	<b>9,155</b>	<b>173</b>	<b>-</b>	<b>35,120</b>
<b>Deductions</b>						
Benefits paid	11,427,304	6,551,754	5,586,759	143,595	11,073,234	34,782,646
General and administrative	55,622	22,590	23,374	5,765	349,326	456,677
<b>Total deductions</b>	<b>11,482,926</b>	<b>6,574,344</b>	<b>5,610,133</b>	<b>149,360</b>	<b>11,422,560</b>	<b>35,239,323</b>
<b>Net (decrease)/increase</b>	<b>(10,666,437)</b>	<b>(6,542,417)</b>	<b>(4,126,300)</b>	<b>(58,836)</b>	<b>6,705,851</b>	<b>(14,688,139)</b>
<b>Net Assets Held in Trust</b>						
Beginning of year	169,958,861	88,987,538	89,968,033	1,673,094	20,077,781	370,665,307
End of year	<b>\$ 159,292,424</b>	<b>\$ 82,445,121</b>	<b>\$ 85,841,733</b>	<b>\$ 1,614,258</b>	<b>\$ 26,783,632</b>	<b>\$ 355,977,168</b>

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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, 2012, 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, 2012 were as follows:

<u>Collateral Type</u>	<u>Market Value June 30, 2012</u>	<u>Collateral Value June 30, 2012</u>	<u>Collateral Percentage</u>
Cash	<u>\$ 9,902,271</u>	<u>\$ 9,962,928</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, 2012.

#### **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 performed as of July 1, 2011. 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 as of July 1, 2007, 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 2007/2008 liability.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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, 2011, the date of the last actuarial valuation.

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

OPEB Obligation

Annual required contribution	\$ 18,629,000
Interest on net OPEB obligation	1,053,348
Adjustments to ARC	<u>(838,657)</u>
Annual OPEB cost	18,843,691
Contributions made	<u>15,524,320</u>
Increase in net OPEB liability	3,319,371
Net OPEB obligation, beginning of year	12,767,854
Net OPEB obligation, end of year	<u>\$ 16,087,225</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 Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
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
6/30/12	18,843,691	15,524,320	83.38%	16,087,225

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)
July 1, 2011	\$ 21,113,000	\$ 233,552,000	\$ 212,439,000	9.0%	N/A	N/A

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, 2012**

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Actuarial assumptions are as follows:

Valuation Date:	July 1, 2011
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:

<u>Year After Valuation Date</u>	<u>Increase</u>
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. The Internal Service Fund services employee health, workers' compensation, general and automobile liability claims for risk of loss.

Settled claims have not exceeded commercial coverage nor has coverage been materially reduced in any of the last three years.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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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:

<u>Fiscal Year Ended</u>	<u>Claims Payable July 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30,</u>
2011	\$ 12,195,114	\$ 44,992,393	\$ 44,815,635	\$ 12,371,872
2012	12,371,872	51,690,223	50,060,188	14,001,907

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

**Note 11. Fund Balance**

Below is a table of fund balance categories and classifications at June 30, 2012 for the City governmental funds:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Nonspendable:			
Inventory	\$ 22,729	\$ -	\$ 29,934
Total nonspendable	<u>22,729</u>	<u>-</u>	<u>29,934</u>
Restricted:			
General government	-	-	180,010
Public safety	-	-	98,068
Health and welfare	-	-	170,214
Public works	-	-	15,000
Maritime operations	-	-	8,992
Education	-	-	710,867
Capital projects	-	14,752,858	-
Community grants	-	-	2,637
Total restricted	<u>-</u>	<u>14,752,858</u>	<u>1,185,788</u>
Committed:			
Public Safety	-	-	453,548
Capital projects	-	6,085,698	-
Total committed	<u>-</u>	<u>6,085,698</u>	<u>453,548</u>
Assigned:			
Education*	106,515	-	-
General government	2,431,296	-	-
Public works*	53,980	-	-
Total assigned	<u>2,591,791</u>	<u>-</u>	<u>-</u>
Unassigned:			
General government	28,531,930	-	-
Total unassigned	<u>28,531,930</u>	<u>-</u>	<u>-</u>
<b>Total fund balance</b>	<u>\$ 31,146,450</u>	<u>\$ 20,838,556</u>	<u>\$ 1,669,270</u>

\* Included in the General Fund is approximately \$59,000 of encumbrances, \$53,000 for Public Works and \$6,000 for Education.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

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**Note 12. Governmental Accounting Standards Board Statements**

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

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

- **GASB Statement No. 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 Town 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.
- **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

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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. 65, *Items Previously Reported as Assets and Liabilities*, was issued March 2012.** This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.
- **GASB Statement No. 66, *Technical Corrections—2012*, was issued in March 2012.** *The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25*, was issued in June 2012.** The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.
- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, was issued in June 2012.** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2015.

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**Required Supplementary  
Information**



**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
POLICE BENEFIT FUND  
June 30, 2012**

***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>						
July 1, 2006	\$ 79,834,138	\$ 88,299,719	\$ 8,465,581	90.4%	\$ 8,540,939	99.1%
July 1, 2007	87,569,890	91,603,735	4,033,845	95.6%	8,277,467	48.7%
July 1, 2008	94,636,631	97,873,967	3,237,336	96.7%	7,836,642	41.3%
July 1, 2009	94,249,586	103,712,578	9,462,992	90.9%	9,767,044	96.9%
July 1, 2010	92,593,831	107,525,222	14,931,391	86.1%	10,038,206	148.7%
July 1, 2011	92,709,077	114,305,654	21,596,577	81.1%	9,892,305	218.3%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 2,272,357	100.0%
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%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
FIREMEN'S BENEFIT FUND  
June 30, 2012**

***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>						
July 1, 2006	\$ 82,627,288	\$ 77,092,528	\$ (5,534,760)	107.2%	8,375,411	(66.1)%
July 1, 2007	90,083,675	80,272,989	(9,810,686)	112.2%	7,336,833	(133.7)%
July 1, 2008	97,165,470	84,666,362	(12,499,108)	114.8%	7,848,842	(159.2)%
July 1, 2009	96,297,190	88,353,774	(7,943,416)	109.0%	8,669,948	(91.6)%
July 1, 2010	93,528,996	92,423,473	(1,105,523)	101.2%	8,907,133	(12.4)%
July 1, 2011	92,030,902	96,804,918	4,774,016	95.1%	9,411,149	50.7%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 898,283	100.00%
2011	335,135	100.00%
2010	-	0.00%
2009	62,744	100.00%
2008	391,779	100.00%
2007	307,926	100.00%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
EMPLOYEES' PENSION PLAN  
June 30, 2012**

***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>						
July 1, 2006	\$ 156,760,853	\$ 145,771,482	\$ (10,989,371)	107.5%	33,335,431	(33.0)%
July 1, 2007	170,882,599	151,182,524	(19,700,075)	113.0%	34,353,200	(57.3)%
July 1, 2008	184,115,610	164,871,892	(19,243,718)	111.7%	34,753,304	(55.4)%
July 1, 2009	182,692,735	172,664,238	(10,028,497)	105.8%	35,652,748	(28.1)%
July 1, 2010	177,700,315	177,964,459	264,144	99.9%	35,648,471	0.7%
July 1, 2011	175,719,300	184,739,161	9,019,861	95.1%	35,205,960	25.6%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 2,497,652	102.50%
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%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
FOOD SERVICE BENEFIT FUND  
June 30, 2012**

***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>						
July 1, 2006	\$ 1,217,225	\$ 1,546,368	\$ 329,143	78.7%	620,707	53.0%
July 1, 2007	1,417,238	1,617,325	200,087	87.6%	843,602	23.7%
July 1, 2008	1,579,233	2,025,521	446,288	78.0%	837,065	53.3%
July 1, 2009	1,612,820	1,930,122	317,302	83.6%	937,757	33.8%
July 1, 2010	1,648,073	2,030,852	382,779	81.2%	920,435	41.6%
July 1, 2011	1,712,480	2,228,282	515,802	76.9%	937,656	55.0%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 89,102	100.00%
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%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OPEB TRUST  
June 30, 2012**

***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)
July 1, 2006	\$ -	\$ 163,771,000	\$ 163,771,000	0%	N/A	N/A
July 1, 2007	-	187,892,000	187,892,000	0%	N/A	N/A
July 1, 2008	2,412,900	197,474,900	195,062,000	1.2%	N/A	N/A
July 1, 2009	7,819,000	222,571,000	214,752,000	3.5%	N/A	N/A
July 1, 2011	21,113,000	233,552,000	212,439,000	9.0%	N/A	N/A

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 18,629,000	83.00%
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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>TAXES, INTEREST AND LIEN FEES</b>				
Property Taxes	260,954,473	260,954,473	259,398,303	\$ (1,556,170)
Interest and liens	1,908,900	1,908,900	1,870,550	(38,350)
<b>Total taxes, interest and lien fees</b>	<b>262,863,373</b>	<b>262,863,373</b>	<b>261,268,853</b>	<b>(1,594,520)</b>
<b>INTERGOVERNMENTAL</b>				
State grants in aid - general	5,684,864	5,799,042	5,929,512	130,470
State grants in aid - Board of Education	10,329,045	10,329,045	10,287,421	(41,624)
Other grants	210,000	210,000	526,005	316,005
<b>Total intergovernmental</b>	<b>16,223,909</b>	<b>16,338,087</b>	<b>16,742,938</b>	<b>404,851</b>
<b>LICENSES, PERMITS, FEES AND OTHER</b>				
Building inspections and permits	1,661,500	1,661,500	1,817,856	156,356
Health Department inspection fees	314,000	314,000	322,115	8,115
Police Department permits	3,000	3,000	16,921	13,921
Public Works licenses, permits and service charges	317,385	317,385	488,725	171,340
Planning and zoning permits	215,400	215,400	230,393	14,993
Town Clerk fees and permits	3,164,280	3,164,280	3,067,448	(96,832)
Police Department service charges	293,200	293,200	380,900	87,700
Other service charges and fees	719,282	723,374	1,161,217	437,843
Rental income	208,777	208,777	168,082	(40,695)
Recreation and Parks Commission	987,270	987,270	965,772	(21,498)
Health Department nursing fees	236,500	236,500	237,136	636
<b>Total licenses, permits, fees and other</b>	<b>8,120,594</b>	<b>8,124,686</b>	<b>8,856,565</b>	<b>731,879</b>
<b>INTEREST</b>				
Interest on investments	1,000,000	1,000,000	1,004,504	4,504
<b>Total interest</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,004,504</b>	<b>4,504</b>
<b>Total revenues</b>	<b>\$ 288,207,876</b>	<b>\$ 288,326,146</b>	<b>\$ 287,872,860</b>	<b>\$ (453,286)</b>

See Note to Required Supplementary Information.

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND  
 TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
Mayor	\$ 252,997	\$ 277,550	\$ 265,654	\$ 11,896
City Clerk	329,757	322,384	319,192	3,192
Town Clerk	598,182	612,715	609,931	2,784
Legislative	13,050	12,729	12,174	555
Legal	824,510	871,610	840,423	31,187
Data Processing	1,337,277	1,327,720	1,286,245	41,475
Personnel & Labor Relations	556,494	568,751	552,105	16,646
Human Relations & Fair Rent	217,534	186,784	165,941	20,843
Youth Services	260,817	260,817	256,224	4,593
Registrar of Voters	399,075	382,243	368,195	14,048
Finance Director	189,633	239,912	189,322	50,590
Tax Assessor	754,792	769,926	739,002	30,924
Tax Assessor Revaluation	25,730	1,125,730	3,800	1,121,930
Tax Collector	849,523	878,321	877,721	600
Accounting and Treasury	624,895	627,795	616,097	11,698
Management and budgets	332,533	313,261	305,643	7,618
Purchasing	273,072	276,122	271,302	4,820
Central Services	96,017	93,484	81,682	11,802
<b>Total general government</b>	<b>7,935,888</b>	<b>9,147,854</b>	<b>7,760,653</b>	<b>1,387,201</b>
<b>HEALTH AND WELFARE</b>	<b>1,996,769</b>	<b>1,981,095</b>	<b>1,921,248</b>	<b>59,847</b>
<b>COMMUNITY GRANTS</b>				
NEON	389,500	389,500	389,500	-
Transit District	473,742	473,742	473,742	-
Probate Court	40,579	40,579	40,579	-
Elder House	9,400	9,400	9,400	-
Senior Center	316,787	316,787	316,787	-
Sexual Assault Crisis Center	9,134	9,134	9,134	-
CT Counseling Centers	2,000	2,000	2,000	-
Harbor Commission	11,368	11,368	11,368	-
Housing Site Development Agency	104,955	104,955	104,955	-
Redevelopment Agency	137,521	137,521	135,566	1,955
Mid-Fairfield Guidance Center	13,750	13,750	13,750	-
Neighborhood Improvement	67,783	67,783	67,783	-

See Note to Required Supplementary Information.

(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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>COMMUNITY GRANTS, Continued</b>				
Americare Free Clinic	20,000	20,000	20,000	-
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	163,409	8,390
<b>Total community grants</b>	<b>3,026,600</b>	<b>3,026,600</b>	<b>3,016,255</b>	<b>10,345</b>
<b>EMPLOYEE BENEFITS</b>				
Insurance	8,621,856	8,621,856	8,621,856	-
Social Security	2,160,386	2,259,849	2,254,826	5,023
Worker's Compensation	-	542,000	542,000	-
Unemployment Compensation	125,000	134,437	134,419	18
Special Pensions	1,854	1,854	-	1,854
Police Pension	2,272,357	2,272,357	2,272,357	-
Fire Pension	898,283	898,283	898,283	-
City Pension	2,454,497	2,454,497	2,447,451	7,046
OPEB Contribution	13,846,636	13,846,636	13,846,636	-
Worker's Compensation Insurance	1,474,658	1,474,658	1,474,658	-
<b>Total employee benefits</b>	<b>31,855,527</b>	<b>32,506,427</b>	<b>32,492,486</b>	<b>13,941</b>
<b>PROTECTION OF PERSONS AND PROPERTY</b>				
Police Department	18,079,099	18,816,310	18,803,041	13,269
Fire Department	16,166,366	16,197,855	15,959,392	238,463
Planning and Zoning	1,055,478	1,057,108	1,045,447	11,661
Building Inspector	651,190	657,792	656,232	1,560
Dispatch and Emergency Mgmt Plan	2,096,921	2,221,873	2,221,918	(45)
<b>Total protection of persons and property</b>	<b>38,049,054</b>	<b>38,950,938</b>	<b>38,686,030</b>	<b>264,908</b>
<b>PUBLIC WORKS</b>				
Public Works	16,527,493	16,881,944	16,154,568	727,376

See Note to Required Supplementary Information.

(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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>EDUCATION</b>				
Public Schools	154,801,489	155,097,632	154,660,105	437,527
<b>RECREATION, ARTS AND CULTURE</b>				
Recreation and Parks	3,481,580	3,744,456	3,688,845	55,611
Library	3,406,060	3,405,831	3,401,683	4,148
Historical Commission	310,534	336,674	335,694	980
<b>Total recreations, arts and culture</b>	<b>7,198,174</b>	<b>7,486,961</b>	<b>7,426,222</b>	<b>60,739</b>
<b>CONTINGENCY</b>	<b>1,348,537</b>	<b>418,509</b>	<b>-</b>	<b>418,509</b>
<b>DEBT SERVICE</b>	<b>25,310,683</b>	<b>25,235,992</b>	<b>25,122,434</b>	<b>113,558</b>
<b>ORGANIZATIONAL MEMBERSHIPS</b>	<b>157,662</b>	<b>112,662</b>	<b>112,662</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 288,207,876</b>	<b>\$ 290,846,614</b>	<b>\$ 287,352,663</b>	<b>\$ 3,493,951</b>

See Note to Required Supplementary Information.

## CITY OF NORWALK, CONNECTICUT

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2012

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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 at the Department level. 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, 2012, supplemental appropriations totaled approximately \$2,520,000.

**CITY OF NORWALK, CONNECTICUT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued**  
**June 30, 2012**

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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	\$ 287,352,663
Effect of combined funds under GASB No. 54.	384,128
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	17,157,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	1,305,058
Refunding, net	159,643
Encumbrances and continued appropriations:	
June 30, 2011	55,798
June 30, 2012	<u>(58,908)</u>
Expenditures, GAAP basis	<u><u>\$ 306,355,382</u></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	\$ 287,872,860
Effect of combined funds under GASB No. 54	432,784
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	17,157,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>1,305,058</u>
Revenues, GAAP basis	<u><u>\$ 306,767,702</u></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.

**CITY OF NORWALK, CONNECTICUT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued**  
**June 30, 2012**

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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.

**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, 2012

	Special Revenue			
	Maritime Center Authority	School Lunch	Community Development Block Grant	Board of Education Grants
<b>ASSETS</b>				
Cash and cash equivalents	\$ 243,992	\$ -	\$ 2,637	\$ 958,871
Investments	-	-	-	832,234
Intergovernmental receivables	-	409,833	-	723,163
Other receivables	-	-	-	151,914
Inventories	-	29,934	-	-
<b>Total assets</b>	<b>\$ 243,992</b>	<b>\$ 439,767</b>	<b>\$ 2,637</b>	<b>\$ 2,666,182</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 235,000	\$ 353,944	\$ -	\$ 584,581
Unearned revenue	-	-	-	1,541,554
<b>Total liabilities</b>	<b>235,000</b>	<b>353,944</b>	<b>-</b>	<b>2,126,135</b>
Fund Balances				
Nonspendable	-	29,934	-	-
Restricted	8,992	55,889	2,637	540,047
Committed	-	-	-	-
<b>Total fund balances</b>	<b>8,992</b>	<b>85,823</b>	<b>2,637</b>	<b>540,047</b>
<b>Total liabilities and fund balances</b>	<b>\$ 243,992</b>	<b>\$ 439,767</b>	<b>\$ 2,637</b>	<b>\$ 2,666,182</b>

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Special Revenue

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Healthcare Grants	Other Programs	Totals
\$ 152,710	\$ 1,288,606	\$ 2,646,816
-	995,704	1,827,938
428,104	-	1,561,100
-	16,013	167,927
-	-	29,934
<u>\$ 580,814</u>	<u>\$ 2,300,323</u>	<u>\$ 6,233,715</u>

\$ 133,192	\$ 1,269,958	\$ 2,576,675
446,216	-	1,987,770
<u>579,408</u>	<u>1,269,958</u>	<u>4,564,445</u>

-	-	29,934
1,406	576,817	1,185,788
-	453,549	453,549
<u>1,406</u>	<u>1,030,365</u>	<u>1,669,270</u>

<u>\$ 580,814</u>	<u>\$ 2,300,323</u>	<u>\$ 6,233,715</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, 2012

	Special Revenue			
	Maritime Center Authority	School Lunch	Community Development Block Grant	Board of Education Grants
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,484,842	\$ 1,156,262	\$ 17,531,886
Licenses, permits, fees and other	8,089,949	1,263,380	-	-
<b>Total revenues</b>	<b>8,089,949</b>	<b>3,748,222</b>	<b>1,156,262</b>	<b>17,531,886</b>
<b>EXPENDITURES</b>				
Education	-	3,798,073	-	17,043,588
Maritime Center operations	8,089,949	-	-	-
Health and welfare	-	-	-	-
General government	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Recreation	-	-	-	-
Community grants	-	-	1,156,262	-
<b>Total expenditures</b>	<b>8,089,949</b>	<b>3,798,073</b>	<b>1,156,262</b>	<b>17,043,588</b>
<b>Changes in fund balance</b>	<b>-</b>	<b>(49,851)</b>	<b>-</b>	<b>488,298</b>
<b>FUND BALANCE, beginning</b>	<b>8,992</b>	<b>135,674</b>	<b>2,637</b>	<b>51,749</b>
<b>FUND BALANCE, ending</b>	<b>\$ 8,992</b>	<b>\$ 85,823</b>	<b>\$ 2,637</b>	<b>\$ 540,047</b>

Special Revenue		
Healthcare Grants	Other Programs	Totals
\$ 1,945,973	\$ 1,592,762	\$ 24,711,725
-	-	9,353,329
1,945,973	1,592,762	34,065,054
-	304,629	21,146,290
-	-	8,089,949
1,945,862	3,080	1,948,942
-	492,945	492,945
-	274,143	274,143
-	19,358	19,358
-	393,344	393,344
-	-	1,156,262
1,945,862	1,487,499	33,521,233
111	105,263	543,821
1,295	925,102	1,125,449
\$ 1,406	\$ 1,030,365	\$ 1,669,270

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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, 2012

	Insurance Fund	Fleet Maintenance	Totals
<b>ASSETS</b>			
Cash	\$ 1,084,754	\$ 106,526	\$ 1,191,280
Investments	8,918,617	93,695	9,012,312
Receivables	24,936	31,789	56,725
Prepays	500,425	-	500,425
<b>Total assets</b>	<b>10,528,732</b>	<b>232,010</b>	<b>10,760,742</b>
<b>LIABILITIES</b>			
Accounts payable	415,431	167,667	583,098
Claims payable	14,001,907	-	14,001,907
<b>Total liabilities</b>	<b>14,417,338</b>	<b>167,667</b>	<b>14,585,005</b>
<b>NET ASSETS (DEFICITS)</b>			
Unrestricted	(3,888,606)	64,343	(3,824,263)
<b>Total net assets (deficits)</b>	<b>\$ (3,888,606)</b>	<b>\$ 64,343</b>	<b>\$ (3,824,263)</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, 2012

	Insurance Fund	Fleet Maintenance	Totals
<b>OPERATING REVENUES</b>			
City and member's contributions	\$ 45,601,434	\$ 2,338,125	\$ 47,939,559
<b>Total operating revenues</b>	<b>45,601,434</b>	<b>2,338,125</b>	<b>47,939,559</b>
<b>OPERATING EXPENSES</b>			
Administrative costs	1,079,567	8,648	1,088,215
Program expenditures	47,781,477	2,278,711	50,060,188
<b>Total operating expenses</b>	<b>48,861,044</b>	<b>2,287,359</b>	<b>51,148,403</b>
<b>Operating (loss) income</b>	<b>(3,259,610)</b>	<b>50,766</b>	<b>(3,208,844)</b>
<b>NONOPERATING INCOME</b>			
Investment income	293,662	1,407	295,069
<b>Total nonoperating income</b>	<b>293,662</b>	<b>1,407</b>	<b>295,069</b>
<b>Net (loss) income</b>	<b>(2,965,948)</b>	<b>52,173</b>	<b>(2,913,775)</b>
<b>FUND NET ASSETS (DEFICITS), beginning</b>	<b>(922,658)</b>	<b>12,170</b>	<b>(910,488)</b>
<b>FUND NET ASSETS (DEFICITS), ending</b>	<b>\$ (3,888,606)</b>	<b>\$ 64,343</b>	<b>\$ (3,824,263)</b>

CITY OF NORWALK, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2012

	Insurance Fund	Fleet Maintenance	Totals
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 45,580,724	\$ 2,318,507	\$ 47,899,231
Payments for program and administration costs	(46,866,431)	(2,418,564)	(49,284,995)
<b>Net cash used in operating activities</b>	<b>(1,285,707)</b>	<b>(100,057)</b>	<b>(1,385,764)</b>
<b>Cash Flows From Investing Activities</b>			
Sale (purchase) of investments	107,925	43,069	150,994
Investment income	293,662	1,407	295,069
<b>Net cash provided by investing activities</b>	<b>401,587</b>	<b>44,476</b>	<b>446,063</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(884,120)</b>	<b>(55,581)</b>	<b>(939,701)</b>
<b>Cash and Cash Equivalents</b>			
Beginning	1,968,874	162,107	2,130,981
Ending	<u>\$ 1,084,754</u>	<u>\$ 106,526</u>	<u>\$ 1,191,280</u>
<b>Reconciliation of operating (loss) income to net cash used in operating activities:</b>			
Operating (loss) income	\$ (3,259,610)	\$ 50,766	\$ (3,208,844)
Adjustments to reconcile operating (loss) income to net cash (used in) operating activities:			
Changes in assets and liabilities:			
Increase in accounts receivable	(20,710)	(19,618)	(40,328)
Decrease in prepaids	87,113	-	87,113
(Decrease) increase in accrued expenses/ accounts payable	1,907,500	(131,205)	1,776,295
<b>Net cash used in operating activities</b>	<b>\$ (1,285,707)</b>	<b>\$ (100,057)</b>	<b>\$ (1,385,764)</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, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>STUDENT ACTIVITY FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 963,554	\$ 2,965,444	\$ 3,001,913	\$ 927,085
<b>Liabilities</b>				
Other liabilities	\$ 963,554	\$ 2,965,444	\$ 3,001,913	\$ 927,085
<b>HOUSING SITE DEVELOPMENT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 382,288	\$ 7,362	\$ -	\$ 389,650
<b>Liabilities</b>				
Other liabilities	\$ 382,288	\$ 7,362	\$ -	\$ 389,650
<b>SIXTH TAXING DISTRICT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 1,321,153	\$ 1,321,153	\$ -
<b>Liabilities</b>				
Other liabilities	\$ -	\$ 1,321,153	\$ 1,321,153	\$ -
<b>CITY HALL MURAL RESTORATION</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,274	\$ 26	\$ -	\$ 2,300
<b>Liabilities</b>				
Other liabilities	\$ 2,274	\$ 26	\$ -	\$ 2,300
<b>DETENTION FACILITY ESCROW</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,622	\$ 66	\$ -	\$ 5,688
<b>Liabilities</b>				
Other liabilities	\$ 5,622	\$ 66	\$ -	\$ 5,688

CITY OF NORWALK, CONECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS, Continued  
 For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>ROOSEVELT DEPOSIT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 20,278	\$ 219	\$ -	\$ 20,497
<b>Liabilities</b>				
Other liabilities	\$ 20,278	\$ 219	\$ -	\$ 20,497
<b>SEWER ESCROW</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 192,869	\$ 1,523	\$ -	\$ 194,392
<b>Liabilities</b>				
Other liabilities	\$ 192,869	\$ 1,523	\$ -	\$ 194,392
<b>MISCELLANEOUS BOARD OF EDUCATION</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 170,733	\$ 200,628	\$ 281,805	\$ 89,556
Investments	-	65,073	-	65,073
Total Assets	\$ 170,733	\$ 265,701	\$ 281,805	\$ 154,629
<b>Liabilities</b>				
Other liabilities	\$ 170,733	\$ 200,628	\$ 216,732	\$ 154,629
<b>Total Assets</b>	<b>\$ 1,737,618</b>	<b>\$ 4,561,494</b>	<b>\$ 4,604,871</b>	<b>\$ 1,694,241</b>
<b>Total Liabilities</b>	<b>\$ 1,737,618</b>	<b>\$ 4,496,421</b>	<b>\$ 4,539,798</b>	<b>\$ 1,694,241</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, 2012

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Governmental funds capital assets:

Land	\$ 23,629,897
Buildings and improvements	248,198,696
Land improvements	7,664,975
Machinery and equipment	12,561,432
Infrastructure	177,833,679
Construction in progress	3,099,257
<b>Total governmental funds capital assets</b>	<b>\$ 472,987,936</b>

Investments in governmental funds capital assets:

Assets put into service prior to July 1, 2012	
<b>Total governmental funds capital assets</b>	<b>\$ 472,987,936</b>

**CITY OF NORWALK, CONNECTICUT**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -  
SCHEDULE BY FUNCTION AND ACTIVITY - NET OF DEPRECIATION  
June 30, 2012**

	Land	Construction in Progress	Land Improvements	Machinery and Equipment	Infrastructure	Buildings and Improvements	Total
General Government	\$ -	\$ -	\$ -	\$ 1,279,852	\$ -	\$ -	\$ 1,279,852
Board of Education	4,167,400	96,924	1,147,076	1,878,131	-	191,311,013	198,600,544
Public Works	2,057,997	-	1,896,911	4,862,741	176,397,311	20,990,296	206,205,256
Health & Welfare	-	-	-	80,084	-	1,052,993	1,133,077
Recreation, Arts and Culture	17,404,500	-	4,620,988	438,941	1,436,368	11,374,021	35,274,818
Public Safety	-	3,002,333	-	4,021,683	-	23,470,373	30,494,389
	<u>\$ 23,629,897</u>	<u>\$ 3,099,257</u>	<u>\$ 7,664,975</u>	<u>\$ 12,561,432</u>	<u>\$ 177,833,679</u>	<u>\$ 248,198,696</u>	<u>\$ 472,987,936</u>

**Other Schedules**



CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND

June 30, 2012

	General Fund	Other Programs Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,521,372	\$ 289,141	\$ 35,810,513
Investments	29,855,610	248,795	30,104,405
Receivables (net of allowances for collection losses):			
Property taxes	4,236,525	-	4,236,525
Accounts receivable	4,403,420	9,695	4,413,115
State and federal governments	783,468	-	783,468
Prepays	22,729	-	22,729
<b>Total assets</b>	<b>\$ 74,823,124</b>	<b>\$ 547,631</b>	<b>\$ 75,370,755</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 19,747,505	\$ 40,994	\$ 19,788,499
Unearned revenue	18,591,333	-	18,591,333
Deferred revenues	5,844,473	-	5,844,473
<b>Total liabilities</b>	<b>44,183,311</b>	<b>40,994</b>	<b>44,224,305</b>
<b>FUND BALANCES</b>			
Nonexpendable	22,729	-	22,729
Assigned	2,591,791	-	2,591,791
Unassigned	28,025,293	506,637	28,531,930
<b>Total fund balances</b>	<b>30,639,813</b>	<b>506,637</b>	<b>31,146,450</b>
<b>Total liabilities and fund balances</b>	<b>\$ 74,823,124</b>	<b>\$ 547,631</b>	<b>\$ 75,370,755</b>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND  
 For the Year Ended June 30, 2012

	General Fund	Other Programs Fund	Totals
<b>REVENUES</b>			
Property taxes, interest and liens	\$ 261,268,852	\$ -	\$ 261,268,852
Intergovernmental	16,742,938	-	16,742,938
State on-behalf payments	18,462,058	-	18,462,058
Licenses, permits, fees and other	8,854,840	433,327	9,288,167
Interest	1,004,504	1,183	1,005,687
<b>Total revenues</b>	<b>306,333,192</b>	<b>434,510</b>	<b>306,767,702</b>
<b>EXPENDITURES</b>			
Current:			
General government	7,773,818	385,927	8,159,745
Health and welfare	1,921,248	-	1,921,248
Education	173,117,163	-	173,117,163
Employee benefits	32,605,147	-	32,605,147
Public safety	38,675,243	-	38,675,243
Community grants	3,016,255	-	3,016,255
Public works	16,152,282	-	16,152,282
Recreation, arts and culture	7,426,222	-	7,426,222
Debt service:			
Principal	15,450,787	-	15,450,787
Interest	9,671,647	-	9,671,647
<b>Total expenditures</b>	<b>305,809,812</b>	<b>385,927</b>	<b>306,195,739</b>
<b>Net change in fund balances</b>	<b>523,380</b>	<b>48,583</b>	<b>571,963</b>
<b>FUND BALANCES,</b> beginning of year	<b>30,116,433</b>	<b>458,054</b>	<b>30,574,487</b>
<b>FUND BALANCES,</b> end of year	<b>\$ 30,639,813</b>	<b>\$ 506,637</b>	<b>\$ 31,146,450</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, 2012

Grand List Year	Taxes Receivable July 1, 2011	Current Levy	Lawful Corrections		
			Additions	Deletions	Abatement
2010	\$ -	\$ 262,971,778	\$ 475,548	\$ 11,999	\$ 1,508,079
2009	4,025,535	-	117,181	18,675	647,943
2008	1,246,278	-	52,808	11,282	524,005
2007	607,934	-	2,429	302,431	192,861
2006	42,479	-	20,073	3,007	72,508
2005	26,538	-	17,231	5,409	71,024
2004	21,718	-	10,119	3,019	65,032
2003	16,059	-	6,404	1,941	-
2002	9,747	-	3,628	1,057	-
2001	10,020	-	2,329	684	-
2000	5,283	-	2,644	606	-
1999	3,348	-	1,444	433	-
1998	1,589	-	2,493	724	-
1997	2,783	-	1,793	513	-
1996	3,468	-	2,752	2,300	-
	<u>\$ 6,022,779</u>	<u>\$ 262,971,778</u>	<u>\$ 718,876</u>	<u>\$ 364,080</u>	<u>\$ 3,081,452</u>

Balance to be Collected	Collections					Overpayment	Taxes Receivable June 30, 2012
	Taxes	Interest	Fees	Total			
\$ 261,927,248	\$ 258,619,667	\$ 758,948	\$ 11,299	\$ 259,389,914	\$ 194,934	\$ 3,502,515	
3,476,098	2,181,340	586,101	12,451	2,779,892	163,371	1,458,129	
763,799	156,300	244,546	4,191	405,037	179,342	786,841	
115,071	(55,679)	68,975	1,128	14,424	119,350	290,100	
(12,963)	(8,891)	16,364	24	7,497	141,543	137,471	
(32,664)	(52,419)	15,846	24	(36,549)	347,564	367,319	
(36,214)	(53,956)	11,971	24	(41,961)	346,256	363,998	
20,522	9,300	8,979	24	18,303	311,897	323,119	
12,318	2,968	4,780	-	7,748	231,000	240,350	
11,665	1,872	4,143	-	6,015	230,488	240,281	
7,321	3,012	3,731	-	6,743	178,037	182,346	
4,359	1,011	1,987	-	2,998	202,239	205,587	
3,358	1,769	3,866	-	5,635	4,185	5,774	
4,063	1,280	2,511	-	3,791	1,929	4,712	
3,920	2,002	4,421	-	6,423	-	1,918	
<u>\$ 266,267,901</u>	<u>\$ 260,809,576</u>	<u>\$ 1,737,169</u>	<u>\$ 29,165</u>	<u>\$ 262,575,910</u>	<u>\$ 2,652,135</u>	<u>\$ 8,110,460</u>	

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF CAPITAL PROJECT FUND TAX COLLECTORS

ACTIVITY - SEWER ASSESSMENT

For the Year Ended June 30, 2012

Grand List Year	Uncollected Sewer Assessments July 1, 2011	Current Assessment	Lawful Corrections		Assessments Collected
			Additions	Deletions	
1997-1998	\$ 58	\$ -	\$ -	\$ -	\$ -
1999-2000	4,061	-	-	-	3,415
2001-2002	6,722	-	-	-	2,117
2005-2006	57,658	-	-	-	13,832
	<u>\$ 68,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,364</u>

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Interest	Liens	Total Collected	Taxes Receivable June 30, 2012
\$ -	\$ -	\$ -	\$ 58
5,815	24	9,254	646
1,281	48	3,446	4,605
2,879	48	16,759	43,826
<u>\$ 9,975</u>	<u>\$ 120</u>	<u>\$ 29,459</u>	<u>\$ 49,135</u>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF LONG-TERM BONDED DEBT

For the Year Ended June 30, 2012

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
<b><u>GENERAL GOVERNMENT</u></b>					
<b>City Capital Improvement Bonds</b>	99	04/18/2002	4.00-5.00	10/1/2011	15,598,465
	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
	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
	120	7/1/2011	3.00-4.00	07/01/2027	18,022,000
	121	8/16/2011	2.00-4.00	08/15/2031	17,274,000
<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, 2011	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2012
534,952	-	(534,952)	-
7,649,250	-	(1,171,800)	6,477,450
3,304,249	-	(1,618,107)	1,686,142
1,422,790	-	(1,422,790)	-
9,636,652	-	(8,106,089)	1,530,563
15,750,000	-	(15,000)	15,735,000
21,800,000	-	(13,215,333)	8,584,667
52,307,606	-	(1,379,585)	50,928,021
17,037,600	-	(1,102,050)	15,935,550
14,114,000	-	-	14,114,000
15,879,306	-	(10,179)	15,869,127
27,878,230	-	(4,437,737)	23,440,493
6,000,000	-	-	6,000,000
12,844,000	-	-	12,844,000
-	18,022,000	-	18,022,000
-	17,274,000	-	17,274,000
<b>206,158,635</b>	<b>35,296,000</b>	<b>(33,013,622)</b>	<b>208,441,013</b>
<b>547,672</b>	<b>-</b>	<b>(283,482)</b>	<b>264,190</b>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF LONG-TERM BONDED DEBT, Continued  
For the Year Ended June 30, 2012

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>	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
	121	08/16/2011	2.00-4.00	08/15/2031	226,000
<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
	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
	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)
	120	07/01/2011	3.00-4.00	07/01/2027	788,000
	121	08/16/2011	2.00-4.00	08/15/2031	500,000
	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, 2011	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2012
20,148	-	(20,148)	-
22,216	-	(22,216)	-
123,728	-	(9,291)	114,437
1,000,000	-	(84,666)	915,334
747,192	-	(39,606)	707,586
1,205,000	-	-	1,205,000
6,641,365	-	(331,292)	6,310,073
209,400	-	(33,893)	175,507
1,276,000	-	-	1,276,000
-	226,000	-	226,000
<b>11,245,049</b>	<b>226,000</b>	<b>(541,112)</b>	<b>10,929,937</b>
54,900	-	(54,900)	-
575,750	-	(88,200)	487,550
95,751	-	(46,893)	48,858
59,994	-	(59,994)	-
989,620	-	(884,620)	105,000
2,235,202	-	(15,809)	2,219,393
1,282,400	-	(82,950)	1,199,450
2,356,000	-	-	2,356,000
811,000	-	9,800	820,800
1,175,700	-	(191,700)	984,000
(700,000)	-	-	(700,000)
-	788,000	-	788,000
-	500,000	-	500,000
1,089,641	-	(122,711)	966,930
1,072,149	-	(254,535)	817,614
605,384	-	(105,179)	500,205
284,487	-	(35,094)	249,393
18,873,229	-	(2,125,434)	16,747,795
2,705,891	-	(244,632)	2,461,259
<b>33,567,098</b>	<b>1,288,000</b>	<b>(4,302,851)</b>	<b>30,552,247</b>
<b>\$ 251,518,454</b>	<b>\$ 36,810,000</b>	<b>\$ (38,141,067)</b>	<b>\$ 250,187,387</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 163,057	\$ 145,421	\$ 160,877	\$ 185,092	\$ 215,021	\$ 236,918	\$ 250,536	\$ 265,737	\$ 263,359	\$ 274,568
Restricted	14,173	-	-	-	-	-	-	-	626	1,186
Unrestricted	12,858	35,118	46,944	40,209	31,587	17,510	7,583	1,905	12,859	3,198
Total governmental activities net assets	<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>	<u>278,952</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	83,058
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	9,605
Total business-type activities net assets	<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>	<u>92,663</u>
Primary Government										
Invested in capital assets,										
net of related debt	198,926	195,059	214,617	238,164	268,504	294,940	315,772	333,362	340,654	357,626
Restricted	14,173	663	676	705	745	781	794	-	626	1,186
Unrestricted	13,545	36,320	45,228	47,559	41,118	26,678	11,776	9,576	18,232	12,803
Total primary government net assets	<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>	<u>\$ 371,615</u>

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

Expenses	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General government	\$ 16,232	\$ 16,275	\$ 14,342	\$ 16,091	\$ 15,497	\$ 18,093	\$ 15,809	\$ 15,258	\$ 13,725	\$ 14,301
Education	149,616	149,825	164,242	176,895	179,848	192,383	201,190	209,628	214,237	225,079
Public safety	32,537	32,584	34,696	37,415	39,369	45,115	43,292	43,722	46,491	46,257
Health & welfare	7,544	7,548	3,764	2,163	3,453	2,210	5,155	5,711	4,895	4,266
Public works	30,395	30,436	28,045	28,363	24,553	31,020	33,208	25,524	29,909	33,984
Recreation, arts and cultural	7,033	7,035	7,643	8,308	8,783	9,387	9,922	9,313	9,112	9,463
Interest on debt	6,635	4,181	9,609	6,817	7,627	9,291	9,790	7,692	10,128	10,605
Total governmental activities expenses	<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>	<u>343,955</u>
Business-type activities:										
Parking Authority	1,614	2,963	3,943	4,227	4,282	4,713	5,136	5,827	5,551	5,422
Water Pollution Control Authority	8,004	7,977	8,465	8,799	9,200	9,371	10,454	11,400	10,515	10,789
Total business-type activities net assets	<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>	<u>16,211</u>
Total primary government expenses	<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>	<u>\$ 360,167</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	9,363	7,414	7,220	7,680	7,199	9,246	5,193	4,986	4,868	4,828
Education	11,842	3,867	3,640	2,687	2,912	1,691	1,890	1,710	1,298	1,263
Public safety	5,132	2,383	2,715	3,105	3,059	2,544	429	281	272	398
Health & welfare	1,698	492	510	555	603	555	569	605	549	559
Public works	914	7,784	7,617	8,699	9,342	8,901	11,669	10,807	10,720	10,627
Recreation, arts and cultural	-	628	642	614	754	8	1,279	1,251	970	966
Operating grants and contributions	36,330	29,412	34,276	40,407	36,925	44,278	44,291	47,742	49,006	53,899
Capital grants and contributions	740	2,225	18,571	12,971	9,621	7,605	9,404	5,887	5,156	5,122
Total governmental activities program revenues	<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>	<u>77,663</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	5,298
Water Pollution Control Authority	9,375	9,597	10,034	10,268	10,878	12,201	12,071	13,247	13,254	14,702
Capital grants and contributions	-	499	348	7,230	184	359	-	3,656	4,629	5,991
Total business-type activities program revenues	<u>10,617</u>	<u>12,587</u>	<u>13,392</u>	<u>21,070</u>	<u>15,374</u>	<u>17,496</u>	<u>17,216</u>	<u>22,047</u>	<u>23,151</u>	<u>25,991</u>
Total primary government program revenues	<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>	<u>\$ 103,655</u>
Net (expense)/revenue										
Governmental activities	(183,973)	(193,679)	(187,150)	(199,334)	(208,715)	(232,671)	(243,642)	(243,579)	(255,658)	(266,292)
Business-type activities	999	1,647	984	8,044	1,892	3,412	1,626	4,820	7,085	9,780
Total primary government net expense	<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>	<u>\$ (256,512)</u>
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	175,563	187,008	199,970	207,199	215,806	228,023	237,745	246,277	256,470	260,827
Grants and contributions not restricted to specific programs	5,540	8,884	10,174	8,079	7,352	6,473	5,997	5,076	6,438	5,930
Unrestricted investment earnings	5,085	1,560	4,288	4,631	6,864	5,229	3,591	1,750	1,950	1,645
Transfers and other	(35,437)	(13,323)	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>268,401</u>
Business-type activities: (2)										
Unrestricted investment earnings	120	33	213	383	740	800	626	252	289	215
Transfers and other	35,437	13,267	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>215</u>
Total primary government	<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>	<u>\$ 268,616</u>
<b>Changes in net assets</b>										
Governmental activities	(33,222)	(9,550)	27,282	20,575	21,307	7,054	3,691	9,524	9,200	2,109
Business-type activities (2)	36,556	14,947	1,197	8,427	2,632	4,212	2,252	5,072	7,374	9,995
Total primary government	<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>	<u>\$ 12,104</u>

**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>
2003	\$ 176
2004	187
2005	200
2006	207
2007	216
2008	228
2009	238
2010	246
2011	256
2012	261

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23
Assigned	-	-	-	-	-	-	-	-	1,946	2,592
Unassigned	-	-	-	-	-	-	-	-	28,628	28,532
Reserved	-	186	555	289	1,634	112	112	103	-	-
Unreserved, designated	3,073	3,031	5,113	3,861	4,492	4,349	4,349	1,960	-	-
Unreserved, undesignated	13,054	17,054	25,750	28,498	31,154	31,154	25,039	26,550	-	-
Total general fund	<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>	<u>\$ 31,146</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51	\$ 30
Restricted	-	-	-	-	-	-	-	-	14,787	15,939
Committed	-	-	-	-	-	-	-	-	12,619	6,539
Reserved	-	46	46	-	-	-	-	-	-	-
Unreserved, reported in:										
Capital projects funds	14,174	22,817	28,365	20,226	8,118	13,078	13,078	20,399	-	-
Nonmajor governmental funds	3,820	3,216	2,598	1,173	1,061	1,228	1,228	1,001	-	-
Total all other governmental funds	<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>	<u>\$ 22,508</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Property taxes, interest and liens	\$ 185,354	\$ 185,044	\$ 200,533	\$ 206,567	\$ 215,669	\$ 229,160	\$ 236,369	\$ 247,000	\$ 255,420	\$ 261,288
Intergovernmental	46,915	52,737	69,057	47,752	44,497	46,244	46,244	44,947	45,711	46,577
State on-behalf payments	-	(2) 3,957	3,951	10,413	10,094	13,345	13,345	14,082	14,127	18,462
Licenses, permits, fees and other	9,904	12,522	14,803	28,619	25,966	21,029	21,029	19,641	18,678	18,641
Interest	2,270	838	4,287	4,632	6,859	3,591	3,591	1,750	1,280	1,350
<b>Total revenues</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>346,319</b>
<b>Expenditures</b>										
General government	6,299	8,483	8,449	6,963	7,396	8,191	8,191	7,362	8,134	8,653
Health and welfare	1,773	4,646	4,898	5,612	4,589	4,853	4,853	5,423	4,535	3,870
Education	135,911	140,669	148,862	162,733	163,956	179,596	179,596	184,020	186,402	194,263
Employee benefits	14,116	16,905	17,559	19,081	22,272	23,535	23,535	24,900	29,412	32,605
Public Safety	28,301	30,019	30,907	36,476	33,937	37,419	37,419	38,131	39,554	38,695
Community grants	4,466	3,843	4,386	3,216	3,597	3,728	3,728	4,005	4,248	4,173
Public works	15,075	14,086	14,584	15,368	15,601	18,359	18,359	16,162	15,563	16,426
Recreation arts & culture	13,848	6,475	6,372	6,812	7,362	8,001	8,001	7,420	7,029	7,820
Maritime center subsidy	-	7,398	7,606	8,325	8,905	8,653	8,653	8,342	8,546	8,090
Sundry	-	65	-	-	-	-	-	-	-	-
Capital outlay	32,095	38,796	57,192	45,555	46,262	42,496	30,017	14,335	17,315	27,127
Debt service	18,321	-	-	-	-	-	-	-	-	-
Principal	-	8,467	7,308	9,039	11,769	13,484	15,386	17,850	15,734	15,451
Interest	-	3,385	7,088	8,507	8,959	10,193	10,598	9,063	9,569	10,972
<b>Total expenditures</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>	<b>368,144</b>
Excess of revenues over (under) expenditures	(25,762)	(28,139)	(22,580)	(29,704)	(31,520)	(45,139)	(27,758)	(9,593)	(10,825)	(21,826)
<b>Other financing sources (uses)</b>										
Transfers in	6,544	-	-	-	-	-	-	-	-	-
Transfers out	(6,544)	-	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds (notes)	20,700	91,161	61,257	21,325	23,260	39,905	105,350	59,168	18,844	35,312
Premium from issuance of bonds	-	2,067	78	-	5	786	6,802	5,078	-	1,276
Payments to escrow agent	-	(52,860)	(22,678)	-	-	(16,566)	(78,946)	(48,446)	-	(19,138)
Capital lease proceeds	-	-	-	-	666	-	-	-	-	-
<b>Total from financing sources (uses)</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>17,449</b>
<b>Net change in fund balances</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>	<b>\$ (4,377)</b>
Debt service as a percentage of noncapital expenditures	7.4% <sup>(3)</sup>	4.7% <sup>(3)</sup>	5.5% <sup>(3)</sup>	6.1% <sup>(3)</sup>	7.2% <sup>(3)</sup>	7.6% <sup>(3)</sup>	8.1% <sup>(3)</sup>	8.4% <sup>(3)</sup>	8.1% <sup>(3)</sup>	7.3% <sup>(3)</sup>

1. Debt service not broken out between principal and interest Fiscal Year 2003.

2. State on-behalf payments for revenue not broken out prior to fiscal year 2004.

3. 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>
2003	\$ 183
2004	185
2005	201
2006	207
2007	216
2008	229
2009	236
2010	247
2011	255
2012	261

**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				
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
2012	8,645,964	2,804,094	120,976	557,086	725,531	78,620	12,775,031	20.3%	18,362,359

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>
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
2012	20.7	20.7	20.7	20.8	20.3	19.0	25.5	18.8	1.5	20.3

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, 2012**  
(amounts expressed in thousands)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light and Power	\$ 328,027	1	2.6%	\$ 36,860	4	0.8%
Merritt 7 Venture LLC	217,663	2	1.7%	90,351	1	1.9%
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%	-	-	-
Fairfield Norwalk Limited Partnership	49,242	6	0.4%	-	-	-
Forty Five Glover Partners LLC	48,055	7	0.4%	-	-	-
Norwalk Center LLC	47,107	8	0.4%	-	-	-
Avalon Bay Communities Inc	36,090	9	0.3%	-	-	0.0%
Yankee Gas Company	35,233	10	0.3%	-	-	0.0%
Hewitt Properties LLC	-	-	-	39,773	2	0.8%
National Office Partners LP	-	-	-	38,203	3	0.8%
Norwalk Power LLC	-	-	-	36,048	5	0.8%
Merritt River Partners LLC	-	-	-	31,594	6	0.7%
Beiersdorf	-	-	-	24,855	7	0.5%
Knickerbocker (Second Merritt Seven)	-	-	-	22,050	8	0.5%
Pepperidge Farm Inc	-	-	-	20,365	9	0.4%
Fairfeild Merritt View LLP	-	-	-	19,922	10	0.4%
<b>Totals</b>	<b>\$ 932,955</b>		<b>7.4%</b>	<b>\$ 360,021</b>		<b>7.6%</b>

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
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%	2,373	255,443	99.4%
2012	261,927	258,620	98.7%	-	258,620	98.7%

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			
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
2012	208,705	185	41,482	-	250,372	6.70%	2,896

- (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)

<b>Fiscal Year</b>	<b>Governmental</b>		<b>Business</b>		<b>Total Primary Government</b>	<b>Percentage of Estimated Actual Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>General Obligation Bonds</b>	<b>General Obligation Bonds</b>	<b>General Obligation Bonds</b>			
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	
2012	208,705	41,482	250,187		1.13%	2,894	

- (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 2012**  
**(amounts expressed in thousands)**

Second Taxing District of the City of Norwalk (Water and Electric)	\$ 20,706
Subtotal, overlapping debt	<u>20,706</u>
City of Norwalk direct debt	<u>208,705</u>
Total direct and overlapping debt	<u><u>\$ 229,411</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.

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Debt</b>										
Debt Limit	\$ 404,243	\$ 424,404	\$ 452,735	\$ 470,780	\$ 489,068	\$ 513,052	\$ 531,118	\$ 557,427	\$ 579,554	\$ 590,751
Total net debt applicable to limit	85,942	76,079	89,521	83,647	99,270	115,630	120,775	119,371	148,478	153,537
Legal Debt Margin	<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>	<u>\$ 437,214</u>
Total net debt applicable to the limit as percentage of debt limit	21.26%	17.93%	19.77%	17.77%	20.30%	22.54%	22.74%	21.41%	25.62%	25.62%
<b>Schools</b>										
Debt Limit	\$ 808,486	\$ 848,807	\$ 905,470	\$ 941,562	\$ 978,135	\$ 1,026,104	\$ 1,062,237	\$ 1,114,853	\$ 1,159,109	\$ 1,181,503
Total net debt applicable to limit	92,204	138,759	164,222	161,038	152,149	144,016	135,400	125,893	118,575	112,919
Legal Debt Margin	<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>	<u>\$ 1,068,584</u>
Total net debt applicable to the limit as percentage of debt limit	11.40%	16.35%	18.14%	17.10%	15.56%	14.04%	12.75%	11.29%	10.23%	9.56%
<b>Sewers</b>										
Debt Limit	\$ 673,738	\$ 707,339	\$ 754,558	\$ 784,634	\$ 815,112	\$ 855,086	\$ 885,197	\$ 929,044	\$ 965,924	\$ 984,586
Total net debt applicable to limit	51,031	47,906	48,127	45,018	46,153	54,398	93,190	90,305	76,423	85,037
Legal Debt Margin	<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>	<u>\$ 899,549</u>
Total net debt applicable to the limit as percentage of debt limit	7.57%	6.77%	6.38%	5.74%	5.66%	6.36%	10.53%	9.72%	7.91%	8.64%
<b>Urban Renewal</b>										
Debt Limit	\$ 583,906	\$ 613,027	\$ 653,950	\$ 680,017	\$ 706,431	\$ 741,075	\$ 767,171	\$ 805,172	\$ 837,134	\$ 853,308
Total net debt applicable to limit	8,739	9,161	9,296	8,946	9,680	20,458	20,469	24,013	20,309	21,312
Legal Debt Margin	<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>	<u>\$ 831,996</u>
Total net debt applicable to the limit as percentage of debt limit	1.50%	1.49%	1.42%	1.32%	1.37%	2.76%	2.67%	2.98%	2.43%	2.50%
<b>Pension Funding (1)</b>										
Debt Limit	\$ 538,990	\$ 565,872	\$ 603,647	\$ 627,708	\$ 652,090	\$ 684,069	\$ 708,158	\$ 743,235	\$ 772,739	\$ 787,669
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 787,669</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	\$ 1,257,644	\$ 1,320,367	\$ 1,408,509	\$ 1,464,651	\$ 1,521,543	\$ 1,596,162	\$ 1,652,369	\$ 1,734,216	\$ 1,803,058	\$ 1,837,894
Total net debt applicable to limit	237,916	271,905	311,166	298,649	307,252	334,502	369,834	359,583	363,786	372,805
Legal Debt Margin	<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>	<u>\$ 1,465,089</u>
Total net debt applicable to the limit as percentage of debt limit	18.92%	20.59%	22.09%	20.39%	20.19%	20.96%	22.38%	20.73%	20.18%	20.28%

**CITY OF NORWALK**  
**Legal Debt Margin Information**  
**For Fiscal For Fiscal Year 2012**  
**(amounts expressed in thousands)**

Total Fiscal Year 2012 tax collections (taxes, interest and fees)	\$ 262,536
Tax Relief for the elderly	20
Base for establishing debt limit	<u>\$ 262,556</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	\$ 590,751	\$ -	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	1,181,503	-	-	-	-
3 3/4 times base	-	-	984,586	-	-	-
3 1/4 times base	-	-	-	853,308	-	-
3 times base	-	-	-	-	787,669	-
7 times base	-	-	-	-	-	1,837,894
Total net debt applicable to limit	<u>153,537</u>	<u>112,919</u>	<u>85,037</u>	<u>21,312</u>	<u>-</u>	<u>372,805</u>
Legal Debt Margin	<u>\$ 437,214</u>	<u>\$ 1,068,584</u>	<u>\$ 899,549</u>	<u>\$ 831,996</u>	<u>\$ 787,669</u>	<u>\$ 1,465,089</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>
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%
2012	86,460	3,736,974	43,222	(1)	(1)	10,881	6.6%

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	2012			2003		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Norwalk	Municipal Government	1,958	1	3.1%	1,987	1	3.2%
Norwalk Health Services Corporation	Hospital/Health Services	1,900	2	3.0%	1,900	2	3.0%
Stew Leonard's	Retail Dairy Store/Grocery	800	3	1.3%	650	5	1.0%
MBI	Direct Mail Marketing	800	3	1.3%	700	4	1.1%
Diageo	Premium Beverage Manufacturer	700	5	1.1%			-
Hewitt Associates	Management Consultants	600	6	1.0%	600	6	1.0%
Covidien	Automatic Suture Instruments	500	7	0.8%	500	7	0.8%
Reed Exhibition Company	Trade Show/Publisher	450	8	0.7%		-	
FactSet Research	Research Systems	356	9	0.6%			-
Act Media, Inc.	In-Store Advertising	350	10	0.6%			-
Fort James Corporation	Regional Office - Wood & Paper Products			-	800	3	1.3%
Northup Grumman/Norden	Electronic and Radar Systems			-	460	8	0.7%
Trileagiant Corporation	Membership Services			-	425	9	0.7%
Micro Warehouse	Corporate Headquarters - Computer Products			-	400	10	0.6%
<b>Total</b>		<b>8,414</b>		<b>13.5%</b>	<b>8,422</b>		<b>13.4%</b>

(1) Source: City of Norwalk Redevelopment Authority

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

<b>Function</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>	<b>2012</b>
General government	44	44	45	48	49	48	48	45	45	47
Finance	35	33	34	34	35	35	35	34	34	34
Health & welfare	20	20	21	21	21	21	21	16	16	16
Police	206	196	196	196	199	199	199	198	198	197
Fire	149	144	143	143	143	146	146	145	146	146
Other protection	19	35	42	43	45	45	45	43	43	43
Public works & traffic	113	109	114	107	107	107	107	100	100	114
Education	1,327	1,304	1,304	1,320	1,353	1,343	1,343	1,331	1,325	1,310
Recreation, arts & cultural	57	57	54	54	54	54	54	51	51	51
<b>Total</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>	<b>1,958</b>

Data Sources: City Budget Office and Education Budget Office.

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

<b>Function</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>	<b>2012</b>
General government									
Land records recorded	31,810	26,452	22,931	20,831	16,335	15,500	16,100	13,712	16,574
Vital records recorded	2,879	3,166	3,000	3,758	3,810	3,083	3,306	3,230	1,299
Dog licenses issued	1,718	2,048	2,165	2,339	2,360	2,540	2,700	2,556	2,650
Absentee ballots issued	(3)	2,515	664	1,667	1,667	500	1,613	659	3,484
Health & welfare									
Food establishment inspections conducted	1,826	1,800	1,715	1,826	1,738	1,749	1,405	(2)	1,674
Septic systems and lots inspected	70	75	91	72	55	33	68	(2)	32
Beauty salons inspected	100	95	88	139	106	118	114	(2)	135
Police									
Calls for service	61,510	61,639	64,318	67,087	68,778	69,304	68,413	69,385	68,000
Criminal arrests	3,923	4,312	3,965	3,333	3,492	3,582	3,496	3,425	3,100
Traffic citations issued	4,264	4,212	6,065	6,593	6,786	6,882	6,237	5,150	6,600
Medical emergencies responded to	6,620	7,115	6,794	7,403	7,586	7,602	8,653	7,620	8,500
Marine assistance calls	252	267	246	202	200	206	167	212	215
Fire									
Fire calls	2,885	3,024	2,910	2,957	2,957	2,456	1,544	1,564	2,150
Medical calls	3,135	3,014	2,948	2,857	2,857	2,946	3,326	3,496	9,090
Fire alarms answered	(2)	(2)	(2)	(2)	(2)	(2)	1,058	1,045	473
Combined Dispatch									
Emergency calls received	(2)	(2)	82,000	(2)	(2)	33,634	33,768	35,000	35,000
Non-emergency calls received	(2)	(2)	281,000	(2)	(2)	124,093	125,515	76,407	81,370
Public works									
Lane miles of roadways swept	625	1,250	625	625	625	625	625	900	900
Tons of solid waste collected and disposed	82,349	88,240	94,125	85,312	77,163	53,445	32,350	27,258	25,131
Tons of recyclable materials collected and disposed	7,082	7,600	9,000	7,404	7,607	6,049	14,044	5,701	5,805
Recreation, arts & cultural									
Athletic contests played at City venues	20,000	25,000	25,000	26,000	26,000	30,000	30,000	30,000	30,250
Athletic activities practiced at City venues	5,000	5,000	5,000	5,500	5,500	10,000	10,000	10,000	12,000
Visitors to library	388,000	392,000	420,000	428,000	480,000	395,001	388,437	400,000	414,259

<sup>(1)</sup> Data is not available prior to fiscal year 2004

<sup>(2)</sup> 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>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>	<b>2012</b>
Police										
Police cars	114	122	122	119	120	105	110	103	110	114
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	180	180	180	180	180	180	180
Municipal parking spaces	4,487	4,487	4,487	3,973	3,973	3,973	3,973	3,973	4,019	4,225
Vehicles	(1)	132	147	171	210	119	119	272	307	326
Pump Stations	26	26	26	24	24	24	24	25	25	25
Recreation, arts & cultural										
Acres of public park lands	1,000	1,000	1,000	1,050	1,050	1,100	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	2	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+	305,000+	305,000+	275,000+	259,788	248,718	261,401	262,905	257,463	(1)
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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