

CITY OF NORWALK,
CONNECTICUT



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014
DEPARTMENT OF FINANCE
125 EAST AVENUE
NORWALK, CONNECTICUT

CITY OF NORWALK, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014



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 24, 2014

Harry W. Rilling, Mayor
Members of the Common Council
Members of the Board of Estimate and Taxation

Citizens of the City of Norwalk:

I am pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the City of Norwalk for the fiscal year ended June 30, 2014.

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, 2014.

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

McGladrey & Pullen, LLP have issued an unqualified ("clean") opinion on the City of Norwalk's financial statements for the year ended June 30, 2014. 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 87,776, is the sixth largest City in Connecticut. The City is located in Fairfield County in the Southwestern part of the State along Long Island Sound. Including a number of islands, the City covers 22.5 square miles. Per capita income in the county remains among the highest in the nation. While preserving its suburban character, the City is a significant commercial, industrial and service center. Many corporations, including the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB), have chosen to locate their headquarters in Norwalk. The City has also developed a tourist market centered on its outstanding harbor, islands, National Registry Mansions, Museums and a Maritime Aquarium comprised of a nautical museum, aquarium and IMAX theater.

The City provides a full range of municipal services, including education, police and fire protection, public works and sanitation, health and social services, planning and development, and recreational/cultural services. A listing of City Offices and further information about the City may be found on the City's official web site, www.norwalkct.org. The City employs over 600 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.

The development of the City's budget occurs within the larger context of the economic and fiscal climate. This climate affects both the revenues available to support the City budget, and the expenditure pressures faced by the City. The national economy is slowly recovering and its positive impact on the City's grand list is expected to take some time. Additionally, it is generally understood that it will be many years before the country recovers all of the jobs lost in the recession, and that economic growth is expected to be modest.

The impact of the recession on the Connecticut and Norwalk economies is clearly evident. The Connecticut Department of Labor, in its June 2014 release of Labor Force Data, reported that 122,200 remain unemployed statewide at a rate of 6.4% and 2,726 unemployed in Norwalk at a rate of 5.4%. The recession has also had a severe impact on taxes collected by the State of Connecticut.

The State's long-term budget challenges are placing pressure for net budget reductions to municipalities in future years. The concern for Norwalk is that the State could reduce its commitment to municipal aid, leaving the City with the choice to either raise property taxes or cut services.

Fortunately, Norwalk's primary source of revenue—the property tax at 89.9% of total revenue—is not as susceptible to fluctuation as State aid during a recession. Of all the types of taxes, property taxes are the least susceptible to fluctuation. In good economic times, property tax revenues grow more slowly than income or sales taxes; but in a bad economy, property taxes are also the least likely to contract. This is especially true in the State of Connecticut, where real property is reassessed once every five years.

MAJOR DEVELOPMENT INITIATIVES

As the national economy continues to improve, the City of Norwalk is witnessing extensive new development, providing opportunities in all sectors. In each instance, City departments work together to expedite permitting while ensuring that the infrastructure improvements needed to accommodate new development and mitigate any adverse impacts are provided.

2014 is proving to be an exciting year as several large-scale developments are underway and expected to be completed this year bringing new housing, jobs and retail to the City. Construction continues at Waypointe, a multi-block mixed-use development on West Avenue just north of Interstate 95. Waypointe began leasing apartments at the Midblock section earlier this year, representing an exciting first step in revitalizing Norwalk Center. This phase will add 362 residential units, 38,431 sq. ft. of retail and 11,500 sq. ft. of restaurant space, bringing new residents and round-the-clock activity to the West Avenue corridor. The North Block section located at 11 Merwin Street is also under construction and will add another 98 residential units along with 4,615 sq. ft. retail and 4,000 sq. ft. restaurant space. The Zoning Commission recently approved new development plans for three additional blocks: the East Block was approved for a new 6 story, 69 unit residential building at the corner of Quincy Street; the South Block was approved for an expansion of the existing shopping center with a new iPic Cinema, Crate and Barrel store and Blink Fitness center; and the West Block was approved to add 129 multifamily units along with retail, restaurant and medical office space at The Berkeley; together this will bring over 1 million sq ft of new development to this 14 acre Design District Development Park.

On Washington Street in historic South Norwalk, the recently completed Ironworks building is bringing new uses and vitality to the SoNo area. The 5 story, mixed use building includes 108 residential units, ground floor retail and restaurants with outdoor dining, providing a welcoming new presence particularly for visitors arriving across the bridge from East Norwalk. Further west on Washington Street, construction is underway on The Pearl, a new 5 story, 66 unit multifamily building with 154 space valet parking garage located at 99 Washington St. This new infill development will replace an existing surface parking lot and create additional housing in the district. The construction includes the rehabilitation of the adjacent historic building which will continue to provide space for the Gingerman Restaurant and upper story offices. Revised plans for SoNo Hotel, a 110 room extended stay hotel proposed for 43-47 South Main Street, are under review by the Zoning Commission with a public hearing planned for December.

New transit oriented developments are soon to be underway near the South Norwalk train station and are underway at the Merritt 7 train station. Maritime Village, a new 68 unit development located at 17-19 Day St, was approved bringing new infill development to a key site located across the street from Ryan Park. In addition, Trinity Washington Village Partnership received approval to rebuild the aging 136 units of public housing at Washington Village into a new 273 unit, mixed income development on 3 parcels along Day and Raymond Streets. Both developments are scheduled to break ground in early 2015. Near the Merritt 7 train station, a new 132 unit multifamily building is under construction at 1 Glover Avenue and a new 53 unit multifamily development is nearly complete at 34 Oakwood Avenue. These developments will add nearly 200 residential units in close proximity to prime office space and the Danbury Line Rail station, providing convenient commuting options for employees at the nearby Merritt 7 Corporate Park and Towers at Merritt offices. Construction is scheduled to be complete in early 2015. Marcus Partners is transforming Merritt 7 Corporate Park with new signage and building upgrades and maintaining its roster of Class A corporate tenants including FactSet Research Systems, Emcor Group and the Financial Accounting Foundation, some of the nation's largest corporations. The adjacent Towers at Merritt with 650,000 square feet of Class A office space counts Xerox Corporation, Hewitt Associates, Diageo PLC and General Electric Capital among its corporate tenants.

Demolition has begun at Wall Street Place, a new mixed use development in Norwalk Center by POKO-IWSR Partners located at the corner of Wall and Isaacs Streets. The developers received financing commitments from the Connecticut Housing Finance Authority and the Connecticut Dept of Economic and Community Development for their plan to add 101 residential units along with retail and restaurant uses and the city's first automated parking garage. Norwalk's largest mixed use development 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 is scheduled to move forward in 2015. The development was recently acquired by General Growth Properties and the new owner is evaluating new development options for the site in an effort to reposition the property.

Construction is underway on a new Lowe's Home Improvement Center at 100 Connecticut Avenue, the site of the former Purdue Frederick corporate headquarters. This new 135,000 sq. ft. retail home improvement store and garden center represents the latest addition to Norwalk's thriving retail market. Lowe's will join Home Depot and Costco on Connecticut Avenue, the City's designated location for big-box retailers. Construction is scheduled to be complete in mid 2015.

A new state of the art 168,000 sq. ft. data center for Cervalis recently opened at Norden Park. The data center provides secure data storage for Fortune 500 corporations and adds a low traffic generating use to the existing development park campus. AvalonBay Communities is now fully leased at its new 240 unit multifamily development on the rear parcel at 8 Norden Place. This is the second multifamily development by AvalonBay Communities in Norwalk and brings new residents to complement the existing employers located at the data center and industrial park. Together these developments will provide a complimentary mix of new commercial and residential development to this important 78 acre parcel. Construction is nearing completion on a new 96,700 sq. ft. addition to Norwalk Hospital on Maple Street that includes an expanded Emergency Department, new surgical facilities, a state of the art cancer center and rehabilitation of adjacent medical office space. The new hospital facilities will be served by the recently completed 628 space parking garage constructed to accommodate the Hospital's future expansion plans.

Shelter Development broke ground on a new 90 unit congregate housing and assisted living facility at 162 New Canaan Avenue, the site of the former Quartette Club and plans to open in 2015. This will enhance the senior living opportunities and providing new resources to house the region's aging population. Maplewood at Strawberry Hill, an 84 unit congregate housing and assisted living facility opened its new facility at 73 Strawberry Hill Avenue in 2013 and is fully occupied.

A variety of smaller commercial developments are also progressing. On Main Avenue, the new 129 room Even Hotel opposite Merritt 7 Corporate Park opened in 2014; adding a new facility to Norwalk's growing hospitality industry. Bender Plumbing is constructing a new 30,000 sq. ft. wholesale distribution facility at 223 Westport Avenue. A new mixed use development is planned for 587 Connecticut Avenue which will add a 4 story, 50 unit multifamily building to the property along with a new 98,576 sq ft self storage facility on the same site.

The Planning Commission continues to implement the recommendations contained in its 2008 Plan of Conservation and Development for Norwalk. The Plan's vision for new transit-oriented green development with active street level uses and upper floor housing located near existing MetroNorth transportation facilities is coming to fruition with the construction of 108 units at Ironworks and 66 units at The Pearl and the approval of 273 units for Washington Village and 68 units at Maritime Village at 19 Day St; all located just 2 blocks from the South Norwalk Railroad Station. The Commission approved various capital budget requests in 2014 to implement the recommended improvements in the Pedestrian and Bikeway Transportation Plan for Norwalk including the addition of new sidewalks and bike lanes throughout the City. The goal of preserving the character of Norwalk's neighborhoods and commercial areas while permitting compatible new development was implemented with the adoption of two new village districts, one for Golden Hill and one for the Silvermine Tavern. Work was recently completed on Cedar Street improvements in the Golden Hill neighborhood and is underway on new cluster housing to complement the historic buildings at the former Silvermine Tavern.

Given the activity emanating from the above developments, Norwalk will see steady growth continue into 2015. Over the past few years, the number of zoning permits issued has increased gradually, an indicator that development will continue to trend in a positive direction. To date this year, the number of zoning permits issued each month has exceeded the 22 year average for that month. This continues a 37 month trend of surpassing the moving average. In October, more permits were issued than in any month since the P&Z Office began keeping records in 1992.

RELEVANT FINANCIAL POLICIES

The City has a comprehensive set of financial policies and procedures which set forth the basic framework for the overall fiscal management of the City. These policies assist the decision-making process and provide guidelines for evaluating both current activities and proposals for future programs. These policies cover all aspects of the City's financial management, including the following elements: cash management and investments; accounting, auditing and financial reporting; budget reserves, fund balance and working capital; capital budgeting and multi-year capital improvement planning; debt management, including multi-year forecasting; operating budget management and long-range operating budget forecasting; revenue collection and user fee policies; and pension and other post-employment benefits (OPEB) funding policies. These policies are available from the City's website at <http://www.norwalkct.org/index.aspx?NID=214>

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, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for presentation of state and local government financial reports.

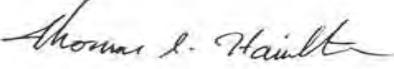
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the programs standards. The CAFR must satisfy both generally accepted accounting principles and applicable 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 23 consecutive years (fiscal years 1991 through 2013). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

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

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

Respectfully Submitted,



Thomas S. Hamilton
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

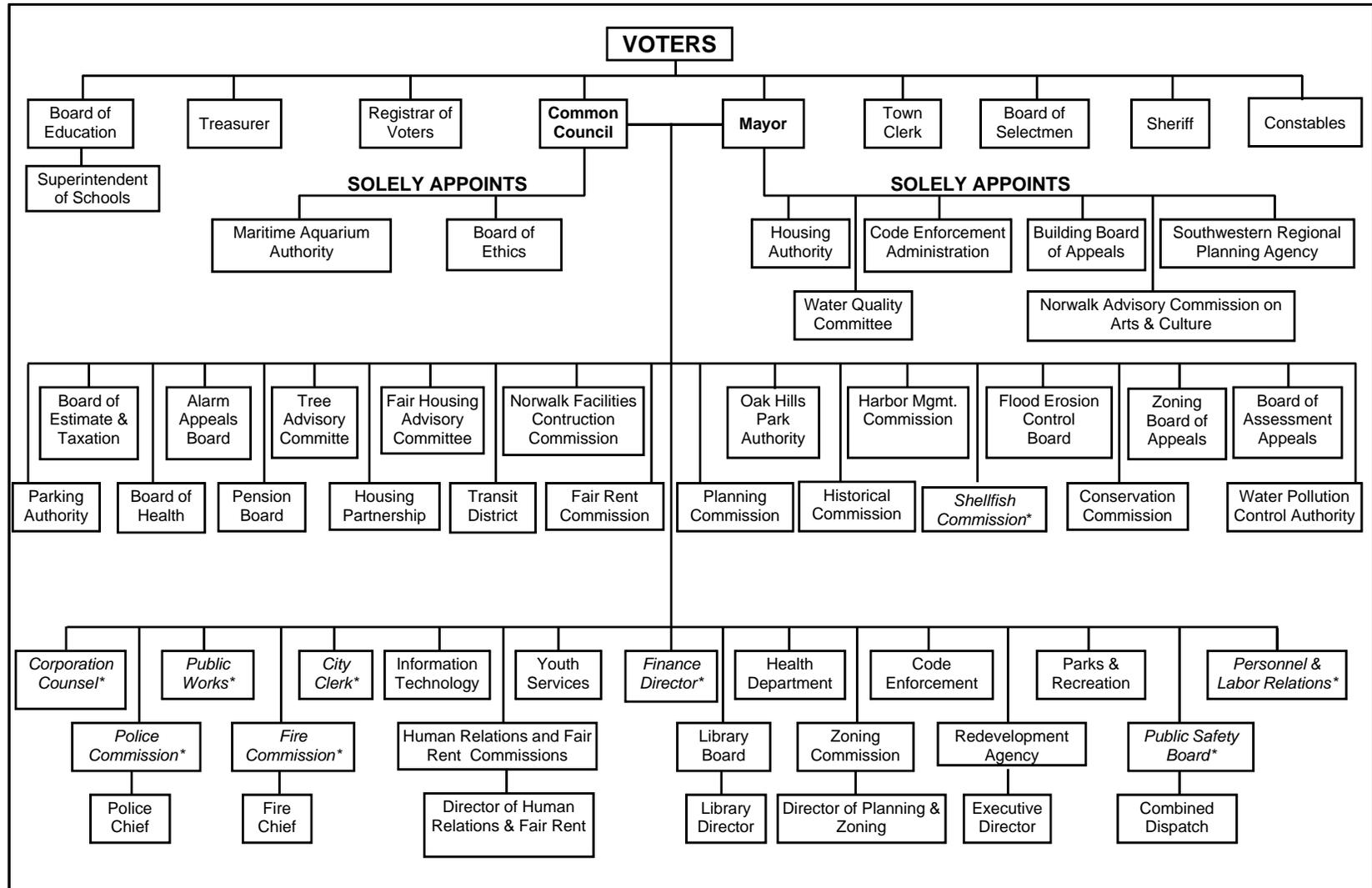
**City of Norwalk
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

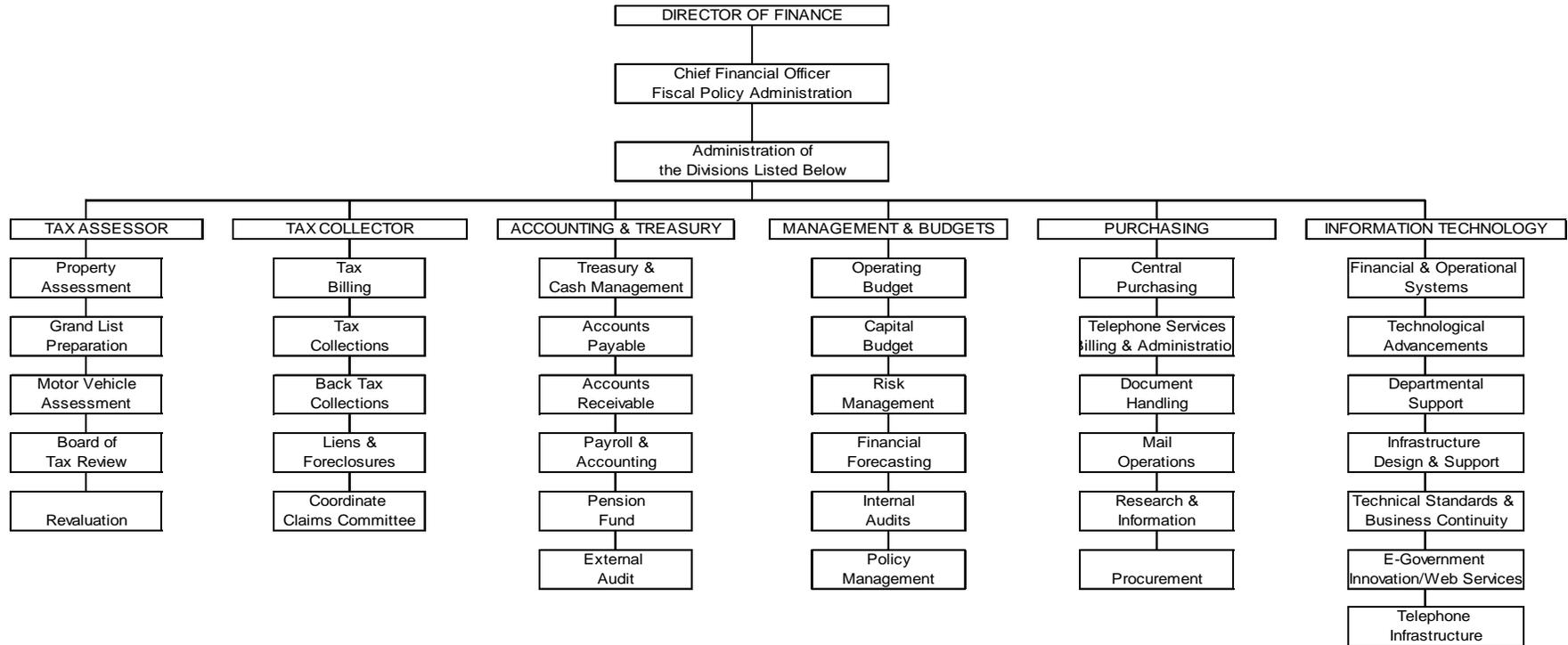
CITY OF NORWALK GOVERNMENT ORGANIZATION



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

OFFICE	NAMES	SELECTION/TERM
Mayor	Harry W. Rilling	Elected - 2 Years
Director of Finance	Thomas S. Hamilton	Appointed - Indefinite
Superintendent of Schools	Manuel Rivera	Appointed - Indefinite
Corporation Counsel	Mario Coppola	Appointed - 2 Years

MEMBERS OF COMMON COUNCIL

	Douglas E. Hempstead President	
	Jerry Petrini Majority Leader	
	Travis J. Simms Minority Leader	
Richard R. Bonnenfant	Phaedrel L. Bowman	Glenn A. Iannacone
John E. Igneri	Bruce Kimmel	John Kydes
Michelle Maggio	David McCarthy	Eloisa M. Melendez
Shannon O'Toole Giandurco	Sharon Stewart	David Watts

MEMBERS OF THE BOARD OF ESTIMATE & TAXATION

Erik Anderson
Edwin Camacho
James Feigenbaum

Greg Burnett
James C. Clark
Anne Yang-Dwyer

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Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

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 fiscal year ended June 30, 2014, and the related notes thereto which collectively comprise the City's basic financial statements as listed in the table of content.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3–9, the schedules of funding progress and employers contributions and the schedule of changes in the City's net pension liabilities on pages 57-60 and budgetary comparison information on pages 61-67 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.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2014 on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



New Haven, Connecticut
December 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS - Unaudited

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 position increased by \$27.0 million or 6.9 %. The governmental net position increased by \$23.2 million or 8.0% and the business-type net position increased by \$3.8 million or 3.9%.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reports a net change in fund balance of \$4.0 million or 12.1%.

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 Position (the "Unrestricted Net Position") 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) are 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 to analyze governmental type operations. 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 Net Position

Table 1
Summary Statement of Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 149,475	\$ 134,273	\$ 18,926	\$ 19,127	\$ 168,401	\$ 153,400
Capital assets	507,595	490,269	138,262	141,245	645,857	631,514
Total assets	657,070	624,542	157,188	160,372	814,258	784,914
Deferred Charge on Refundings	6,083	-	-	-	6,083	-
Total deferred outflows of resources	6,083	-	-	-	6,083	-
Current and other liabilities	39,586	49,083	7,505	9,012	47,091	58,095
Noncurrent liabilities	299,104	283,798	49,011	54,457	348,115	338,255
Total liabilities	338,690	332,881	56,516	63,469	395,206	396,350
Advance tax collections	9,622	-	-	-	9,622	-
Total deferred inflows of resources	9,622	-	-	-	9,622	-
Net position:						
Net Investment in capital assets	299,719	284,792	87,455	84,119	387,174	368,911
Restricted	2,340	353	-	-	2,340	353
Unrestricted	12,782	6,516	13,217	12,784	25,999	19,300
Total net position	\$ 314,841	\$ 291,661	\$ 100,672	\$ 96,903	\$ 415,513	\$ 388,564

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

Normal Impacts

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

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

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 position 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 position 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 Position in governmental activities was the issuance of \$21.0 million of new debt and the construction on major capital projects this year as well as the \$12.4 million increase in property taxes due to the increase in the mill rate in conjunction with the City's biennial tax sale on property that has delinquent taxes: The other major impacts were \$17.7 million of principal on debt paid this year and \$10.6 million of depreciation on fixed assets. The major impacts to Net Position in business-type activities was \$6.4 million principal paid on debt this year and \$3.8 million of depreciation on fixed assets.

Summary of Changes in Net Position

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

	Table 2 Summary Statement of Activities (In Thousands)					
	Governmental Activities		Business-Type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charge for services	\$ 24,263	\$ 23,779	\$ 20,952	\$ 20,175	\$ 45,215	\$ 43,954
Operating grants and contributions	58,700	52,804	-	-	58,700	52,804
Capital grants and contributions	5,586	7,515	315	1,032	5,901	8,547
General Revenues:						
General property, taxes and assessments	281,452	269,014	-	-	281,452	269,014
Interest income (expense)	1,004	580	122	(20)	1,126	560
Miscellaneous	2,456	1,884	-	-	2,456	1,884
Other general revenues	5,902	7,392	-	-	5,902	7,392
Total revenues	379,363	362,968	21,389	21,187	400,752	384,155
EXPENSES						
Program Activities Primary Government:						
Governmental Activities:						
General government	13,959	13,758	-	-	13,959	13,758
Education	231,874	230,695	-	-	231,874	230,695
Public safety	48,734	48,459	-	-	48,734	48,459
Health and welfare	3,636	4,001	-	-	3,636	4,001
Public Works	38,122	34,531	-	-	38,122	34,531
Recreation, arts and cultural	11,365	9,459	-	-	11,365	9,459
Debt service	8,493	9,356	-	-	8,493	9,356
	356,183	350,259	-	-	356,183	350,259
Business-Type Activities:						
Parking Authority	-	-	5,673	5,595	5,673	5,595
Water Pollution Control Authority	-	-	11,947	11,352	11,947	11,352
	-	-	17,620	16,947	17,620	16,947
Total expenses	356,183	350,259	17,620	16,947	373,803	367,206
Increase in net position	23,180	12,709	3,769	4,240	26,949	16,949
Net Position, beginning	291,661	278,952	96,903	92,663	388,564	371,615
Net Position, ending	\$ 314,841	\$ 291,661	\$ 100,672	\$ 96,903	\$ 415,513	\$ 388,564

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 Nonrecurring) – 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 pay competitive salaries with 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 \$2.8 million addition for City teachers in a defined benefit plan and the remainder due to increases in salaries and fringe benefits. 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 2014 to Fiscal Year 2013

As of the year-end, the General Fund (as presented on the Schedule of General Fund Revenues and Schedule of General Fund Expenditures, Encumbrances and Transfers Out in Required Supplementary Information) has achieved positive results due to additional property tax revenue a mill rate increase. The major impact on expenditures was in Education due to significant control in expenditures.

Comparing Original Budget to Final Budget

As of the year-end, the General Fund (as presented on the Schedule of General Fund Revenues and Schedule of General Fund Expenditures, Encumbrances and Transfers Out in Required Supplementary Information) there was no significant change in revenues. The expenditure budget changes were in two main areas. The tax assessor was increased due to tax revaluation and Education was increased to assist in funding their costs in the Insurance Fund.

Comparing Final Budget to Actual Results

As of the year-end, the General Fund (as presented on the Schedule of General Fund Revenues and Schedule of General Fund Expenditures, Encumbrances and Transfers Out in Required Supplementary Information). Revenues were increased due to additional State grants, increased building activity and increased taxes from property transfers. Actual expenditures were \$5.4 million less than the final budget. A significant difference was in Education with the school system under-spending its final budget by \$3.075 million. A significant portion of the variance was subsequently set aside for future use by the school system and is reflected in Assigned Fund Balance.

Capital Projects Fund:

Comparing Fiscal Year 2014 to Fiscal Year 2013

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, school construction, parks and public works projects.

Water Pollution Control Authority:

Comparing Fiscal Year 2014 to Fiscal Year 2013

As of the year-end, the Water Pollution Control Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Position (Deficits) – Proprietary Funds on page 17) reported fund net position of \$81.4 million which is \$3.7 million more than the beginning of the year (\$77.7). Major impacts were capital construction within their system.

Parking Authority:

Comparing Fiscal Year 2014 to Fiscal Year 2013

As of the year-end, the Parking Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds on page 17) reported a fund net position of \$19.3 million which is \$.1 million more than the beginning of the year (\$19.2 million). There were no major impacts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of year-end, the City had \$645.9 million invested in a variety of capital assets, as reflected in the following schedule:

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

	Governmental	Business-Type	
	Activities	Activities	Total
Land	\$ 23,629,897	\$ 4,838,762	\$ 28,468,659
Construction in Progress	461,734	-	461,734
Land Improvements	8,895,876	12,918	8,908,794
Machinery and Equipment	16,630,934	479,852	17,110,786
Buildings and Improvements	255,416,304	119,339,331	374,755,635
Infrastructure	202,559,992	13,591,483	216,151,475
Total	\$ 507,594,737	\$ 138,262,346	\$ 645,857,083

Table 4
Change in Capital Assets
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Beginning balance	\$ 490,269	\$ 141,245	\$ 631,514
Additions/transfers	40,526	861	41,387
Disposals/transfers	(12,615)	-	(12,615)
Depreciation	(10,585)	(3,844)	(14,429)
Total	\$ 507,595	\$ 138,262	\$ 645,857

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 \$273.6 million in debt (bonds, notes, etc.) outstanding compared to the \$276.8 last year, a 1.1% 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 \$21.0 million in new General Obligation Bonds to finance school and infrastructure improvements. The City has a AAA bond rating 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

	2014	2013
Governmental		
General obligation bonds	\$ 219,174	\$ 215,869
	<u>219,174</u>	<u>215,869</u>
Business-Type		
Parking Authority-general obligation bonds	9,538	10,296
Water Pollution Control Authority - general obligation bonds and Clean Water Fund notes	44,919	50,600
	<u>54,457</u>	<u>60,896</u>
Total	\$ 273,631	\$ 276,765

ECONOMIC FACTORS

The unemployment rate for Norwalk was 5.4%, down from 6.8% a year ago. This compares favorably to the state rate of 6.4% and national rate of 6.3%.

Norwalk's income stream is stable because it relies mainly on property taxes and has a diverse tax base. 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.

Basic Financial Statements

City of Norwalk, Connecticut

Statement of Net Position
June 30, 2014

	Governmental Type Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 55,626,199	\$ 5,704,500	\$ 61,330,699
Investments	55,203,992	9,202,110	64,406,102
Receivables, net of allowances for collection losses:			
Property taxes, net	5,484,160	-	5,484,160
Charges, net	-	278,785	278,785
Accounts, net	2,414,328	90,268	2,504,596
Federal and state governments	2,891,338	-	2,891,338
Inventories and prepaids	699,119	-	699,119
Net pension asset	76,830	-	76,830
Advances to taxing districts	11,320,956	-	11,320,956
Restricted cash	15,757,888	3,649,964	19,407,852
Capital assets, not being depreciated	24,091,631	4,838,762	28,930,393
Capital assets, net of accumulated depreciation	483,503,106	133,423,584	616,926,690
Total assets	\$ 657,069,547	\$ 157,187,973	\$ 814,257,520
Deferred Outflows of Resources			
Deferred Charge on bond refundings	\$ 6,083,494	\$ -	6,083,494
Liabilities			
Accounts payable and accruals	\$ 37,854,035	\$ 1,646,949	\$ 39,500,984
Unearned revenue	1,731,419	412,294	2,143,713
Long-term liabilities:			
Advances to taxing districts	11,320,956	-	11,320,956
Due within one year	34,099,062	5,444,610	39,543,672
Due in more than one year	253,684,163	49,012,190	302,696,353
Total liabilities	338,689,635	56,516,043	395,205,678
Deferred Inflows of Resources			
Advance property tax collections	9,622,192	-	9,622,192
Net Position			
Net investment in capital assets	299,719,155	87,455,510	387,174,665
Restricted:			
General government	179,608	-	179,608
Public safety	31,685	-	31,685
Health and welfare	108,780	-	108,780
Public works	5,000	-	5,000
Machine operations	8,992	-	8,992
Education	2,003,271	-	2,003,271
Community grants	2,637	-	2,637
Unrestricted	12,782,086	13,216,420	25,998,506
Total net position	\$ 314,841,214	\$ 100,671,930	\$ 415,513,144

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ (13,958,161)	\$ 7,759,246	\$ 1,302,511	\$ -	\$ (4,896,404)	\$ -	\$ (4,896,404)
Education	(231,874,028)	1,153,069	54,152,005	-	(176,568,954)	-	(176,568,954)
Public Safety	(48,734,263)	505,415	-	-	(48,228,848)	-	(48,228,848)
Health and welfare	(3,636,164)	625,459	3,245,070	-	234,365	-	234,365
Public Works	(38,121,934)	13,259,468	-	5,586,265	(19,276,201)	-	(19,276,201)
Recreation, arts and cultural	(11,364,899)	959,994	-	-	(10,404,905)	-	(10,404,905)
Interest on debt	(8,492,842)	-	-	-	(8,492,842)	-	(8,492,842)
Total governmental activities	(356,182,291)	24,262,651	58,699,586	5,586,265	(267,633,789)	-	(267,633,789)
Business-type activities:							
Parking Authority	(5,673,463)	5,697,310	-	-	-	23,847	23,847
Water Pollution Control Authority	(11,946,904)	15,254,400	-	314,809	-	3,622,305	3,622,305
Total business-type activities	(17,620,367)	20,951,710	-	314,809	-	3,646,152	3,646,152
Total primary government	\$ (373,802,658)	\$ 45,214,361	\$ 58,699,586	\$ 5,901,074	(267,633,789)	3,646,152	(263,987,637)
General revenues:							
Property taxes					281,452,485	-	281,452,485
Grants and contributions not restricted to specific programs					5,901,926	-	5,901,926
Miscellaneous					2,455,960	-	2,455,960
Unrestricted investment earnings					1,004,128	122,147	1,126,275
Total general revenues					290,814,499	122,147	290,936,646
Change in net position					23,180,710	3,768,299	26,949,009
Net position - beginning					291,660,504	96,903,631	388,564,135
Net position - ending					\$ 314,841,214	\$ 100,671,930	\$ 415,513,144

See Notes to Financial Statements.

City of Norwalk, Connecticut

Balance Sheet - Governmental Funds
June 30, 2014

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
Assets				
Cash and cash equivalents	\$ 35,646,291	\$ 7,479,798	\$ 3,093,678	\$ 46,219,767
Restricted cash	-	15,757,888	-	15,757,888
Investments	34,821,220	771,752	2,482,084	38,075,056
Receivables (net of allowances for collection losses):				
Property taxes	5,456,082	28,078	-	5,484,160
Accounts receivable	13,199,509	-	409,123	13,608,632
State and federal governments	54,853	809,455	2,027,030	2,891,338
Inventories and prepaids	290	-	33,310	33,600
Total assets	\$ 89,178,245	\$ 24,846,971	\$ 8,045,225	\$ 122,070,441
Liabilities				
Accounts payable	\$ 24,315,552	\$ 6,645,241	\$ 2,468,640	\$ 33,429,433
Unearned revenues	48,434	-	1,682,985	1,731,419
Advances to taxing districts	11,320,956	-	-	11,320,956
Total liabilities	35,684,942	6,645,241	4,151,625	46,481,808
Deferred inflows of resources				
Unavailable revenues - advanced property tax collections	9,622,192	-	-	9,622,192
Unavailable revenues - other	6,387,504	28,078	-	6,415,582
Total deferred inflows of resources	16,009,696	28,078	-	16,037,774
Fund Balances				
Nonspendable	290	-	33,310	33,600
Restricted	-	15,757,888	2,339,973	18,097,861
Committed	-	2,415,764	1,520,317	3,936,081
Assigned	2,870,095	-	-	2,870,095
Unassigned	34,613,222	-	-	34,613,222
Total fund balances	37,483,607	18,173,652	3,893,600	59,550,859
Total liabilities and fund balances	\$ 89,178,245	\$ 24,846,971	\$ 8,045,225	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the City as a whole.	507,594,737
Net pension asset	76,830
Deferred Charge on Bond Refundings	6,083,494
Long-Term assets are not available and therefore not recognized in the funds.	6,415,582
Accrued interest is not reported in the funds	(4,161,974)
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 position.	9,566,491
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(270,284,805)

Net position of governmental activities \$ 314,841,214

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2014

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
Revenues				
Property taxes, interest and liens	\$ 281,947,778	\$ 10,348	\$ -	\$ 281,958,126
Intergovernmental	18,420,107	5,586,265	24,660,274	48,666,646
State on-behalf payments	21,537,234	-	-	21,537,234
Licenses, permits, fees and other	13,197,713	-	4,745,980	17,943,693
Interest	772,163	231,965	-	1,004,128
Total revenues	335,874,995	5,828,578	29,406,254	371,109,827
Expenditures				
Current:				
General government	9,329,135	-	139,938	9,469,073
Health and welfare	1,967,445	-	1,455,407	3,422,852
Education	184,591,078	-	24,486,385	209,077,463
Employee benefits	40,901,021	-	-	40,901,021
Public safety	41,758,270	-	16,318	41,774,588
Community grants	1,746,648	-	1,162,393	2,909,041
Public works	17,721,079	-	566,747	18,287,826
Recreation, arts and culture	7,683,890	-	47,441	7,731,331
Maritime Center operations	-	-	-	-
Capital outlay	-	27,749,417	-	27,749,417
Debt service:				
Principal	17,695,163	-	-	17,695,163
Interest	8,431,711	106,472	-	8,538,183
Total expenditures	331,825,440	27,855,889	27,874,629	387,555,958
Excess (deficiency) of revenues over (under) expenditures	4,049,555	(22,027,311)	1,531,625	(16,446,131)
Other Financing Sources				
Issuance of debt	-	21,000,000	-	21,000,000
Total other financing sources (uses)	-	21,000,000	-	21,000,000
Net change in fund balances	4,049,555	(1,027,311)	1,531,625	4,553,869
Fund Balances, beginning	33,434,052	19,200,963	2,361,975	54,996,990
Fund Balances, ending	\$ 37,483,607	\$ 18,173,652	\$ 3,893,600	\$ 59,550,859

See Notes to Financial Statements.

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, 2014**

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

Net change in fund balances – total governmental funds \$ 4,553,869

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. 17,325,703

Change in net pension asset 944

Change in deferred charge on bond refundings (855,860)

Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (505,641)

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 position. Also, governmental funds report the effect of 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. (1,774,437)

Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds at the time the liability is incurred. (6,182,470)

The net revenue (expense) of certain activities of internal service funds is reported with governmental activities. 10,618,602

Change in net position of governmental activities \$ 23,180,710

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Net Position - Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution			Activities
	Control Authority	Parking Authority	Totals	Internal Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 5,547,495	\$ 157,005	\$ 5,704,500	\$ 9,406,432
Charges receivable, net	278,785	-	278,785	-
Other receivables	88,274	1,994	90,268	126,652
Investments	8,666,007	536,103	9,202,110	17,128,936
Prepays	-	-	-	665,519
Total current assets	14,580,561	695,102	15,275,663	27,327,539
Restricted cash	3,158,789	491,175	3,649,964	-
Capital assets, net	110,288,709	27,973,637	138,262,346	-
Total noncurrent assets	113,447,498	28,464,812	141,912,310	-
Total assets	128,028,059	29,159,914	157,187,973	27,327,539
Liabilities				
Current Liabilities				
Current maturities of bonds and notes payable	4,693,509	751,101	5,444,610	-
Accounts payable and accrued liabilities	1,406,473	240,476	1,646,949	262,628
Claims payable	-	-	-	6,597,333
Unearned revenue	291,811	120,483	412,294	-
Total current liabilities	6,391,793	1,112,060	7,503,853	6,859,961
Long-Term Liabilities				
Bonds and notes payable	40,224,971	8,787,219	49,012,190	-
Claims payable	-	-	-	10,901,087
Total long-term liabilities	40,224,971	8,787,219	49,012,190	10,901,087
Total liabilities	46,616,764	9,899,279	56,516,043	17,761,048
Net Position				
Net investment in capital assets	68,529,018	18,926,492	87,455,510	-
Unrestricted	12,882,277	334,143	13,216,420	9,566,491
Total net position	\$ 81,411,295	\$ 19,260,635	\$ 100,671,930	\$ 9,566,491

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Revenues, Expenses and Changes in Net Position (Deficit) - Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Operating Revenues				
City and member's contributions	\$ -	\$ -	\$ -	\$ 58,357,661
Charges for services	15,254,400	5,697,310	20,951,710	-
Total operating revenues	15,254,400	5,697,310	20,951,710	58,357,661
Operating Expenses				
Administrative and operations	7,334,890	4,062,296	11,397,186	781,716
Depreciation	2,897,138	946,411	3,843,549	-
Salaries, benefits and claims	659,058	280,907	939,965	47,911,361
Total operating expenses	10,891,086	5,289,614	16,180,700	48,693,077
Operating income	4,363,314	407,696	4,771,010	9,664,584
Nonoperating Income (Expense)				
Investment income	112,813	9,334	122,147	954,018
Interest expense	(1,055,818)	(383,849)	(1,439,667)	-
Total nonoperating income (expense)	(943,005)	(374,515)	(1,317,520)	954,018
Net income before contributions	3,420,309	33,181	3,453,490	10,618,602
Capital contributions	314,809	-	314,809	-
Change in net position	3,735,118	33,181	3,768,299	10,618,602
Fund Net Position (Deficit), beginning	77,676,177	19,227,454	96,903,631	(1,052,111)
Fund Net Position, ending	\$ 81,411,295	\$ 19,260,635	\$ 100,671,930	\$ 9,566,491

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 15,136,685	\$ 5,700,709	\$ 20,837,394	\$ 58,318,788
Payments to suppliers	(7,310,614)	(4,345,534)	(11,656,148)	-
Payments to employees/claims paid	(652,856)	(280,490)	(933,346)	(47,442,551)
Net cash provided by operating activities	7,173,215	1,074,685	8,247,900	10,876,237
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	(5,681,049)	(757,987)	(6,439,036)	-
Interest paid on debt	(1,255,393)	(389,297)	(1,644,690)	-
Purchase of property and equipment	(455,878)	(90,620)	(546,498)	-
Net cash used in capital and related financing activities	(7,392,320)	(1,237,904)	(8,630,224)	-
Cash Flows From Investing Activities				
Purchase of investments	(2,644,120)	(136,637)	(2,780,757)	(13,300,789)
Sale of investments	3,752,789	283,261	4,036,050	6,772,512
Investment income	112,813	9,334	122,147	954,018
Net cash provided by (used in) investing activities	1,221,482	155,958	1,377,440	(5,574,259)
Net increase (decrease) in cash and cash equivalents	1,002,377	(7,261)	995,116	5,301,978
Cash and Cash Equivalents				
Beginning	7,703,907	655,441	8,359,348	4,104,454
Ending	\$ 8,706,284	\$ 648,180	\$ 9,354,464	\$ 9,406,432
Reconciliation of Operating Income to Net Cash provided by Operating Activities				
Operating income	\$ 4,363,314	\$ 407,696	\$ 4,771,010	\$ 9,664,584
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,897,138	946,411	3,843,549	-
Changes in assets and liabilities:				
Decrease (increase) in charges receivable	1,056	-	1,056	(38,873)
(Increase) decrease in other receivables	(59,761)	3,399	(56,362)	-
Increase in prepaids	-	-	-	(148,343)
Increase (decrease) in accounts payable and accrued expenses	30,478	(282,821)	(252,343)	(260,481)
Increase in claims and judgments payable	-	-	-	1,659,350
Decrease in unearned income	(59,010)	-	(59,010)	-
Net cash provided by operating activities	\$ 7,173,215	\$ 1,074,685	\$ 8,247,900	\$ 10,876,237
Noncash Investment Activities				
Net increase in fair value of investments	\$ 137,643	\$ 8,515	\$ 146,158	\$ 388,424
Noncash Financing Activities				
Contributions toward construction of capital assets	\$ 314,809	\$ -	\$ 314,809	\$ -

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2014

	Trust Funds	Private Purpose Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 13,220,340	\$ 65,826	\$ 1,556,127
Investments:			
U.S. Government Agency	1,255,221	-	-
Corporate bonds	15,750	-	-
Common stock	90,035,343	-	-
Hedge/alternative investments	101,110,847	-	-
Index Funds	68,358,403	-	-
Commingled funds	73,556,586	-	-
Mutual Funds	98,714,424	-	-
Certificates of Deposit	2,583,052	-	-
Total investments	435,629,626	-	-
Secured lending transactions	11,820,073	-	-
Accounts receivable	85,014	-	-
Prepays	21,941	-	-
Total assets	460,776,994	65,826	1,556,127
Liabilities			
Secured lending transactions	11,820,073	-	-
Accounts payable	887,599	-	1,556,127
Total liabilities	12,707,672	-	1,556,127
Net Position - Restricted for Benefits	\$ 448,069,322	\$ 65,826	\$ -

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2014

	Trust Funds	Private Purpose Trust Fund
Additions		
Contributions:		
Employer	\$ 24,951,773	\$ -
Plan members	3,638,734	-
Other	245,578	6,951
Total contributions	<u>28,836,085</u>	<u>6,951</u>
Investment income:		
Interest and dividends	7,123,470	-
Net appreciation in fair value of investments	57,621,710	-
Investment expense	(904,678)	-
Net investment income	<u>63,840,502</u>	<u>-</u>
Securities lending transactions income	30,684	-
Securities lending transactions expense	(1,502)	-
Net investment income - securities lending	<u>29,182</u>	<u>-</u>
Deductions		
Benefits paid	34,794,886	8,300
General and administrative	619,106	-
Total deductions	<u>35,413,992</u>	<u>8,300</u>
Net increase (decrease)	57,291,777	(1,349)
Net Position - Restricted for Benefits		
Beginning of year	<u>390,777,545</u>	<u>67,175</u>
End of year	<u>\$ 448,069,322</u>	<u>\$ 65,826</u>

See Notes to Financial Statements.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

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

Reporting Entity: The City of Norwalk has incorporated as a city on September 11, 1651. The City operates under a Mayor-Council form of government and provides a full range of services including public safety, roads, health, social services, culture and recreation, education, planning, development, zoning and general administrative services to its residents.

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 as the Maritime Authority no longer qualifies as a component unit of the City.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Accounting Standards Adopted in the Current Year: The City adopted *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, which was implemented as of July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refundings were required to be reclassified to Deferred Outflows of Resources. In addition, amounts previously classified as unavailable revenue were reclassified as deferred inflows of resources.

The City adopted *GASB Statement No. 67, Financial Reporting for Pension Plans an amendment of GASB Statement No. 25*, issued in June 2012, which became effective for the Town as of July 1, 2013. This Statement replaces the requirements of *Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and *Statement 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 implementation of this statement did not have a material impact on the Town's financial statements.

The City adopted *GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the Town's 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 fifteen individual expendable trusts and two individual non-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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Proprietary Funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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. The balance of the pooled fixed income investments were invested in the Cutwater-Connecticut CLASS Plus, a pool similar to a 2a-7 as defined by GASB 59, which operates under State Statutes. These investments are stated at amortized cost. The 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 \$1,891,000 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.

Inventories and Prepaid Items: Inventory is valued at specific cost using the first-in/first-out (FIFO) method for the Governmental Funds. Inventory in the Governmental Funds consists of supplies and materials.

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

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, sewer assessments, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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:

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

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

Compensated Absences: Vacation earned during the City's fiscal year ending June 30 may be taken through the following June of each year. In addition, certain employee groups may accumulate between 55 and 60 days of unused vested sick leave throughout their employment. Certain employee groups are also entitled to severance and longevity benefits. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

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

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted Assets: At June 30, 2014 the City had approximately \$19,408,000 in restricted assets. The amount relates to unspent bond proceeds, and advances to certain taxing districts. The restricted assets are offset with deferred inflows of resources for unavailable revenue and general obligation bonds, leaving no effect on fund balance in the governmental funds and governmental activities.

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

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

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

Unrestricted Net Position or Deficit – This category represents the net position 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 prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution 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 Board of Estimate and Taxation has the authority to authorize the Director of Finance to assign amounts for a specific purpose.
- 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.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 Position: The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. 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	\$ 219,174,135
Premiums, net of accumulated amortization	10,542,828
Gross pension obligation	1,415,920
Early retirement	488,815
Other post-employment obligation	22,112,509
Claims payable	380,024
Compensated absences	16,170,574
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 270,284,805</u>

City of Norwalk, Connecticut

Notes to Financial Statements

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

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 position 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	\$ 27,910,914
Depreciation expense	<u>(10,585,211)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 17,325,703</u>

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 position. 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	\$ (21,000,000)
Premium amortization	1,449,007
Principal repayments:	
General obligation debt	17,695,163
Capital lease payments	<u>81,393</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,774,437)</u>

City of Norwalk, Connecticut

Notes to Financial Statements

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

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	\$ (1,927,096)
Accrued interest	472,197
Pension liability	(2,887)
Early retirement	32,685
Other post-employment obligation	(3,880,949)
Deferred charges	(1,101,396)
Claims payable	224,976
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (6,182,470)</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.

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 position values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net position 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 (i.e. ,prudent person rule) 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%

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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, 2014, approximately \$22,310,000 of the entity's bank balance of \$27,544,000 was uninsured and uncollateralized.

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

Cash, cash equivalents and investments of the City consist of the following at June 30, 2014:

Cash and Cash Equivalents

Deposits with financial institutions	\$ 70,829,381
State of Connecticut Short-Term Investment Fund	284,506
Cutwater Connecticut Class	24,466,957
Total cash and cash equivalents	95,580,844

Investments

General Fund	
U.S. Government Agencies	11,361,737 *
Mutual Funds	78,777
Certificates of Deposit	23,380,706
Total general fund	34,821,220

Non-Major Funds

U.S. Government Agencies	809,874 *
Mutual Funds	5,615
Certificates of Deposit	1,666,595
Total non-major funds	2,482,084

Capital Projects Fund

U.S. Government Agencies	251,813 *
Mutual Funds	1,746
Certificates of Deposit	518,193
Total capital projects fund	771,752

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments, Continued

Internal Service Funds

Common Stock	3,427,732	*
U.S. Government Securities	2,898,417	
U.S. Government Agencies	2,541,199	*
Mutual Funds	1,514,191	
Corporate Bonds	1,518,002	*
Certificates of Deposit	5,229,395	
Total internal service fund	17,128,936	

WPCA:

U.S. Government Agencies	2,827,612	*
Mutual Funds	19,605	
Certificates of Deposit	5,818,790	
Total WPCA	8,666,007	

Parking Authority:

U.S. Government Agencies	174,924	*
Mutual Funds	1,213	
Certificates of Deposit	359,966	
Total parking authority	536,103	

Trust Funds:

U.S. Government Agencies	1,255,221	*
Corporate Bonds	15,750	*
Common stock	90,035,343	*
Mutual Funds	98,714,424	
Index Funds	68,358,403	
Hedge/alternative investments	101,110,847	
Commingled funds	73,556,586	
Certificates of Deposit	2,583,052	
Total trust funds	435,629,626	
Total investments	500,035,728	
Total cash, cash equivalents and investments	\$ 595,616,572	

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

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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

Statement of Net Position

Cash and cash equivalents	\$ 80,738,551
Investments	64,406,102
Total statement of net position	145,144,653

Fiduciary Funds:

Cash and cash equivalents	14,842,293
Investments	435,629,626
Total cash, cash equivalents and investments	\$ 595,616,572

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	\$ 2,898,417	\$ -	\$ 2,172,767	\$ 335,383	\$ 390,267
U.S. Government Agencies	19,222,380	-	12,195,630	4,543,716	2,483,034
Pooled fixed income	24,751,463	24,751,463	-	-	-
Mutual Fund- Fixed Income	61,028,118	5,919,727	26,181,063	10,130,668	18,796,660
Corporate Bonds	1,533,752	15,750	332,288	840,101	345,613
Certificates of Deposit	39,556,697	2,139,033	33,911,106	2,342,894	1,163,664
Total	\$ 148,990,827	\$ 32,825,973	\$ 74,792,854	\$ 18,192,762	\$ 23,179,238

Foreign Currency Risk: The City and the Pension Trust Fund do not have a policy for foreign currency risk. The City's and the Pension Trust Fund's exposure to foreign currency was one security valued in Euros with a fair value of \$4,006,554.

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.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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	\$ -	\$ -	\$ 24,751,463	\$ -
AA+	178,817	19,222,380	-	1,004,541
A+	167,971	-	-	-
A	333,368	-	-	-
A-	334,869	-	-	-
BBB+	165,717	-	-	-
BBB	169,859	-	-	-
BBB-	167,401	-	-	-
Unrated	15,750	-	-	1,893,876
	<u>\$ 1,533,752</u>	<u>\$ 19,222,380</u>	<u>\$ 24,751,463</u>	<u>\$ 2,898,417</u>

Note 4. Unearned Revenue/Unavailable Revenue

Governmental funds report deferred inflow of resources from unavailable 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 unavailable revenue reported in the governmental funds and governmental activities were as follows:

	Unearned Revenue	Unavailable Revenue
General Fund		
Taxes and accrued interest on delinquent property taxes	\$ -	\$ 6,387,504
Advanced tax collections	-	9,622,192
Grants	48,434	-
Capital Projects		
Tax revenue	-	28,078
Nonmajor Funds		
Grants	1,682,985	-
Total	<u>\$ 1,731,419</u>	<u>\$ 16,037,774</u>

City of Norwalk, Connecticut

Notes to Financial Statements

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 23,629,897	\$ -	\$ -	\$ 23,629,897
Construction in progress	12,668,789	408,328	(12,615,383)	461,734
Total capital assets, not being depreciated	36,298,686	408,328	(12,615,383)	24,091,631
Capital assets, being depreciated:				
Land improvements	16,147,189	1,254,499	-	17,401,688
Machinery and equipment	45,661,788	5,282,443	-	50,944,231
Buildings and improvements	336,153,528	17,891,636	-	354,045,164
Infrastructure	215,647,977	15,689,391	-	231,337,368
Total capital assets being depreciated	613,610,482	40,117,969	-	653,728,451
Less accumulated depreciation for:				
Land improvements	7,959,107	546,705	-	8,505,812
Machinery and equipment	31,755,223	2,558,074	-	34,313,297
Buildings and improvements	92,357,431	6,271,429	-	98,628,860
Infrastructure	27,568,373	1,209,003	-	28,777,376
Total accumulated depreciation	159,640,134	10,585,211	-	170,225,345
Total capital assets, being depreciated, net	453,970,348	29,532,758	-	483,503,106
Governmental activities capital assets, net	\$ 490,269,034	\$ 29,941,086	\$ (12,615,383)	\$ 507,594,737

	Beginning Balance	Additions/ Transfers	Disposal/ Transfers	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,838,762	\$ -	\$ -	\$ 4,838,762
Total capital assets, not being depreciated	4,838,762	-	-	4,838,762
Capital assets, being depreciated:				
Land improvements	509,288	-	-	509,288
Machinery and equipment	13,343,139	11,635	-	13,354,774
Buildings and improvements	165,292,389	849,672	-	166,142,061
Infrastructure	28,677,753	-	-	28,677,753
Total capital assets, being depreciated	207,822,569	861,307	-	208,683,876
Less accumulated depreciation for:				
Land improvements	478,667	17,703	-	496,370
Machinery and equipment	12,711,515	163,407	-	12,874,922
Buildings and improvements	43,570,368	3,232,362	-	46,802,730
Infrastructure	14,656,193	430,077	-	15,086,270
Total accumulated depreciation	71,416,743	3,843,549	-	75,260,292
Total capital assets, being depreciated, net	136,405,826	(2,982,242)	-	133,423,584
Business-type activities capital assets, net	\$ 141,244,588	\$ (2,982,242)	\$ -	\$ 138,262,346

City of Norwalk, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

General government	\$ 358,519
Health and welfare	48,372
Public safety	1,578,233
Public works	2,547,888
Education	5,227,964
Recreation, arts and cultural	824,235

Total depreciation expense – governmental activities	\$ 10,585,211
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Business-Type Activities

Parking Authority	\$ 946,411
Water Pollution Control Authority	2,897,138

Total depreciation expense – business-type activities	\$ 3,843,549
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Note 6. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 215,869,298	\$ 21,000,000	\$ (17,695,163)	\$ 219,174,135	\$ 17,328,205
Deferred amounts:					
For issuance premiums	11,991,835	-	(1,449,007)	10,542,828	-
Total bonds and notes payable	227,861,133	21,000,000	(19,144,170)	229,716,963	17,328,205
Compensated absences	14,243,478	11,473,367	(9,546,271)	16,170,574	9,546,000
Capital lease	81,393	-	(81,393)	-	-
Net pension obligation	1,413,033	2,887	-	1,415,920	-
Other post-employment obligation	18,231,560	3,880,949	-	22,112,509	-
Early retirement accrual	521,500	261,315	(294,000)	488,815	247,500
Risk financing activities	15,839,070	45,289,685	(43,630,335)	17,498,420	6,597,333
Claims payable	605,000	-	(224,976)	380,024	380,024
Total other long term debt	50,935,034	60,908,203	(53,776,975)	58,066,262	16,770,857
Governmental activity long-term liabilities	\$ 278,796,167	\$ 81,908,203	\$ (72,921,145)	\$ 287,783,225	\$ 34,099,062

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds payable:					
General obligation bonds and notes payable	\$ 60,895,837	\$ -	\$ (6,439,037)	\$ 54,456,800	\$ 5,444,610
Total bonds and notes payable	60,895,837	-	(6,439,037)	54,456,800	5,444,610
Business-type activity long-term liabilities	\$ 60,895,837	\$ -	\$ (6,439,037)	\$ 54,456,800	\$ 5,444,610

Compensated Absences: The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating approximately \$16,171,000 as of June 30, 2014. 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 asset or obligation. The net asset amount at June 30, 2014 was approximately \$76,830 and the net obligation amount was approximately \$1,416,000. These amounts are 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, 2014 was approximately \$22,113,000. 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 or \$1,500 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, 2014 is approximately \$489,000 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, 2014 is approximately \$380,000. 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

Note 6. Long-Term Liabilities (Continued)

Bonded Indebtedness: As of June 30, 2014, the outstanding general obligation bonded indebtedness of the City was as follows:

Governmental Activities:

General Obligation Debt

Purpose	Date of Maturity	Interest Rate %	Amount
Capital improvement	1/15/2016	2.25-4.00	\$ 3,557,250
Capital improvement	7/1/2018	3.00-5.00	11,600,000
Capital improvement	7/1/2018	2.50-5.00	44,053,047
Capital improvement	7/1/2024	3.00-5.00	13,350,150
Capital improvement	7/15/2029	2.25-4.25	450,030
Capital improvement	7/1/2026	3.00-5.00	15,537,385
Capital improvement	7/1/2024	3.00-5.00	16,386,663
Capital improvement	8/1/2030	1.60-5.20	5,670,000
Capital improvement	8/1/2030	1.60-5.20	12,266,770
Capital improvement	7/1/2027	3.00-4.00	18,022,000
Capital improvement	8/15/2031	2.00-4.00	17,274,000
Capital improvement	7/15/2029	1.25-5.00	16,006,840
Capital improvement	8/15/2032	2.00-4.00	24,000,000
Capital improvement	8/15/2028	2.95-2.95	21,000,000
			\$ 219,174,135

Business-Type Activities:

Enterprise Debt

Purpose	Interest Rate %	Amount
Water Pollution Control Authority Bonds	2.00-5.00%	\$ 9,247,538
Water Pollution Control Authority Clean Water Fund Notes	2.00%	35,670,942
Parking Authority G.O. - Parking Fund	2.00-5.00%	9,538,320
		\$ 54,456,800

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

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, 2014 is as follows:

Year Ended June 30,	General Obligation Debt	Total Interest Amount	Total Principal and Interest Amount
2015	\$ 17,328,205	\$ 8,426,539	\$ 25,754,744
2016	19,134,110	7,433,455	26,567,565
2017	17,622,394	6,631,266	24,253,660
2018	16,083,873	5,919,762	22,003,635
2019	16,162,694	5,290,304	21,452,998
2020-2024	72,034,911	18,096,126	90,131,037
2025-2029	48,371,087	6,094,285	54,465,372
Thereafter	12,436,861	648,559	13,085,420
	<u>\$ 219,174,135</u>	<u>\$ 58,540,296</u>	<u>\$ 277,714,431</u>

A summary of the City's business-type activities' long-term notes and bond principal maturities and related interest at June 30, 2014 is as follows:

Year Ended June 30,	WPCA Debt	Parking Authority Debt	Total Interest Amount	Total Principal and Interest Amount
2015	\$ 4,693,509	\$ 751,101	\$ 1,341,912	\$ 6,786,522
2016	4,750,050	661,196	1,213,545	6,624,791
2017	4,520,428	617,912	1,122,616	6,260,956
2018	4,462,154	627,633	1,001,006	6,090,793
2019	4,529,254	642,073	879,309	6,050,636
2020-2024	10,050,680	3,231,623	2,966,901	16,249,204
2025-2029	7,879,853	2,832,363	1,129,067	11,841,283
Thereafter	4,032,552	174,419	136,224	4,343,195
	<u>\$ 44,918,480</u>	<u>\$ 9,538,320</u>	<u>\$ 9,790,580</u>	<u>\$ 64,247,380</u>

In-Substance Defeasance – Prior Years: In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements.

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.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

The City has authorized but unissued bonds relating to capital projects at June 30, 2014 as follows:

General purpose	\$ 17,751,000
Schools	11,747,330
Sewer	14,385,000
Urban Renewal	8,459,200
Total	\$ 52,342,530

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

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 634,277,027	\$ 178,693,557	\$ 455,583,470
Pension	845,702,703	-	845,702,703
Schools	1,268,554,055	101,968,292	1,166,585,763
Sewers	1,057,128,379	59,303,480	997,824,899
Urban renewal	916,177,928	21,533,571	894,644,357

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,973,306,307.

Subsequent Event: On August 1, 2014, the City issued \$15,000,000 of general obligation bonds with an average interest rate of 2.98% to finance certain capital projects. The bonds will mature through 2029.

Capital Projects: A summary of the uncompleted capital projects of the City at June 30, 2014 follows:

	Project Authorizations	Expenditures Fiscal 2014	Expenditures Cumulative	Unexpended Authorization Balances
	(a)	(b)	(c)	
Department of Public Works				
Sanitary Sewers	\$ 10,138,564	\$ 666,558	\$ 1,802,975	\$ 8,335,589
Drainage	7,606,939	565,026	3,154,931	4,452,008
Roads and Highways	22,041,696	8,567,717	9,922,049	12,119,647
Other	2,335,506	1,470,516	1,666,780	668,726
Police Department	158,000	101,343	84,170	73,830
Fire Department	16,470,000	1,825,955	14,619,953	1,850,047
Parks and Recreation	13,288,045	4,337,277	7,645,751	5,642,294
Board of Education	58,747,233	5,224,659	46,810,373	11,936,860
Redevelopment Agency	49,250,064	4,958,173	34,535,343	14,714,721
Traffic and Parking	9,400,586	789,371	6,243,432	3,157,154
Total	\$ 189,436,633	\$ 28,506,595	\$ 126,485,757	\$ 62,950,876

- (a) Represents cumulative Capital Budgets for projects that remain open at June 30, 2014.
- (b) Represents current year expenditures for projects that were open at June 30, 2014.
- (c) Represents aggregate expenditures for projects that were open at June 30, 2014.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

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 \$17,498,000. 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.

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 City of Norwalk Charter and ordinances established the four Pension Plans. For the Police, Fire Plans and Food Service amendments to the provisions for benefits and contributions are made as part of union negotiations and are included in the Union Contracts and then approved by Norwalk Common Council for Police and Fire and the Norwalk Board of Education for Food Service. There is a coalition of unions for the Municipal Employees Pension Plan. Members of the Coalition must ratify any changes including benefits and contributions and then the Norwalk Common Council has to approve the agreement. All four plans are administered by the Municipal Employees Pension Board. The Municipal Employees Pension Board is appointed by the Mayor and Common Council and is comprised of a maximum of twelve members who serve five-year terms. 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, 2014, the actuarial valuation date utilized was July 1, 2013.

At the last actuarial valuation date, July 1, 2013, membership consisted of:

	Police	Fire	Employees'	Food Service
Retirees, disabled members and beneficiaries currently receiving benefits	196	156	638	32
Terminated employees entitled to benefits but not yet receiving them	-	-	97	8
Active members	161	123	608	69
DROP members	12	7	-	-
	<u>369</u>	<u>286</u>	<u>1,343</u>	<u>109</u>

Note 8. Employee Retirement Plans (Continued)

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, 2014 was approximately \$12,425,000.

Fire Benefit Fund: The City of Norwalk Fire Benefit Fund provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years of service. Members who retire after age 48 with 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of final average salary, for each year of service (maximum benefit of 75% of final average salary). Benefits being paid to retired members are increased 1.5% 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 9% 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, 2014 was approximately \$9,721,000.

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 4.5% 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, 2014 was approximately 35,769,000.

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.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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, 2014 was approximately \$1,117,000.

Deferred Retirement Option Program (DROP): The Police Pension Plan and Fire Pension Plan offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if they are a full-time employee and must have completed a specific amount of years of service. During the DROP period, pension payments will be accounted for in the pension plan and paid out at the end of the DROP. The Fire Pension Plan has eliminated the DROP for employees hired after July 1, 2012.

Total Payroll: Total payroll for the City for the year ended June 30, 2014 was approximately \$168,799,000 of which approximately \$59,032,000 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 \$20,272,000 for the year ended June 30, 2014.

The City's annual pension cost and net pension obligation (asset) related to the Plans for the year ended June 30, 2014 were as follows:

	Employees'	Police	Fire	Food Service
Annual required contribution	\$ 4,114,985	\$ 3,388,517	\$ 2,150,257	\$ 112,571
Interest on net pension obligation	28,558	82,718	-	(5,976)
Adjustment to annual required contribution	24,048	69,654	-	(5,032)
Annual pension cost	4,167,591	3,540,889	2,150,257	101,563
Contributions made	(4,129,672)	(3,388,517)	(2,150,257)	(112,571)
Increase (decrease) in net pension obligation (asset)	(10,177)	13,064	-	(944)
Net pension obligation (asset), beginning of year	362,645	1,050,388	-	(75,886)
Net pension obligation (asset), end of year	\$ 352,468	\$ 1,063,452	\$ -	\$ (76,830)

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Three Year Trend Information

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<u>Employees' Pension Plan</u>			
June 30, 2012	\$ 2,497,548	102.6%	\$ 426,282
June 30, 2013	3,176,455	102.0%	362,645
June 30, 2014	4,167,591	100.4%	352,468
<u>Police Benefit Fund</u>			
June 30, 2012	\$ 2,272,137	100.0%	\$ 1,035,363
June 30, 2013	2,603,627	99.4%	1,050,388
June 30, 2014	3,540,889	100.0%	1,063,452
<u>Firemen's Benefit</u>			
June 30, 2012	\$ 898,283	100.0%	\$ -
June 30, 2013	1,455,860	100.0%	-
June 30, 2014	2,150,257	100.0%	-
<u>Food Service Plan</u>			
June 30, 2012	\$ 88,921	100.0%	\$ (74,801)
June 30, 2013	87,129	101.2%	(75,886)
June 30, 2014	101,563	100.0%	(76,830)

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
Police Benefit Fund						
July 1, 2013	\$ 106,424,468	\$ 134,413,763	\$ 27,989,295	79.2%	\$ 11,276,370	248.2%
Firemen's Benefit Fund						
July 1, 2013	\$ 99,863,900	\$ 112,043,175	\$ 12,179,275	89.1%	\$ 9,462,914	128.7%
Employees' Pension Plan						
July 1, 2013	\$ 190,927,256	\$ 209,273,133	\$ 18,345,877	91.2%	\$ 36,038,743	50.9%
Food Service Employees' Pension Plan						
July 1, 2013	\$ 2,044,495	\$ 2,745,996	\$ 701,501	74.5%	\$ 983,732	71.3%

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

Note 8. Employee Retirement Plans (Continued)

The following is a summary of certain significant actuarial assumptions and other information that were used to calculate the actuarial required contribution as required by GASB 27:

	Employees' Pension Plan	Police Benefit Fund	Firemen's Benefit Fund	Food Service Pension Plan
Valuation date	July 1, 2013	July 1, 2013	July 1, 2013	July 1, 2013
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	23 years	23 years	23 years	23 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	7.750%	7.750%	7.750%	7.750%
Projected salary increases	4.00%	4.00%	4.00%	4.00%
Cost of living adjustments	1.50%	1.50%	1.50%	1.50%
Inflation	2.75%	2.75%	2.75%	2.75%

**Trust Funds
Statement of Plan Net Position
June 30, 2014**

	Pension Trust Funds					Total
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	
Assets						
Cash and cash equivalents	\$ 2,450,477	\$ 1,322,631	\$ 1,422,732	\$ 20,050	\$ 8,004,450	\$ 13,220,340
Investments, at fair value:						
U.S. Government Agency	-	-	-	-	1,255,221	1,255,221
Corporate Bonds	7,532	3,939	4,198	81	-	15,750
Common Stock	43,055,144	22,519,856	23,999,299	461,044	-	90,035,343
Mutual Funds	29,218,498	15,282,649	16,286,649	312,882	37,613,746	98,714,424
Hedge/alternative investments	48,351,480	25,290,088	26,951,521	517,758	-	101,110,847
Commingled funds	35,174,958	18,398,150	19,606,817	376,661	-	73,556,586
Index Funds	32,689,173	17,097,968	18,221,219	350,043	-	68,358,403
Certificates of Deposit	-	-	-	-	2,583,052	2,583,052
Security lending transactions	5,652,391	2,956,465	3,150,690	60,527	-	11,820,073
Accounts receivable	-	-	-	-	85,014	85,014
Prepays	-	-	-	-	21,941	21,941
Total assets	196,599,653	102,871,746	109,643,125	2,099,046	49,563,424	460,776,994
Liabilities						
Security lending transactions	5,652,391	2,956,465	3,150,690	60,527	-	11,820,073
Accounts payable	-	-	-	-	887,599	887,599
Total liabilities	5,652,391	2,956,465	3,150,690	60,527	887,599	12,707,672
Net Position- Restricted for Benefits	\$ 190,947,262	\$ 99,915,281	\$ 106,492,435	\$ 2,038,519	\$ 48,675,825	\$ 448,069,322

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Statement of Changes in Plan Net Position
Year Ended June 30, 2014

	Pension Trust Funds					Total Trust Funds
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	
Addition						
Contributions						
Employer	\$ 4,129,672	\$ 2,150,257	\$ 3,388,517	\$ 112,571	\$ 15,170,756	\$ 24,951,773
Plan members	1,512,089	783,055	917,959	34,110	391,521	3,638,734
Other revenue	-	-	-	-	245,578	245,578
Total contributions	5,641,761	2,933,312	4,306,476	146,681	15,807,855	28,836,085
Investment Income						
Interest and dividends	2,182,779	1,143,455	1,209,187	23,232	2,564,817	7,123,470
Net appreciation in fair value of investments	25,211,721	13,239,843	13,942,841	267,262	4,960,043	57,621,710
Investment expense	(433,138)	(227,106)	(239,830)	(4,604)	-	(904,678)
Net investment income	26,961,362	14,156,192	14,912,198	285,890	7,524,860	63,840,502
Securities lending transaction income	14,673	7,675	8,179	157	-	30,684
Securities lending transaction expense	(718)	(376)	(400)	(8)	-	(1,502)
Net investment income-securities lending	13,955	7,299	7,779	149	-	29,182
Deductions						
Benefits paid	12,365,065	5,945,534	6,051,249	154,942	10,278,096	34,794,886
General and administrative	78,113	29,433	31,142	7,878	472,540	619,106
Total deductions	12,443,178	5,974,967	6,082,391	162,820	10,750,636	35,413,992
Net increase	20,173,900	11,121,836	13,144,062	269,900	12,582,079	57,291,777
Net Position- Restricted for Benefits						
Beginning of year	170,773,362	88,793,445	93,348,373	1,768,619	36,093,746	390,777,545
End of year	\$ 190,947,262	\$ 99,915,281	\$ 106,492,435	\$ 2,038,519	\$ 48,675,825	\$ 448,069,322

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Investments:

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2014.

Asset Class	Pension Funds Allocation %
Core Fixed Income	20.00%
Inflation-Indexed Bonds	6.00%
Large Cap US Equities	14.69%
Mid Cap US Equities	8.29%
Small Cap US Equities	4.13%
Developed Foreign Equities	17.82%
Emerging Market Equities	4.19%
Private Equity	9.09%
Hedge Funds / Absolute Return	6.79%
Real Estate (Property)	6.00%
Commodities	3.00%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund
Rate of Return	16.06%	16.08%	16.03%	16.01%

Net Pension Liability of the City: The components of the net pension liability of the Town at June 30, 2014 were as follows:

Net Pension Liability as of June 30, 2014	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	Total
Total Pension Liability	\$ 209,273,133	\$ 112,043,175	\$ 134,413,763	\$ 2,745,996	\$ 458,476,067
Plan Fiduciary Net Position	190,927,256	99,863,900	106,424,468	2,044,495	399,260,119
Net Pension Liability	18,345,877	12,179,275	27,989,395	701,501	59,216,048
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91%	89%	79%	74%	87%

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Actuarial Assumptions (GASB 67): The total pension liability was determined by an actuarial valuation as of July 1, 2013, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2014. There have been no significant changes between the valuation date and the fiscal year end.

	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment rate of return	7.75%	7.75%	7.75%	7.75%
Projected salary increases	Age Dependent	Fixed 4% Increase Rate	Fixed 4% Increase Rate	Age Dependent
Inflation rate	2.75%	2.75%	2.75%	2.75%

Mortality rates were based on the RP-2000 Mortality Table for Employees, Health Annuitants and Disabled Annuitants with a generational projection to the valuation date with Scale AA.

Concentrations: The pension plans held the following investments, excluding mutual funds and investments issued or explicitly guaranteed by the United States government, representing 5% or more of the pension trust funds' fiduciary net position as of June 30, 2014:

Investment	Fair Value at June 30, 2014
Northern Trust S&P 500 Index Fund - Non Lending	\$44,313,783
Silchester International Investors International Value Equity Group Trust	39,190,004
Artisan International Growth Trust	38,045,630

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Assumed Rate of Return: The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2013, and the final vestment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return - Portfolio	Long-Term Expected Geometric Real Return - Portfolio
Core Fixed Income	2.20%	1.95%
Inflation-Indexed Bonds	0.96%	0.88%
Large Cap US Equities	5.86%	4.39%
Mid Cap US Equities	6.63%	4.49%
Small Cap US Equities	7.64%	4.63%
Developed Foreign Equities	6.29%	4.39%
Emerging Market Equities	8.94%	4.88%
Private Equity	9.15%	5.37%
Hedge Funds / Absolute Return	3.37%	2.93%
Real Estate (Property)	4.43%	3.66%
Commodities	4.57%	2.93%
Assumed Inflation - Mean	2.75%	2.75%
Assumed Inflation - Standard Deviation	2.00%	2.00%
Portfolio Real Mean Return	7.97%	7.31%
Portfolio Standard Deviation	12.00%	12.00%
Long-Term Expected Rate of Return		7.75%

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the rate utilized:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability (Asset)	6.75%	7.75%	8.75%
Employees Pension Plan	\$ 40,430,765	\$ 18,345,877	\$ (362,213)
Fire Benefit Fund	25,348,765	12,179,275	798,001
Police Benefit Fund	44,982,337	27,989,295	13,601,102
Food Service Employees' Fund	980,279	701,501	467,402

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, 2014, 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, 2014 were as follows:

Collateral Type	Market Value June 30, 2014	Collateral Value June 30, 2014	Collateral Percentage
Cash	\$ 11,560,529	\$ 11,820,073	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, 2014.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

City of Norwalk Retirement Plan - Defined Contribution Pension Plan: As part of the July 1, 2012 Pension Coalition Agreement, management took steps to reduce the town's cost of providing retirement benefits for future employees that were previously covered by the Employees' Pension Plan. To help mitigate future increases in retirement costs, the Agreement approved by the City Common Council required all full-time employees other than sworn Police Officers, Firefighters, Food Service, grant employees and Certified Teachers and Administrators hired after July 1, 2012 to participate in a 401(a) defined contribution plan. In August 2013, fulltime grant employees were added to the 401a. This Plan is not reported as a fiduciary fund by the City as it does not meet the reporting criterion.

The Defined Contribution Plan requires the City to contribute 5% of each participant's salary. Employees are also required to contribute 5% of their salary.

The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan amounted to approximately \$206,000 at June 30, 2014 and is not reflected in the accompanying financial statements of the City, as the City's role in the administration of the Plan is limited.

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, 2013. 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.

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, 2013, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	1,340
Active plan members	1,680
Total	<u>3,020</u>

OPEB Obligation:

Annual required contribution	\$ 19,302,000
Interest on net OPEB obligation	1,458,525
Adjustments to ARC	<u>(1,224,070)</u>
Annual OPEB cost	19,536,455
Contributions made	<u>15,655,506</u>
Increase in net OPEB liability	3,880,949
Net OPEB obligation, beginning of year	<u>18,231,560</u>
Net OPEB obligation, end of year	<u>\$ 22,112,509</u>

City of Norwalk, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

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:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	\$ 18,843,691	\$ 15,524,320	83.38%	\$ 16,087,225
6/30/13	18,683,356	16,539,021	88.52%	18,231,560
6/30/14	19,536,455	15,655,506	80.13%	22,112,509

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	\$ 27,789,106	\$ 242,053,000	\$ 214,263,894	11.5%	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.

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	8.0%
Inflation rate	4.4%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

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

Note 9. Other Post-Employment Benefits (Continued)

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. Under the program, the City and City of Norwalk Board of Education are obligated for claim payments. The City has purchased a stop loss policy for individual claims exceeding \$400,000 for hospital and major medical. The City of Norwalk Board of Education has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 130% of expected claims and for individual claims exceeding \$250,000 for hospital and major medical.

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

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.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2013	\$ 14,001,907	\$ 44,738,617	\$ 42,901,454	\$ 15,839,070
2014	15,839,070	45,289,685	43,630,335	17,498,420

Note 11. Fund Balance

Below is a table of fund balance categories and classifications at June 30, 2014 for the City governmental funds:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$ 290	\$ -	\$ 33,310
Total nonspendable	290	-	33,310
Restricted:			
General government	-	-	179,608
Public safety	-	-	31,685
Health and welfare	-	-	108,780
Public works	-	-	5,000
Maritime operations	-	-	8,992
Education	-	-	2,003,271
Capital projects	-	15,757,888	-
Community grants	-	-	2,637
Total restricted	-	15,757,888	2,339,973
Committed:			
General government	-	-	84,768
Education	-	-	29,947
Public works	-	-	1,199,680
Health and welfare	-	-	205,922
Capital projects	-	2,415,764	-
Total committed	-	2,415,764	1,520,317
Assigned:			
General government*	609,718	-	-
Education	1,886,376	-	-
Public safety	356,301	-	-
Public works	17,700	-	-
Total assigned	2,870,095	-	-
Unassigned:			
General government	34,613,222	-	-
Total unassigned	34,613,222	-	-
Total fund balance	\$ 37,483,607	\$ 18,173,652	\$ 3,893,600

* Included in the General Fund is approximately \$192,000 of encumbrances, all of which is for General Government purposes

Notes to Financial Statements

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. 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. This Statement is effective for fiscal years beginning after June 15, 2014.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
 - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
 - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
 - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
 - Reporting the disposal of government operations that have been transferred or sold.

The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement date, an amendment of GASB Statement No. 68***. The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, Accounting and Financial Reporting for Pensions, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2014.

**Required Supplementary
Information- unaudited**

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of Funding Progress and Schedule of Employer Contributions - Police Benefit Fund
 June 30, 2014

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
Police Benefit Fund						
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%
July 1, 2012	90,854,816	121,114,987	30,260,171	75.0%	11,276,370	268.4%
July 1, 2013	91,094,177	127,791,434	36,697,257	71.3%	12,425,033	295.3%

Schedule of Employer Contributions

Year Ended June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Percentage Contributed
2014	\$ 3,388,517	\$ 3,388,517	\$ -	\$ 11,276,370	30.05%	100.0%
2013	2,588,602	2,588,602	-	9,892,305	26.17%	100.0%
2012	2,272,357	2,272,357	-	10,038,206	22.64%	100.0%
2011	1,925,038	1,925,038	-	9,767,044	19.71%	100.0%
2010	1,197,083	1,197,083	-	7,836,642	15.28%	100.0%
2009	1,267,867	1,267,867	-	8,277,467	15.32%	100.0%
2008	1,605,475	1,605,475	-	8,540,939	18.80%	100.0%
2007	1,599,009	1,599,009	-	N/A	N/A	100.0%
2006	1,240,000	1,240,000	-	9,293,105	13.34%	100.0%
2005	868,054	868,054	-	N/A	N/A	100.0%

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of Funding Progress and Schedule of Employer Contributions - Firemen's Benefit Fund
 June 30, 2014

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
Firemen's Benefit Fund						
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%
July 1, 2012	87,436,030	102,110,071	14,674,041	85.6%	9,462,914	155.1%
July 1, 2013	86,558,851	107,494,876	20,936,025	80.5%	9,721,012	215.4%

Schedule of Employer Contributions

Year Ended June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 2,150,257	\$ 2,150,257	\$ -	\$ 9,462,914	22.72%
2013	1,455,860	1,455,860	-	9,411,149	15.47%
2012	898,283	898,283	-	8,907,133	10.08%
2011	335,135	335,135	-	8,669,948	3.87%
2010	-	-	-	7,848,842	0.00%
2009	62,744	62,744	-	7,336,833	0.86%
2008	391,779	391,779	-	8,374,111	4.68%
2007	307,926	307,926	-	N/A	N/A
2006	-	-	-	7,865,894	0.00%
2005	-	-	-	N/A	N/A

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of Funding Progress and Schedule of Employer Contributions - Employees' Pension Plan
 June 30, 2014

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
Employees' Pension Plan						
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%
July 1, 2012	168,978,808	191,985,282	23,006,474	88.0%	36,038,743	63.8%
July 1, 2013	166,703,760	202,234,413	35,530,653	82.4%	35,768,820	99.3%

Schedule of Employer Contributions

Year Ended June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 4,114,985	\$ 4,129,672	\$ (14,687)	\$ 36,038,743	11.46%
2013	3,170,268	3,240,092	(69,824)	35,768,820	9.06%
2012	2,497,652	2,561,323	(63,671)	36,038,743	7.11%
2011	1,677,163	1,717,429	(40,266)	35,205,960	4.88%
2010	891,003	889,592	1,411	35,648,471	2.50%
2009	832,452	863,067	(30,615)	35,652,748	2.42%
2008	1,435,823	1,506,611	(70,788)	34,753,304	4.34%
2007	1,279,680	1,343,895	(64,215)	34,353,200	3.91%
2006	689,596	761,128	(71,532)	33,335,431	2.28%
2005	911,816	994,714	(82,898)	N/A	N/A

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
Schedule of Funding Progress and Schedule of Employer Contributions - Food Service Benefit Fund
June 30, 2014

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
Food Service						
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%
July 1, 2012	1,708,220	2,442,179	733,959	69.9%	983,732	74.6%
July 1, 2013	1,735,441	2,598,714	863,273	66.8%	1,117,166	77.3%

Schedule of Employer Contributions

Year Ended June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 112,571	\$ 112,571	\$ -	\$ 983,732	11.44%
2013	88,214	88,214	-	937,656	9.41%
2012	89,102	89,102	-	920,435	9.68%
2011	89,530	89,530	-	937,757	9.55%
2010	89,102	89,102	-	837,065	10.64%
2009	74,182	74,182	-	843,602	8.79%
2008	67,085	67,085	-	620,707	10.81%
2007	88,755	88,755	-	N/A	N/A
2006	77,967	203,189	(125,222)	694,888	29.24%
2005	125,222	-	125,222	N/A	N/A

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of Funding Progress and Schedule of Employer Contributions - OPEB Trust
 June 30, 2014

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%	\$ 144,988,620	146.5%
July 1, 2013	37,232,000	282,040,000	244,808,000	13.2%	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 19,302,000	81.11%
2013	18,450,000	89.64%
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

Required Supplementary Information - unaudited
 Schedule of Changes in the City's Net Pension Liability and Related Ratios
 (Dollar Values In Thousands)
 Last Fiscal Year

	Police	Fire	Police	Food Service
Changes in Net Pension Liability				
Total Pension Liability				
Service cost	\$ 4,009	\$ 2,019	\$ 2,616	\$ 109
Interest on total pension liability	15,513	8,261	9,876	204
Effect of economic/demographic gains or (losses)	(96)	215	181	(3)
Benefit payments	(12,387)	(5,947)	(6,051)	(162)
Net change in total pension liability	7,039	4,548	6,622	148
Total Pension Liability, beginning	202,234	107,495	127,791	2,599
Total pension liability, ending (a)	209,273	112,043	134,413	2,747
Fiduciary Net Position				
Employer contributions	\$ 4,130	\$ 2,150	\$ 3,389	\$ 113
Member contributions	1,512	783	918	34
Investment income net of investment expenses	26,975	14,163	14,920	286
Benefit payments	(12,387)	(5,947)	(6,051)	(162)
Administrative expenses	(56)	(29)	(31)	(1)
Net change in plan fiduciary net position	20,174	11,120	13,145	270
Fiduciary Net Position, beginning	170,753	88,744	93,280	1,775
Fiduciary net position, ending (b)	190,927	99,864	106,425	2,045
Net pension liability, ending = (a) - (b)	\$ 18,346	\$ 12,179	\$ 27,988	\$ 702
Fiduciary net position as a % of total pension liability	91.23%	89.13%	79.18%	74.44%
Covered payroll	\$ 36,039	\$ 9,463	\$ 11,276	\$ 984
Net pension liability as a % of covered payroll	50.91%	128.70%	248.21%	71.34%

NOTE: As 2014 is the implementation year, only 2014 information is available.

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Revenues - Budgetary Basis - Budget and Actual
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Taxes, Interest and Lien Fees				
Property Taxes	\$ 278,987,034	\$ 278,987,034	\$ 280,077,282	\$ 1,090,248
Interest and liens	1,857,097	1,857,097	1,870,496	13,399
Total taxes, interest and lien fees	280,844,131	280,844,131	281,947,778	1,103,647
Intergovernmental				
State grants in aid - general	4,037,529	4,077,374	5,901,926	1,824,552
State grants in aid - Board of Education	10,620,868	10,620,868	10,167,383	(453,485)
Other grants	526,005	526,005	524,429	(1,576)
Total intergovernmental	15,184,402	15,224,247	16,593,738	1,369,491
Licenses, Permits, Fees and Other				
Building inspections and permits	2,640,500	2,660,500	3,572,053	911,553
Health Department inspection fees	318,000	318,000	370,485	52,485
Police Department permits	32,300	32,300	41,819	9,519
Public Works licenses, permits and service charges	722,320	723,820	737,621	13,801
Planning and zoning permits	234,550	234,550	189,845	(44,705)
Town Clerk fees and permits	3,514,580	3,514,580	4,191,215	676,635
Police Department service charges	504,150	504,150	463,596	(40,554)
Other service charges and fees	1,569,918	1,583,315	1,813,674	230,359
Rental income	165,596	165,596	211,404	45,808
Recreation and Parks Commission	1,015,800	1,015,800	959,994	(55,806)
Health Department nursing fees	225,400	225,400	254,974	29,574
Total licenses, permits, fees and other	10,943,114	10,978,011	12,806,680	1,828,669
Interest on investments				
Interest on investments	712,000	712,000	771,096	59,096
Total interest	712,000	712,000	771,096	59,096
Total revenues	\$ 307,683,647	\$ 307,758,389	\$ 312,119,292	\$ 4,360,903

See Note to Required Supplementary Information.

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Expenditures, Encumbrances and Transfers Out
 Budgetary Basis - Budget and Actual
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government				
Mayor	\$ 290,295	\$ 336,428	\$ 336,428	\$ -
City Clerk	339,885	364,630	364,531	99
Town Clerk	608,139	566,935	558,492	8,443
Legislative	12,450	11,610	11,610	-
Legal	972,678	904,900	870,280	34,620
Data Processing	1,598,132	1,647,389	1,561,626	85,763
Personnel & Labor Relations	571,376	609,337	592,785	16,552
Human Relations & Fair Rent	248,091	248,010	241,162	6,848
Youth Services	248,174	252,675	250,276	2,399
Registrar of Voters	354,700	384,879	359,957	24,922
Finance Director	197,745	228,122	197,027	31,095
Tax Assessor	824,236	755,193	728,912	26,281
Tax Assessor Revaluation	12,720	776,690	10,225	766,465
Tax Collector	880,202	908,233	904,401	3,832
Accounting and Treasury	690,747	655,275	651,349	3,926
Management and budgets	387,411	384,254	377,580	6,674
Purchasing	276,900	281,806	280,946	860
Central Services	81,350	78,223	62,768	15,455
Total general government	8,595,231	9,394,589.00	8,360,355	1,034,234
Health and Welfare	2,031,468	2,038,786.00	1,967,445	71,341
Community Grants				
Transit District	483,217	483,217.00	483,217	-
Probate Court	24,402	24,402.00	24,402	-
Elder House	9,972	9,972.00	9,972	-
Senior Center	336,080	336,080.00	336,080	-
Sexual Assault Crisis Center	16,810	16,810.00	16,810	-
CT Counseling Centers	2,101	2,101.00	2,101	-
Harbor Commission	9,822	9,822.00	9,822	-
Carver Foundation	55,000	55,000.00	55,000	-
Housing Site Development Agency	107,054	107,054.00	107,054	15
Redevelopment Agency	137,521	138,447.00	138,432	-
Mid-Fairfield Guidance Center	14,446	14,446.00	14,446	-
Neighborhood Improvement	68,525	68,525.00	68,525	-

(Continued)

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
Schedule of General Fund Expenditures, Encumbrances and Transfers Out
Budgetary Basis - Budget and Actual, Continued
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Community Grants, Continued				
Americare Free Clinic	\$ 21,012	\$ 21,012	\$ 21,012	\$ -
Human Services Council	13,658	13,658	13,658	-
NEON Summer Camp	90,694	90,694	90,694	-
Domestic Violence Center	5,778	5,778	5,778	-
Family & Children's Aid	38,167	38,167	38,167	-
SW CT Mental Health Board	15,368	15,368	15,368	-
School Based Health Centers	19,436	19,436	19,436	-
Summer Youth Employment	75,000	75,000	75,000	-
Children's Connection	16,810	16,810	16,810	-
Other	180,845	184,864	184,864	-
Total community grants	1,741,718	1,746,663	1,746,648	15
Employee Benefits				
Insurance	11,376,673	11,376,673	11,376,673	-
Social Security	2,264,152	2,232,771	2,195,734	37,037
Unemployment Compensation	135,000	160,986	160,986	-
Police Pension	3,388,517	3,388,517	3,388,517	-
Fire Pension	2,150,257	2,150,257	2,150,257	-
City Pension	4,042,507	4,047,902	4,047,064	838
OPEB Contribution	13,846,636	13,846,636	13,846,636	-
Worker's Compensation Insurance	3,642,960	3,642,960	3,642,960	-
Total employee benefits	40,846,702	40,846,702	40,808,827	37,875
Protection of Persons and Property				
Police Department	19,995,580	20,360,209	20,355,577	4,632
Fire Department	16,779,405	17,403,470	17,305,549	97,921
Planning and Zoning	1,105,684	1,073,056	1,064,638	8,418
Building Inspector	695,413	717,460	708,552	8,908
Dispatch and Emergency Mgmt Plan	2,281,721	2,309,468	2,299,174	10,294
Total protection of persons and property	40,857,803	41,863,663	41,733,490	130,173
Public Works				
Public Works	17,542,765	17,834,588	17,687,906	146,682

(Continued)

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Expenditures, Encumbrances and Transfers Out
 Budgetary Basis - Budget and Actual, Continued
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Education				
Public Schools	\$ 162,271,864	\$ 164,318,748	\$ 161,243,578	\$ 3,075,170
Recreation, Arts and Culture				
Recreation and Parks	3,815,937	4,027,544	3,976,937	50,607
Library	3,474,751	3,508,064	3,472,956	35,108
Historical Commission	223,674	217,547	214,502	3,045
Total recreations, arts and culture	7,514,362	7,753,155	7,664,395	88,760
Contingency	1,800,968	781,604	-	781,604
Debt Service	26,126,874	26,126,874	26,126,874	-
Organizational Memberships	98,194	98,194	92,194	6,000
Total expenditures	\$ 309,427,949	312,803,566	\$ 307,431,712	\$ 5,371,854

See Note to Required Supplementary Information.

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, 2014, supplemental appropriations totaled approximately \$3,376,000.

City of Norwalk, Connecticut

Note to Required Supplementary Information - unaudited

Note 1. Budgets and Budgetary Accounting (Continued)

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	\$ 307,431,712
Effect of combined funds under GASB No. 54.	375,272
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	20,272,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	1,265,234
Excess Cost -Special Education	1,810,266
Encumbrances and continued appropriations: June 30, 2013	862,693
June 30, 2014	<u>(191,737)</u>
Expenditures, GAAP basis	<u><u>\$ 331,825,440</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	\$ 312,119,292
Effect of combined funds under GASB No. 54	408,203
Excess Cost -Special Education	1,810,266
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	20,272,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>1,265,234</u>
Revenues, GAAP basis	<u><u>\$ 335,874,995</u></u>

City of Norwalk, Connecticut

Note to Required Supplementary Information - unaudited

Note 1. Budgets and Budgetary Accounting (Continued)

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

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

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**Combining and Individual Fund
Financial Statements and Other 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.

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, 2014

	Special Revenue		
	School Lunch	Community Development Block Grant	Board of Education Grants
Assets			
Cash and cash equivalents	\$ 102,179	\$ 2,637	\$ 1,879,583
Investments	-	-	1,419,788
Intergovernmental receivables	500,043	-	1,249,102
Other receivables	-	-	279,768
Inventories	33,310	-	-
Total assets	\$ 635,532	\$ 2,637	\$ 4,828,241
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 571,871	\$ -	\$ 1,559,840
Unearned revenue	-	-	1,312,345
Total liabilities	571,871	-	2,872,185
Fund Balances			
Nonspendable	33,310	-	-
Restricted	30,351	2,637	1,956,056
Committed	-	-	-
Total fund balances	63,661	2,637	1,956,056
Total liabilities, deferred inflows of resources and fund balances	\$ 635,532	\$ 2,637	\$ 4,828,241

Special Revenue

Healthcare Grants	Other Programs	Totals
\$ 63,348	\$ 1,045,931	\$ 3,093,678
-	1,062,296	2,482,084
277,885	-	2,027,030
-	129,355	409,123
-	-	33,310
<u>\$ 341,233</u>	<u>\$ 2,237,582</u>	<u>\$ 8,045,225</u>

\$ 105,506	\$ 231,423	\$ 2,468,640
234,321	136,319	1,682,985
<u>339,827</u>	<u>367,742</u>	<u>4,151,625</u>

-	-	33,310
1,406	349,523	2,339,973
-	1,520,317	1,520,317
<u>1,406</u>	<u>1,869,840</u>	<u>3,893,600</u>

<u>\$ 341,233</u>	<u>\$ 2,237,582</u>	<u>\$ 8,045,225</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, 2014

	Special Revenue		
	School Lunch	Community Development Block Grant	Board of Education Grants
Revenues			
Intergovernmental	\$ 2,815,844	\$ 1,162,393	\$ 19,086,512
Licenses, permits, fees and other	1,153,069	-	2,455,960
Total revenues	3,968,913	1,162,393	21,542,472
Expenditures			
Education	3,969,889	-	20,422,275
Maritime Center operations	-	-	-
Health and welfare	-	-	-
General government	-	-	-
Public works	-	-	-
Public safety	-	-	-
Recreation	-	-	-
Community grants	-	1,162,393	-
Total expenditures	3,969,889	1,162,393	20,422,275
Changes in fund balance	(976)	-	1,120,197
Fund Balance, beginning	64,637	2,637	835,859
Fund Balance, ending	\$ 63,661	\$ 2,637	\$ 1,956,056

Special Revenue

	Healthcare Grants	Other Programs	Totals
\$	1,455,407	\$ 140,118	\$ 24,660,274
	-	1,136,951	4,745,980
	<u>1,455,407</u>	<u>1,277,069</u>	<u>29,406,254</u>
	-	94,221	24,486,385
	-	-	-
	1,455,407	-	1,455,407
	-	139,938	139,938
	-	566,747	566,747
	-	16,318	16,318
	-	47,441	47,441
	-	-	1,162,393
	<u>1,455,407</u>	<u>864,665</u>	<u>27,874,629</u>
	-	412,404	1,531,625
	<u>1,406</u>	<u>1,457,436</u>	<u>2,361,975</u>
\$	<u>1,406</u>	<u>\$ 1,869,840</u>	<u>\$ 3,893,600</u>

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Nonmajor Internal Service Funds

Nonmajor 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 Position
 Nonmajor Internal Service Fund
 June 30, 2014

	Insurance Fund	Fleet Maintenance	Totals
Assets			
Cash	\$ 9,306,555	\$ 99,877	\$ 9,406,432
Investments	17,034,582	94,354	17,128,936
Receivables	93,000	33,652	126,652
Prepays	665,519	-	665,519
Total assets	<u>27,099,656</u>	<u>227,883</u>	<u>27,327,539</u>
Liabilities			
Current Liabilities:			
Accounts payable	106,702	155,926	262,628
Claims payable	6,597,333	-	6,597,333
Total current liabilities	<u>6,704,035</u>	<u>155,926</u>	<u>6,859,961</u>
Noncurrent liabilities:			
Claims payable	10,901,087	-	10,901,087
Total noncurrent liabilities	<u>10,901,087</u>	<u>-</u>	<u>10,901,087</u>
Total liabilities	<u>17,605,122</u>	<u>155,926</u>	<u>17,761,048</u>
Net Position			
Unrestricted	<u>9,494,534</u>	<u>71,957</u>	<u>9,566,491</u>
Total net position	<u>\$ 9,494,534</u>	<u>\$ 71,957</u>	<u>\$ 9,566,491</u>

City of Norwalk, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) -
 Nonmajor Internal Service Funds
 For the Year Ended June 30, 2014

	Insurance Fund	Fleet Maintenance	Totals
Operating Revenues			
City and member's contributions	\$ 55,704,888	\$ 2,652,773	\$ 58,357,661
Total operating revenues	55,704,888	2,652,773	58,357,661
Operating Expenses			
Administrative costs	773,913	7,803	781,716
Program expenditures	45,289,685	2,621,676	47,911,361
Total operating expenses	46,063,598	2,629,479	48,693,077
Operating income	9,641,290	23,294	9,664,584
Nonoperating Income			
Investment income	953,000	1,018	954,018
Total nonoperating income	953,000	1,018	954,018
Net income	10,594,290	24,312	10,618,602
Fund Net Position (Deficit), beginning	(1,099,756)	47,645	(1,052,111)
Fund Net Position, ending	\$ 9,494,534	\$ 71,957	\$ 9,566,491

City of Norwalk, Connecticut

**Combining Statement of Cash Flows - Nonmajor Internal Service Funds
For the Year Ended June 30, 2014**

	Insurance Fund	Fleet Maintenance	Totals
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 55,658,278	\$ 2,660,510	\$ 58,318,788
Payments for program and administration costs	(44,732,407)	(2,710,144)	(47,442,551)
Net cash provided by (used in) operating activities	10,925,871	(49,634)	10,876,237
Cash Flows From Investing Activities			
Purchase of investments	(13,185,920)	(114,869)	(13,300,789)
Sale of investments	6,740,552	31,960	6,772,512
Investment income	953,000	1,018	954,018
Net cash used in investing activities	(5,492,368)	(81,891)	(5,574,259)
Net increase (decrease) in cash and cash equivalents	5,433,503	(131,525)	5,301,978
Cash and Cash Equivalents			
Beginning	3,873,052	231,402	4,104,454
Ending	<u>\$ 9,306,555</u>	<u>\$ 99,877</u>	<u>\$ 9,406,432</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income	\$ 9,641,290	\$ 23,294	\$ 9,664,584
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(46,610)	7,737	(38,873)
Increase in prepaids	(148,343)	-	(148,343)
Increase (decrease) in accrued expenses/ accounts payable	1,479,534	(80,665)	1,398,869
Net cash provided by (used in) by operating activities	\$ 10,925,871	\$ (49,634)	\$ 10,876,237
Noncash Investment Activities			
Net increase in fair value of investments	\$ 386,927	\$ 1,497	\$ 388,424

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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, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Student Activity Fund				
Assets				
Cash and cash equivalents	\$ 924,787	\$ 2,663,624	\$ 2,670,271	\$ 918,140
Liabilities				
Other liabilities	\$ 924,787	\$ 2,663,624	\$ 2,670,271	\$ 918,140
Housing Site Development				
Assets				
Cash and cash equivalents	\$ 388,898	\$ 2,287	\$ -	\$ 391,185
Liabilities				
Other liabilities	\$ 388,898	\$ 2,287	\$ -	\$ 391,185
Sixth Taxing District				
Assets				
Cash and cash equivalents	\$ -	\$ 25,963	\$ 25,963	\$ -
Liabilities				
Other liabilities	\$ -	\$ 25,963	\$ 25,963	\$ -
City Hall Mural Restoration				
Assets				
Cash and cash equivalents	\$ 2,294	\$ 77	\$ -	\$ 2,371
Liabilities				
Other liabilities	\$ 2,294	\$ 77	\$ -	\$ 2,371
Detention Facility Escrow				
Assets				
Cash and cash equivalents	\$ 5,677	\$ 28	\$ -	\$ 5,705
Liabilities				
Other liabilities	\$ 5,677	\$ 28	\$ -	\$ 5,705

(Continued)

City of Norwalk, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds (Continued)
 For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Roosevelt Deposit				
Assets				
Cash and cash equivalents	\$ 20,458	\$ 122	\$ -	\$ 20,580
Liabilities				
Other liabilities	\$ 20,458	\$ 122	\$ -	\$ 20,580
Sewer Escrow				
Assets				
Cash and cash equivalents	\$ 195,318	\$ 2,206	\$ -	\$ 197,524
Liabilities				
Other liabilities	\$ 195,318	\$ 2,206	\$ -	\$ 197,524
Miscellaneous Board of Education				
Assets				
Cash and cash equivalents	\$ 47,307	\$ 10,491	\$ 37,176	\$ 20,622
Investments	26,706	-	26,706	-
Total Assets	\$ 74,013	\$ 10,491	\$ 63,882	\$ 20,622
Liabilities				
Other liabilities	\$ 74,013	\$ -	\$ 53,391	\$ 20,622
Total Assets	\$ 1,611,445	\$ 2,704,798	\$ 2,760,116	\$ 1,556,127
Total Liabilities	\$ 1,611,445	\$ 2,694,307	\$ 2,749,625	\$ 1,556,127

**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, 2014

Governmental Funds Capital Assets	
Land	\$ 23,629,897
Buildings and improvements	255,416,304
Land improvements	8,895,876
Machinery and equipment	16,630,934
Infrastructure	202,559,992
Construction in progress	461,734
Total governmental funds capital assets	\$ 507,594,737

Investments in Governmental Funds Capital Assets	
Assets put into service prior to July 1, 2014	
Total governmental funds capital assets	\$ 507,594,737

City of Norwalk, Connecticut

Capital Assets Used in the Operation of Governmental Funds - Schedule by Function and Activity - Net of Depreciation
June 30, 2014

	Land	Construction in Progress	Land Improvements	Machinery and Equipment	Infrastructure	Buildings and Improvements	Total
General Government	\$ -	\$ -	\$ -	\$ 1,745,264	\$ -	\$ 3,840	\$ 1,749,104
Board of Education	4,167,400	461,734	1,049,930	4,206,279	26,934	185,386,135	195,298,412
Public Works	2,057,997	-	1,839,696	6,275,488	192,490,894	20,759,398	223,423,473
Health & Welfare	-	-	-	51,374	-	1,044,243	1,095,617
Recreation, Arts and Culture	17,404,500	-	6,004,967	483,488	10,042,164	11,650,124	45,585,243
Public Safety	-	-	1,283	3,869,041	-	36,572,564	40,442,888
	<u>\$ 23,629,897</u>	<u>\$ 461,734</u>	<u>\$ 8,895,876</u>	<u>\$ 16,630,934</u>	<u>\$ 202,559,992</u>	<u>\$ 255,416,304</u>	<u>\$ 507,594,737</u>

Other Schedules

City of Norwalk, Connecticut

Balance Sheet - By Account - General Fund
June 30, 2014

	General Fund	Other Programs Fund	Totals
Assets			
Cash and cash equivalents	\$ 35,354,642	\$ 291,649	\$ 35,646,291
Investments	34,528,238	292,982	34,821,220
Receivables (net of allowances for collection losses):			
Property taxes	5,456,082	-	5,456,082
Accounts receivable	13,194,384	5,125	13,199,509
State and federal governments	54,853	-	54,853
Prepays	290	-	290
Total assets	\$ 88,588,489	\$ 589,756	\$ 89,178,245
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 24,281,411	\$ 34,141	\$ 24,315,552
Advances to taxing districts	11,320,956	-	11,320,956
Unearned revenue	48,434	-	48,434
Total liabilities	35,650,801	34,141	35,684,942
Deferred Inflows of Resources			
Unavailable revenues - property taxes	16,009,696	-	16,009,696
Total deferred inflows of resources	16,009,696	-	16,009,696
Fund Balances			
Nonexpendable	290	-	290
Assigned	2,870,095	-	2,870,095
Unassigned	34,057,607	555,615	34,613,222
Total fund balances	36,927,992	555,615	37,483,607
Total liabilities, Deferred Inflows of Resources and fund balances	\$ 88,588,489	\$ 589,756	\$ 89,178,245

City of Norwalk, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2014

	General Fund	Other Programs Fund	Totals
Revenues			
Property taxes, interest and liens	\$ 281,947,778	\$ -	\$ 281,947,778
Intergovernmental	18,420,107	-	18,420,107
State on-behalf payments	21,537,234	-	21,537,234
Licenses, permits, fees and other	12,790,577	407,136	13,197,713
Interest	771,096	1,067	772,163
Total revenues	335,466,792	408,203	335,874,995
Expenditures			
Current:			
General government	8,953,863	375,272	9,329,135
Health and welfare	1,967,445	-	1,967,445
Education	184,591,078	-	184,591,078
Employee benefits	40,901,021	-	40,901,021
Public safety	41,758,270	-	41,758,270
Community grants	1,746,648	-	1,746,648
Public works	17,721,079	-	17,721,079
Recreation, arts and culture	7,683,890	-	7,683,890
Debt service:			
Principal	17,695,163	-	17,695,163
Interest	8,431,711	-	8,431,711
Total expenditures	331,450,168	375,272	331,825,440
Net change in fund balances	4,016,624	32,931	4,049,555
Fund Balances, beginning of year	32,911,368	522,684	33,434,052
Fund Balances, end of year	\$ 36,927,992	\$ 555,615	\$ 37,483,607

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City of Norwalk, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding - General Fund
For the Year Ended June 30, 2014

Grand List Year	Taxes Receivable July 1, 2013	Current Levy	Lawful Corrections		
			Additions	Deletions	Abatement
2012	\$ -	\$ 281,745,834	\$ 734,318	\$ 12,338	\$ 824,321
2011	4,173,765	-	158,797	22,119	361,677
2010	1,337,866	-	136,319	35,490	291,105
2009	679,430	-	64,047	278,253	271,314
2008	141,706	-	38,750	11,959	287,095
2007	126,674	-	18,418	11,447	17,478
2006	(8,258)	-	14,346	6,613	17,056
2005	15,273	-	9,723	5,615	17,283
2004	14,400	-	7,702	2,044	6,663
2003	9,479	-	3,085	1,737	-
2002	8,908	-	5,808	2,056	-
2001	10,878	-	30,832	1,573	27,251
2000	4,205	-	22,704	956	20,824
1999	3,217	-	13,854	971	12,185
1998	1,720	-	3,528	(1,319)	-
	<u>\$ 6,519,263</u>	<u>\$ 281,745,834</u>	<u>\$ 1,262,231</u>	<u>\$ 391,852</u>	<u>\$ 2,154,252</u>

Balance to be Collected	Collections				Taxes Receivable June 30, 2014
	Taxes	Interest	Fees	Total	
\$ 281,643,493	\$ 277,778,490	\$ 815,329	\$ 139,949	\$ 278,733,768	\$ 3,865,003
3,948,766	2,448,846	565,729	25,929	3,040,504	1,499,920
1,147,590	437,061	245,107	9,567	691,735	710,529
193,910	(56,986)	105,675	2,473	51,162	250,896
(118,598)	(256,102)	21,981	791	(233,330)	137,504
116,167	(11,126)	13,156	565	2,595	127,293
(17,581)	(52,216)	9,831	385	(42,000)	34,635
2,098	(16,174)	7,300	294	(8,580)	18,272
13,395	(533)	4,348	175	3,990	13,928
10,827	2,161	3,688	110	5,959	8,666
12,660	4,232	7,991	166	12,389	8,428
12,886	3,584	7,315	106	11,005	9,302
5,129	1,331	2,979	91	4,401	3,798
3,915	1,099	3,075	66	4,240	2,816
6,567	6,567	5,688	45	12,300	-
<u>\$ 286,981,224</u>	<u>\$ 280,290,234</u>	<u>\$ 1,819,192</u>	<u>\$ 180,712</u>	<u>\$ 282,290,138</u>	<u>\$ 6,690,990</u>

City of Norwalk, Connecticut

Schedule of Capital Project Fund Tax Collectors Activity - Sewer Assessment
For the Year Ended June 30, 2014

Grand List Year	Uncollected Sewer Assessments July 1, 2013	Current Assessment	Lawful Corrections		Assessments Collected
			Additions	Deletions	
1997-1998	\$ 58	\$ -	\$ -	\$ -	\$ -
1999-2000	646	-	-	-	-
2001-2002	2,130	-	-	-	1,331
2005-2006	35,593	-	-	-	9,018
	<u>\$ 38,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,349</u>

Interest	Liens	Total Collected	Taxes Receivable June 30, 2014
\$ -	\$ -	\$ -	\$ 58
-	-	-	646
1,362	72	2,765	799
1,013	48	10,079	26,575
<u>\$ 2,375</u>	<u>\$ 120</u>	<u>\$ 12,844</u>	<u>\$ 28,078</u>

City of Norwalk, Connecticut

Schedule of Long-Term Bonded Debt
For the Year Ended June 30, 2014

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
<u>General Government</u>					
City Capital Improvement Bonds					
	104	03/24/2004	2.25-4.00	01/15/2016	10,829,850
	111	04/30/2008	3.00-5.00	07/01/2018	15,780,000
	112	07/01/2008	4.00-5.00	07/01/2028	33,000,000
	113	03/03/2009	2.50-5.00	07/01/2022	55,312,186
	114	06/03/2009	3.00-5.00	07/01/2026	17,037,600
	115	07/15/2009	2.25-4.25	07/01/2029	17,495,000
	116	02/16/2010	3.00-5.00	07/01/2026	15,879,685
	117	04/28/2010	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	07/01/2011	3.00-4.00	07/01/2027	18,022,000
	121	08/16/2011	2.00-4.00	08/15/2031	17,274,000
	122	07/10/2012	1.25-5.00	07/15/2029	16,006,840
	123	08/01/2012	2.00-4.00	08/15/2032	24,000,000
	124	8/15/2013	2.95-2.95	8/15/2028	21,000,000

Total City capital improvement bonds

Amount Outstanding June 30, 2013	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2014
\$ 5,319,600	\$ -	\$ (1,762,350)	\$ 3,557,250
13,680,000	-	(2,080,000)	11,600,000
1,516,485	-	(1,516,485)	-
48,473,620	-	(4,420,573)	44,053,047
14,680,050	-	(1,329,900)	13,350,150
1,374,990	-	(924,960)	450,030
15,859,300	-	(321,915)	15,537,385
20,818,413	-	(4,431,750)	16,386,663
6,000,000	-	(330,000)	5,670,000
12,844,000	-	(577,230)	12,266,770
18,022,000	-	-	18,022,000
17,274,000	-	-	17,274,000
16,006,840	-	-	16,006,840
24,000,000	-	-	24,000,000
-	21,000,000	-	21,000,000
215,869,298	21,000,000	(17,695,163)	219,174,135

City of Norwalk, Connecticut

Schedule of Long-Term Bonded Debt (Continued)
For the Year Ended June 30, 2014

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
Enterprise Funds					
Maritime Parking Garage	112	7/1/2008	3.00-5.00	07/01/2028	1,200,000
	113	3/3/2009	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
	122	7/10/2012	1.25-5.00	07/15/2029	1,063,160
Total Parking Authority					
Water Pollution Control Authority	104	03/24/2004	2.25-4.00	01/15/2016	815,150
	113	3/3/2009	2.50-5.00	07/01/2022	2,314,656
	114	6/3/2009	3.00-5.00	07/01/2024	1,282,400
	115	7/15/2009	2.25-4.25	07/01/2029	2,500,000
	116	2/16/2010	3.00-5.00	07/01/2026	811,000
	117	4/28/2010	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
	122	7/10/2012	1.25-5.00	07/15/2029	1,915,000
	123	8/1/2012	2.00-4.00	08/15/2032	2,000,000
	CWF 190-DCI	12/31/2004	2.00	09/30/2019	1,830,187
	CWF 199-L	07/01/1996	2.00	07/01/2015	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	01/31/2019	673,270
CWF 190DC	09/30/2000	2.00	01/31/2019	41,294,122	
CWF 190-L1	07/01/2002	2.00	01/31/2019	4,930,815	
CWF 612-C	1/1/2013	2.00	7/1/2032	21,797,845	
Total Water Pollution Control Authority					
Total City capital improvement bonds					

Amount Outstanding June 30, 2013	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2014
383,515	-	(66,500)	317,015
655,635	-	(66,207)	589,428
612,010	-	(71,040)	540,970
5,980,000	-	(340,000)	5,640,000
99,987	-	(41,850)	58,137
1,276,000	-	(172,390)	1,103,610
226,000	-	-	226,000
1,063,160	-	-	1,063,160
10,296,307	-	(757,987)	9,538,320
400,400	-	(132,650)	267,750
2,070,738	-	(233,220)	1,837,518
1,104,950	-	(100,100)	1,004,850
228,000	-	(114,000)	114,000
825,700	-	4,900	830,600
871,600	-	(186,400)	685,200
(700,000)	-	4,620	(695,380)
788,000	-	-	788,000
500,000	-	-	500,000
1,915,000	-	-	1,915,000
2,000,000	-	-	2,000,000
841,742	-	(127,715)	714,027
557,942	-	(264,914)	293,028
392,903	-	(109,468)	283,435
213,591	-	(36,525)	177,066
14,579,461	-	(2,212,101)	12,367,360
2,211,658	-	(254,639)	1,957,019
21,797,845	-	(1,918,838)	19,879,007
50,599,530	-	(5,681,050)	44,918,480
\$ 276,765,135	\$ 21,000,000	\$ (24,134,200)	\$ 273,630,935

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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, Connecticut
Net Position by Component
Last Ten Fiscal Years - unaudited
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in capital assets	\$ 160,877	\$ 185,092	\$ 215,021	\$ 236,918	\$ 250,536	\$ 265,737	\$ 263,359	\$ 274,568	\$ 284,792	\$ 299,719
Restricted	-	-	-	-	-	-	626	1,186	353	2,340
Unrestricted	46,944	40,209	31,587	17,510	7,583	1,905	12,859	3,198	6,516	12,782
Total governmental activities net position	<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>	<u>291,661</u>	<u>314,841</u>
Business-type activities										
Net Investment in capital assets	53,740	53,072	53,483	58,022	65,236	67,625	77,295	83,058	84,119	87,455
Restricted	676	705	745	781	794	-	-	-	-	-
Unrestricted	(1,716)	7,350	9,531	9,168	4,193	7,671	5,373	9,605	12,784	13,217
Total business-type activities net position	<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>	<u>96,903</u>	<u>100,672</u>
Primary Government										
Net Investment in capital assets	214,617	238,164	268,504	294,940	315,772	333,362	340,654	357,626	368,911	387,174
Restricted	676	705	745	781	794	-	626	1,186	353	2,340
Unrestricted	45,228	47,559	41,118	26,678	11,776	9,576	18,232	12,803	19,300	25,999
Total primary government net position	<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>	<u>\$ 388,564</u>	<u>\$ 415,513</u>

City of Norwalk, Connecticut
Changes in Net Position
Last Ten Fiscal Years - *unaudited*
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 14,342	\$ 16,091	\$ 15,497	\$ 18,093	\$ 15,809	\$ 15,258	\$ 13,725	\$ 14,301	\$ 13,758	\$ 13,958
Education	164,242	176,895	179,848	192,383	201,190	209,628	214,237	225,079	230,695	231,874
Public safety	34,696	37,415	39,369	45,115	43,292	43,722	46,491	46,257	48,459	48,734
Health & welfare	3,764	2,163	3,453	2,210	5,155	5,711	4,895	4,266	4,001	3,636
Public works	28,045	28,363	24,553	31,020	33,208	25,524	29,909	33,984	34,531	38,122
Recreation, arts and cultural	7,643	8,308	8,783	9,387	9,922	9,313	9,112	9,463	9,459	11,365
Interest on debt	9,609	6,817	7,627	9,291	9,790	7,692	10,128	10,605	9,356	8,493
Total governmental activities expenses	<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>	<u>350,259</u>	<u>356,182</u>
Business-type activities:										
Parking Authority	3,943	4,227	4,282	4,713	5,136	5,827	5,551	5,422	5,593	5,673
Water Pollution Control Authority	8,465	8,799	9,200	9,371	10,454	11,400	10,515	10,789	11,374	11,947
Total business-type activities net position	<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>	<u>16,967</u>	<u>17,620</u>
Total primary government expenses	<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>\$ 360,166</u>	<u>\$ 367,226</u>	<u>\$ 373,802</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	7,220	7,680	7,199	9,246	5,193	4,986	4,868	4,828	7,938	7,759
Education	3,640	2,687	2,912	1,691	1,890	1,710	1,298	1,263	1,280	1,153
Public safety	2,715	3,105	3,059	2,544	429	281	272	398	480	505
Health & welfare	510	555	603	555	569	605	549	559	597	625
Public works	7,617	8,699	9,342	8,901	11,669	10,807	10,720	10,627	12,622	13,259
Recreation, arts and cultural	642	614	754	8	1,279	1,251	970	966	862	960
Operating grants and contributions	34,276	40,407	36,925	44,278	44,291	47,742	49,006	53,899	52,804	58,700
Capital grants and contributions	18,571	12,971	9,621	7,605	9,404	5,887	5,156	5,122	7,515	5,586
Total governmental activities program revenues	<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>77,662</u>	<u>84,098</u>	<u>88,547</u>

City of Norwalk, Connecticut
Changes in Net Position (Continued)
Last Ten Fiscal Years - *unaudited*
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities: (2)										
Charges for services:										
Parking Authority	3,010	3,572	4,312	4,936	5,145	5,144	5,268	5,298	5,511	5,697
Water Pollution Control Authority	10,034	10,268	10,878	12,201	12,071	13,247	13,254	14,702	14,664	15,254
Capital grants and contributions	348	7,230	184	359	-	3,656	4,629	5,991	1,032	315
Total business-type activities program revenues	<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>	<u>21,207</u>	<u>21,266</u>
Total primary government program revenues	<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>\$ 103,653</u>	<u>\$ 105,305</u>	<u>\$ 109,813</u>
Net (expense)/revenue										
Governmental activities	(187,150)	(199,334)	(208,715)	(232,671)	(243,642)	(243,579)	(255,658)	(266,293)	(266,161)	(267,635)
Business-type activities	984	8,044	1,892	3,412	1,626	4,820	7,085	9,780	4,240	3,646
Total primary government net expense	<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>\$ (256,513)</u>	<u>\$ (261,921)</u>	<u>\$ (263,989)</u>
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	199,970	207,199	215,806	228,023	237,745	246,277	256,470	260,827	269,014	281,452
Grants and contributions not restricted to specific programs	10,174	8,079	7,352	6,473	5,997	5,076	6,438	5,930	7,391	5,902
Miscellaneous	-	-	-	-	-	-	-	-	1,884	2,456
Unrestricted investment earnings	4,288	4,631	6,864	5,229	3,591	1,750	1,950	1,645	580	1,004
Transfers and other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>268,402</u>	<u>278,869</u>	<u>290,814</u>
Business-type activities: (2)										
Unrestricted investment earnings	213	383	740	800	626	252	289	215	-	122
Transfers and other	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>213</u>	<u>383</u>	<u>740</u>	<u>800</u>	<u>626</u>	<u>252</u>	<u>289</u>	<u>215</u>	<u>-</u>	<u>122</u>
Total primary government	<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>\$ 268,617</u>	<u>\$ 278,869</u>	<u>\$ 290,936</u>
Changes in net position										
Governmental activities	27,282	20,575	21,307	7,054	3,691	9,524	9,200	2,109	12,708	23,179
Business-type activities (2)	1,197	8,427	2,632	4,212	2,252	5,072	7,374	9,995	4,240	3,768
Total primary government	<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>	<u>\$ 16,948</u>	<u>\$ 26,947</u>

City of Norwalk, Connecticut
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years - *unaudited*
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>
2005	\$ 200
2006	207
2007	216
2008	228
2009	238
2010	246
2011	256
2012	261
2013	269
2014	281

City of Norwalk, Connecticut
Fund Balance of Governmental Funds
Last Ten Fiscal Years - *unaudited*
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 2	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	1,946	2,592	3,682	2,870
Unassigned	-	-	-	-	-	-	28,628	28,532	29,751	34,613
Reserved	555	289	1,634	112	112	103	-	-	-	-
Unreserved, designated	5,113	3,861	4,492	4,349	4,349	1,960	-	-	-	-
Unreserved, undesignated	25,750	28,498	31,154	31,154	25,039	26,550	-	-	-	-
Total general fund	<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>\$ 31,147</u>	<u>\$ 33,435</u>	<u>\$ 37,483</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51	\$ 30	\$ 38	\$ 33
Restricted	-	-	-	-	-	-	14,787	15,939	15,797	18,098
Committed	-	-	-	-	-	-	12,619	6,539	4,892	3,936
Assigned	-	-	-	-	-	-	-	-	836	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	46	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Capital projects funds	28,365	20,226	8,118	13,078	13,078	20,399	-	-	-	-
Nonmajor governmental funds	2,598	1,173	1,061	1,228	1,228	1,001	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 21,563</u>	<u>\$ 22,067</u>

* The City implemented GASB 54 in FY 2011.

City of Norwalk, Connecticut
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years - *unaudited*
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property taxes, interest and liens	\$ 200,533	\$ 206,567	\$ 215,669	\$ 229,160	\$ 236,369	\$ 247,000	\$ 255,420	\$ 261,288	\$ 267,986	\$ 281,958
Intergovernmental	69,057	47,752	44,497	46,244	46,244	44,947	45,711	46,577	48,927	48,667
State on-behalf payments	3,951	10,413	10,094	13,345	13,345	14,082	14,127	18,462	18,672	21,537
Licenses, permits, fees and other	14,803	28,619	25,966	21,029	21,029	19,641	18,678	18,641	25,773	17,944
Interest	4,287	4,632	6,859	3,591	3,591	1,750	1,280	1,350	215	1,004
Total revenues	<u>292,631</u>	<u>297,983</u>	<u>303,085</u>	<u>313,369</u>	<u>320,578</u>	<u>327,420</u>	<u>335,216</u>	<u>346,318</u>	<u>361,573</u>	<u>371,110</u>
Expenditures										
General government	8,449	6,963	7,396	8,191	8,191	7,362	8,134	8,653	8,978	9,469
Health and welfare	4,898	5,612	4,589	4,853	4,853	5,423	4,535	3,870	3,534	3,423
Education	148,862	162,733	163,956	179,596	179,596	184,020	186,402	194,263	196,377	209,077
Employee benefits	17,559	19,081	22,272	23,535	23,535	24,900	29,412	32,605	38,482	40,901
Public Safety	30,907	36,476	33,937	37,419	37,419	38,131	39,554	38,695	40,311	41,775
Community grants	4,386	3,216	3,597	3,728	3,728	4,005	4,248	4,173	3,045	2,909
Public works	14,584	15,368	15,601	18,359	18,359	16,162	15,563	16,426	22,139	18,288
Recreation arts & culture	6,372	6,812	7,362	8,001	8,001	7,420	7,029	7,820	8,279	7,731
Maritime center subsidy	7,606	8,325	8,905	8,653	8,653	8,342	8,546	8,090	8,660	-
Sundry	-	-	-	-	-	-	-	-	-	-
Capital outlay	57,192	45,555	46,262	42,496	30,017	14,335	17,315	27,127	28,690	27,749
Debt service										
Principal	7,308	9,039	11,769	13,484	15,386	17,850	15,734	15,451	15,661	17,695
Interest	7,088	8,507	8,959	10,193	10,598	9,063	9,569	10,972	10,381	8,538
Total expenditures	<u>315,211</u>	<u>327,687</u>	<u>334,605</u>	<u>358,508</u>	<u>348,336</u>	<u>337,013</u>	<u>346,041</u>	<u>368,145</u>	<u>384,537</u>	<u>387,555</u>
Excess of revenues over (under) expenditures	(22,580)	(29,704)	(31,520)	(45,139)	(27,758)	(9,593)	(10,825)	(21,827)	(22,964)	(16,445)
Other financing sources (uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds (notes)	61,257	21,325	23,260	39,905	105,350	59,168	18,844	35,312	40,007	21,000
Premium from issuance of bonds	78	-	5	786	6,802	5,078	-	1,276	2,158	-
Payments to escrow agent	(22,678)	-	-	(16,566)	(78,946)	(48,446)	-	(19,138)	(17,859)	-
Capital lease proceeds	-	-	666	-	-	-	-	-	-	-
Total from financing sources (uses)	<u>38,657</u>	<u>21,325</u>	<u>23,931</u>	<u>24,125</u>	<u>33,206</u>	<u>15,800</u>	<u>18,844</u>	<u>17,450</u>	<u>24,306</u>	<u>21,000</u>
Net change in fund balances	<u>\$ 16,077</u>	<u>\$ (8,379)</u>	<u>\$ (7,589)</u>	<u>\$ (21,014)</u>	<u>\$ 5,448</u>	<u>\$ 6,207</u>	<u>\$ 8,019</u>	<u>\$ (4,377)</u>	<u>\$ 1,342</u>	<u>\$ 4,555</u>
Debt service as a percentage of noncapital expenditures	5.5% ⁽³⁾	6.1% ⁽³⁾	7.2% ⁽³⁾	7.6% ⁽³⁾	8.1% ⁽³⁾	8.4% ⁽³⁾	8.1% ⁽³⁾	7.3% ⁽³⁾	7.3% ⁽³⁾	7.3% ⁽³⁾

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. Calculation is debt service divided by total expenditures less capital outlay used in Note 2 reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

City of Norwalk, Connecticut
General Governmental Tax Revenues By Source
Last Ten Fiscal Years - *unaudited*
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax
2005	\$ 201
2006	207
2007	216
2008	229
2009	236
2010	247
2011	255
2012	261
2013	268
2014	282

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

Fiscal Year Ended June 30	Real Property		Personal Property			Less Exemptions ⁽³⁾	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value
	Residential	Commercial	Land	Motor Vehicles	Other				
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
2013	8,674,127	2,788,338	111,746	590,562	718,851	74,791	12,808,833	20.9%	18,405,177
2014	8,722,720	2,740,715	118,106	586,822	724,286	86,229	12,806,420	21.7%	18,418,070

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, Connecticut
Direct Governments ⁽⁵⁾
Last Ten Fiscal Years- *unaudited*

Fiscal Year Ended June 30 ⁽²⁾	District 1	District 2	District 3	District 4	District 5	District 6	Motor Vehicle	General Government Services	General Obligation Debt Service	Total
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
2013	21.3	21.3	21.3	21.4	20.9	19.4	26.2	19.2	1.7	20.9
2014	22.1	22.1	22.1	22.2	21.7	20.2	27.4	20.0	1.7	21.7

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 mileage goes back to their district office to provide certain services.

City of Norwalk, Connecticut
Principal Property Taxpayers - *unaudited*
June 30, 2014
(amounts expressed in thousands)

Taxpayer	2014			2005		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value
	Value		Value	Value		Value
Connecticut Light and Power	\$ 337,667	1	2.6%	\$ 34,375	6	0.5%
Merritt 7 Venture LLC	217,662	2	1.7%	144,975	1	2.0%
Metropolitan Life Insurance Company	64,050	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%	45,553	3	0.6%
Norwalk Center LLC	47,811	8	0.4%	-		-
Avalon Bay Communities Inc	42,838	9	0.3%	-		-
Yankee Gas Company	42,500	10	0.3%	23,310	10	0.3%
National Office Partners LP	-		-	55,227	2	0.7%
Norwalk Power LLC	-		-	40,620	4	0.6%
Merritt River Partners LLC	-		-	28,749	8	0.4%
Norden Place LLC	-		-	31,685	7	0.4%
Merritt River Residential LLC	-		-	35,123	5	0.5%
Fairfield Merrit View LP	-		-	25,234	9	0.3%
Totals	\$ 953,537		7.4%	\$ 464,851		6.3%

1. Source: City of Norwalk Assessor's Office

City of Norwalk, Connecticut
Property Tax Levies and Collections
Last Ten Fiscal Years - *unaudited*
(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
2005	\$ 198,475	\$ 195,878	98.7%	2,588	\$ 198,466	100.0%
2006	208,336	205,247	98.5%	3,075	208,322	100.0%
2007	216,242	213,174	98.6%	3,053	216,227	100.0%
2008	225,888	222,694	98.6%	3,202	225,896	100.0%
2009	236,584	232,474	98.3%	3,983	236,457	99.9%
2010	245,698	242,491	98.7%	3,065	245,556	99.9%
2011	256,901	253,070	98.5%	3,152	256,222	99.7%
2012	261,927	258,620	98.7%	1,969	260,589	99.5%
2013	270,616	266,442	98.5%	-	266,442	98.5%
2014	281,643	277,778	98.6%	-	277,778	98.6%

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

City of Norwalk, Connecticut
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years - *unaudited*
(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			
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
2013	220,922	81	41,482	-	262,485	6.75%	3,233
2014	219,174	-	54,457	-	273,631	6.32%	3,117

- (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, Connecticut
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years - *unaudited*
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental		Business		Percentage of Estimated Actual Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds	Total Primary Government			
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
2013	220,922	60,896	281,818		1.53%	3,232
2014	219,174	54,457	273,631		1.49%	3,117

- (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, Connecticut
Direct and Overlapping Governmental Activities Debt
For Fiscal Year 2014 - *unaudited*
(amounts expressed in thousands)

Second Taxing District of the City of Norwalk (Water and Electric)	\$	<u>35,525</u> ⁽¹⁾
Subtotal, overlapping debt		35,525
City of Norwalk direct debt		<u>219,174</u> ⁽²⁾
Total direct and overlapping debt	\$	<u><u>254,699</u></u>

1. The First Taxing District provides water to its residents and Second taxing district of Norwalk provides water and electricity for its residents and have received grants from the State of Connecticut which they must pay back.
2. Direct Debt See Note 6: Total Bonds and Notes Payable plus Capital Leases

City of Norwalk, Connecticut
Legal Debt Margin Information
Last Ten Fiscal Years - *unaudited*
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Debt										
Debt Limit	\$ 452,735	\$ 470,780	\$ 489,068	\$ 513,052	\$ 531,118	\$ 557,427	\$ 579,554	\$ 590,751	\$ 606,954	\$ 634,277
Total net debt applicable to limit	89,521	83,647	99,270	115,630	120,775	119,371	148,478	153,537	163,802	178,694
Legal Debt Margin	<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>	<u>\$ 443,152</u>	<u>\$ 455,583</u>
Total net debt applicable to the limit as percentage of debt limit	19.77%	17.77%	20.30%	22.54%	22.74%	21.41%	25.62%	25.62%	26.99%	28.17%
Schools										
Debt Limit	\$ 905,470	\$ 941,562	\$ 978,135	\$ 1,026,104	\$ 1,062,237	\$ 1,114,853	\$ 1,159,109	\$ 1,181,503	\$ 1,213,907	\$ 1,268,554
Total net debt applicable to limit	164,222	161,038	152,149	144,016	135,400	125,893	118,575	112,919	106,480	101,968
Legal Debt Margin	<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>	<u>\$ 1,107,427</u>	<u>\$ 1,166,586</u>
Total net debt applicable to the limit as percentage of debt limit	18.14%	17.10%	15.56%	14.04%	12.75%	11.29%	10.23%	9.56%	8.77%	8.04%
Sewers										
Debt Limit	\$ 754,558	\$ 784,634	\$ 815,112	\$ 855,086	\$ 885,197	\$ 929,044	\$ 965,924	\$ 984,586	\$ 1,011,589	\$ 1,057,128
Total net debt applicable to limit	48,127	45,018	46,153	54,398	93,190	90,305	76,423	85,037	64,984	59,303
Legal Debt Margin	<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>	<u>\$ 946,605</u>	<u>\$ 997,825</u>
Total net debt applicable to the limit as percentage of debt limit	6.38%	5.74%	5.66%	6.36%	10.53%	9.72%	7.91%	8.64%	6.42%	5.61%
Urban Renewal										
Debt Limit	\$ 653,950	\$ 680,017	\$ 706,431	\$ 741,075	\$ 767,171	\$ 805,172	\$ 837,134	\$ 853,308	\$ 876,711	\$ 916,178
Total net debt applicable to limit	9,296	8,946	9,680	20,458	20,469	24,013	20,309	21,312	21,591	21,534
Legal Debt Margin	<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>	<u>\$ 855,120</u>	<u>\$ 894,644</u>
Total net debt applicable to the limit as percentage of debt limit	1.42%	1.32%	1.37%	2.76%	2.67%	2.98%	2.43%	2.50%	2.46%	2.35%
Pension Funding (1)										
Debt Limit	\$ 603,647	\$ 627,708	\$ 652,090	\$ 684,069	\$ 708,158	\$ 743,235	\$ 772,739	\$ 787,669	\$ 89,271	\$ 845,703
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 89,271</u>	<u>\$ 845,703</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%
Total										
Debt Limit	\$ 1,408,509	\$ 1,464,651	\$ 1,521,543	\$ 1,596,162	\$ 1,652,369	\$ 1,734,216	\$ 1,803,058	\$ 1,837,894	\$ 1,888,300	\$ 1,973,306
Total net debt applicable to limit	311,166	298,649	307,252	334,502	369,834	359,583	363,786	372,805	356,857	361,499
Legal Debt Margin	<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>	<u>\$ 1,531,443</u>	<u>\$ 1,611,807</u>
Total net debt applicable to the limit as percentage of debt limit	22.09%	20.39%	20.19%	20.96%	22.38%	20.73%	20.18%	20.28%	18.90%	18.32%

City of Norwalk, Connecticut
Legal Debt Margin Information
For Fiscal For Fiscal Year 2014 - *unaudited*
(amounts expressed in thousands)

Total Fiscal Year 2014 tax collections (taxes, interest and fees)	\$ 281,885
Tax Relief for the elderly	16
Base for establishing debt limit	<u>\$ 281,901</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 634,277	\$ -	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	1,268,554	-	-	-	-
3 3/4 times base	-	-	1,057,128	-	-	-
3 1/4 times base	-	-	-	916,178	-	-
3 times base	-	-	-	-	845,703	-
7 times base	-	-	-	-	-	1,973,306
Total net debt applicable to limit	<u>178,694</u>	<u>101,968</u>	<u>59,303</u>	<u>21,534</u>	<u>-</u>	<u>361,499</u>
Legal Debt Margin	<u>\$ 455,583</u>	<u>\$ 1,166,586</u>	<u>\$ 997,825</u>	<u>\$ 894,644</u>	<u>\$ 845,703</u>	<u>\$ 1,611,807</u>

City of Norwalk, Connecticut
Demographic and Economic Statistics
Last Ten Fiscal Years - *unaudited*

Fiscal Year	Population	Personal Income (amount expressed in thousands)	Per Capita Personal Income	Median Family Income	Median Age	School Enrollment	Unemployment Rate
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%
2013	87,190	4,173,779	47,870	(1)	(1)	10,840	6.9%
2014	87,776	4,327,886	49,306	(1)	(1)	11,078	5.4%

Data Sources

(1) Data not available for this particular year

(2) Total personal income and per capita personal income is estimated based on the 2011 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, Connecticut
Principal Employers
Current Year and Nine Years Ago - *unaudited*

Employer	Nature of Business	2014			2005		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Norwalk Health Services Corporation	Hospital/Health Services	1,900	1	3.0%	1,900	2	3.0%
City of Norwalk	Municipal Government	1,897	2	3.0%	1,953	1	3.1%
Stew Leonard's	Retail Dairy Store/Grocery	800	3	1.3%	800	3	1.3%
MBI	Direct Mail Marketing	800	3	1.3%	800	3	1.3%
Diageo	Premium Beverage Manufacturer	700	5	1.1%	700	5	
Hewitt Associates	Management Consultants	600	6	1.0%	600	7	1.0%
Reed Exhibition Company	Trade Show/Publisher	450	7	0.7%			0.0%
FactSet Research	Research Systems	356	8	0.6%			
Act Media, Inc.	In-Store Advertising	350	9	0.6%			
Xerox	Office Equipment	320	10	0.5%			
G.E. Commercial Fiance	Financial Services				650	6	
U.S. Surgical Corporation	Automatic Suture Instruments				500	8	
Northrup Grumman/Norden	Eletronic & Radar Systems				500	8	
Beiersdorf, Inc.	Personal Care Products				450	10	0.7%
Total		8,173		13.1%	8,853		10.4%

(1) Source: City of Norwalk Redevelopment Authority

City of Norwalk, Connecticut
Budget Full-time Employees
Last Ten Fiscal Years - *unaudited*

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	45	48	49	48	48	45	45	47	47	47
Finance	34	34	35	35	35	34	34	34	35	35
Health & welfare	21	21	21	21	21	16	16	16	16	16
Police	196	196	199	199	199	198	198	197	197	197
Fire	143	143	143	146	146	145	146	146	145	147
Other protection	42	43	45	45	45	43	43	43	43	43
Public works & traffic	114	107	107	107	107	100	100	114	102	103
Education	1,304	1,320	1,353	1,343	1,343	1,331	1,325	1,310	1,236	1,259
Recreation, arts & cultural	54	54	54	54	54	51	51	51	49	50
Total	1,953	1,966	2,006	1,998	1,998	1,963	1,958	1,958	1,870	1,897

Data Sources: City Budget Office and Education Budget Office.

City of Norwalk, Connecticut
Operating Indicators by Function
Last Ten Fiscal Years (1) - *unaudited*

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Land records recorded	26,452	22,931	20,831	16,335	15,500	16,100	13,712	16,574	16,326	9,610
Vital records recorded	3,166	3,000	3,758	3,810	3,083	3,306	3,230	1,299	1,897	1,847
Dog licenses issued	2,048	2,165	2,339	2,360	2,540	2,700	2,556	2,650	2,504	2,583
Absentee ballots issued	2,515	664	1,667	1,667	500	1,613	659	3,484	3,332	1,081
Health & welfare										
Food establishment inspections conducted	1,800	1,715	1,826	1,738	1,749	1,405	(2)	1,674	1,695	1,677
Septic systems and lots inspected	75	91	72	55	33	68	(2)	32	31	43
Beauty salons inspected	95	88	139	106	118	114	(2)	135	147	139
Police										
Calls for service	61,639	64,318	67,087	68,778	69,304	68,413	69,385	68,000	70,500	68,207
Criminal arrests	4,312	3,965	3,333	3,492	3,582	3,496	3,425	3,100	3,000	2,550
Traffic citations issued	4,212	6,065	6,593	6,786	6,882	6,237	5,150	6,600	9,510	7,324
Medical emergencies responded to	7,115	6,794	7,403	7,586	7,602	8,653	7,620	8,500	5,287	8,677
Marine assistance calls	267	246	202	200	206	167	212	215	215	342
Fire										
Fire calls	3,024	2,910	2,957	2,957	2,456	1,544	1,564	2,150	1,237	1,518
Medical calls	3,014	2,948	2,857	2,857	2,946	3,326	3,496	9,090	9,288	3,873
Fire alarms answered	(2)	(2)	(2)	(2)	(2)	1,058	1,045	473	1,453	1,518
Combined Dispatch										
Emergency calls received	(2)	82,000	(2)	(2)	33,634	33,768	35,000	35,000	5,356	5,109
Non-emergency calls received	(2)	281,000	(2)	(2)	124,093	125,515	76,407	81,370	52,252	63,099
Public works										
Lane miles of roadways swept	1,250	625	625	625	625	625	900	900	900	900
Tons of solid waste collected and disposed	88,240	94,125	85,312	77,163	53,445	32,350	27,258	25,131	24,927	23,716
Tons of recyclable materials collected and disposed	7,600	9,000	7,404	7,607	6,049	14,044	5,701	5,805	5,722	7,530
Recreation, arts & cultural										
Athletic contests played at City venues	25,000	25,000	26,000	26,000	30,000	30,000	30,000	30,250	30,250	31,000
Athletic activities practiced at City venues	5,000	5,000	5,500	5,500	10,000	10,000	10,000	12,000	12,000	11,600
Visitors to library	392,000	420,000	428,000	480,000	395,001	388,437	400,000	414,259	420,528	391,671

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

Data Sources: City Budget Office and City Departments

City of Norwalk, Connecticut
Capital Asset Statistics by Function
Last Ten Fiscal Years - *unaudited*

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Police cars	122	119	120	105	110	103	110	114	121	129
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	140
Miles of sanitary sewers	165	180	180	180	180	180	180	180	180	182
Municipal parking spaces	4,487	3,973	3,973	3,973	3,973	3,973	4,019	4,225	4,225	4,225
Vehicles	147	171	210	119	119	272	307	326	331	334
Pump Stations	26	24	24	24	24	25	25	25	25	25
Recreation, arts & cultural										
Acres of public park lands	1,000	1,050	1,050	1,100	1,100	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	2	2	2	2	2	2	2	2	2	2
Athletic diamonds	41	41	41	41	41	41	41	41	41	42
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 ⁽²⁾	305,000+	275,000+	259,788	248,718	261,401	262,905	257,463	(1)	260,832	267,788
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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