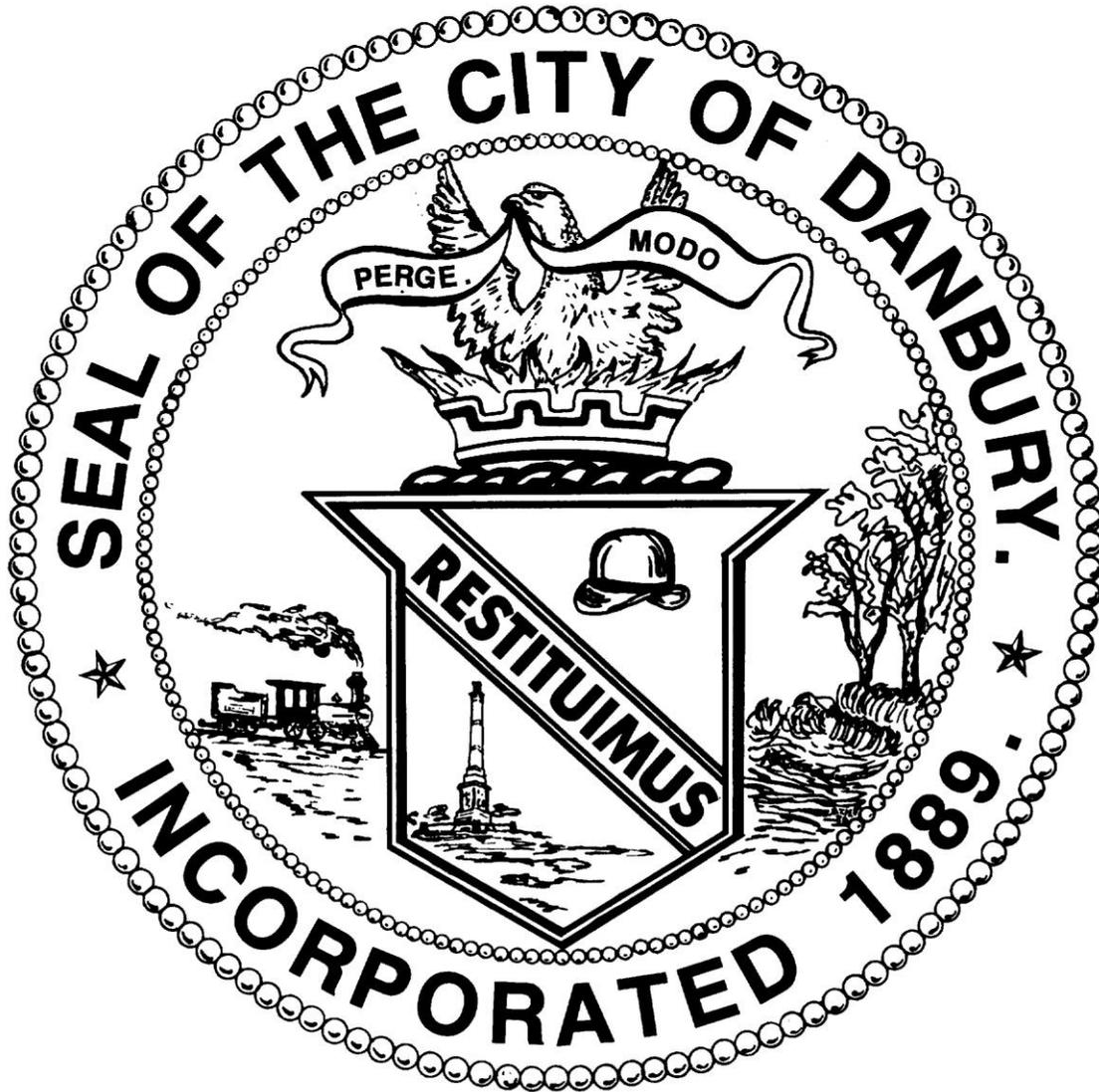


**CITY OF DANBURY, CONNECTICUT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**



**FISCAL YEAR ENDED JUNE 30, 2012  
DEPARTMENT OF FINANCE  
DANBURY, CONNECTICUT**



**CITY OF DANBURY,  
CONNECTICUT**

**Comprehensive  
Annual Financial Report**

**for**

**The Fiscal Year Ended  
June 30, 2012**

**Prepared By:**

**City of Danbury Department of Finance**

**David W. St. Hilaire**

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**Director of Finance**



**CITY OF DANBURY, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**Introductory Section**





## CITY OF DANBURY

**155 DEER HILL AVENUE  
DANBURY, CONNECTICUT 06810-7769**

**DAVID ST. HILAIRE  
DIRECTOR OF FINANCE**

**(203) 797-4652  
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January 30, 2013

Honorable Mark D. Boughton, Mayor  
Members of the City Council  
City of Danbury, Connecticut

### **FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

Connecticut State Statutes require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Danbury, Connecticut for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the City of Danbury, Connecticut. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Danbury has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Danbury's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Danbury, Connecticut's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Danbury, Connecticut's financial statements have been audited by McGladrey LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Danbury, Connecticut for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Danbury, Connecticut's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Danbury, Connecticut was part of broader state and federally mandated "Single Audits" designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the City of Danbury, Connecticut's separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Danbury, Connecticut's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

Danbury is the largest city in Northern Fairfield County. Danbury's unique location on I-84 and Route 7, and adjacent to I-684 makes it easily accessible to New York City, Hartford and Norwalk, all of which are within 60 miles.

Fairfield County is one of the wealthiest counties in the United States and Danbury is one of the wealthiest cities according to the U.S. Census Bureau. The City of Danbury has an estimated population of 81,056 (in 2011) and a median household income of approximately \$67,432 in 2011 (inflation-adjusted dollars).

The City of Danbury was incorporated in 1889, and operates pursuant to a city charter revised most recently in December 2009. In early 2008, the Mayor had appointed a nine member Charter Review Commission consisting of community residents and taxpayers to offer recommendations and to provide assistance in updating the newly revised Charter. The most significant changes recommended by the Commission and approved by the voters were as follows:

- Renaming the Common Council to the City Council
- Eliminating the office of the City Clerk, replacing it with the Office of the Legislative Assistant
- A referendum challenging the adoption of an ordinance requires a voter petition of 10% (it was 15% previously)
- The upper limit of total annual borrowing/debt issuance without the requirement for a voter referendum is now \$3M,
- Financing an emergency no longer requires potential depletion of the general fund, and if funded through bond financing, requires a 2/3 vote of the Council, and does not invoke the \$3M cap.

A Mayor and a twenty-one member City Council govern the City. The Mayor is the City's chief elected and executive officer and the Council is its legislative body.

The City of Danbury's municipal government provides a full range of services including education, police, fire, planning and zoning, construction and maintenance of highway streets, storm/sanitary sewers and infrastructure, health and social services, parks and recreational activities, cultural events and a municipal airport. The City has a total of 2,048 employees with approximately 506 full-time municipal employees who provide services to the Danbury community and 1,542 teachers, administrators and support staff for the City's School District. The City is 44 square miles and has 242 miles of streets.

The City of Danbury has five discretely presented component units: the Danbury Parking Authority, Richter Park Authority, Tarrywile Park Authority, Charles Ives Authority, and the Danbury Museum and Historical Society Authority. Discretely presented component units are reported in separate columns in the entity-wide statements to emphasize that they are legally separate from the primary government and

to differentiate their financial positions and results of operations from those of the primary government. The annual budget serves as the foundation for the City of Danbury's financial planning and control.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. All governmental funds in the City of Danbury are appropriated on an annual basis. For the general fund, this comparison is presented on page 76 as part of the Required Supplementary Section for the General Fund.

### **INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy:** Essential to developing the economy and the overall quality of life in Danbury is the safety of its residents and community. Danbury has routinely been ranked as one of the safest cities in Connecticut and of all of New England among the nearly 400 U.S. cities included in the national ranking, conducted by CQ Press, as part of its Crime in Metropolitan America series.

The strength of Danbury Labor Market Area economic base builds upon the diversity of its talented workforce of approximately 67,515 among several large sustainable leading industries such as: Education and Health Services (employing 17,920 - 27.2% of the workforce), Trade, Transportation and Utilities (employing 14,970 - 22.7%), Professional and Business Services (employing 7,770 - 11.8%) and Manufacturing (employing 6,210 - 9.4%). Thus far, the City of Danbury has been able to withstand this severe economic recession which started with the housing and stock market crashes in the fall of 2008. Although some health care, food service and public sector jobs were added; construction, manufacturing and trade sector jobs were lost at a greater amount. The most important economic indicator supporting the City's decade long effort to promote a diversified industrial base is the Danbury Labor Market Area (LMA) unemployment rate of 6.6% for November 2012 which remains the lowest in the State of Connecticut as compared to 8.3% for the State of Connecticut and 7.7% for the United States.

Danbury has been fortunate that most previously planned private construction projects have continued during this prolonged economic recession, although smaller in size and scope. Previously approved municipal projects, especially those with state and/or federal funding continue to move ahead. The City of Danbury has been able to continue to make the necessary investments in our community to ensure the foundation is in place for a more robust economy in the future. Our strategy of focusing on the City's core mission and reprioritizing projects while strengthening our partnerships with our existing businesses and aggressively seeking out and formulating new business relationships has proven very successful. The following are some of the larger development projects in recent years:

#### **Development Projects**

- **Western Connecticut Health Network.** Formed in 2010 by Danbury Hospital, New Milford Hospital and affiliated organizations. The network recently announced a proposed affiliation with Norwalk Hospital in April. Currently undergoing a major \$150 million expansion (one-third privately financed) at Danbury Hospital that will add a new Patient Tower with a new/expanded ER, a new critical care unit and new medical-surgical patient care floors. The project began in January 2011 and will be completed by the summer of 2014. The projected economic impact for Danbury is \$200 million.
- **Western Connecticut State University.** WCSU broke ground on the West Side Campus in October 2011 for a new \$97 million Visual and Performing Arts Center, including a 350 seat concert hall, 350 seat theater, art gallery, recording studio and state-of-the-art rehearsal, classroom, and studio art facilities. The project is on schedule to be completed in March 2014.
- **Boehringer-Ingelheim.** BI recently completed a \$140 million expansion and added 900 new employees as part of a 30-year expansion plan in Danbury and Ridgefield.

- **Belimo Air Controls.** In April, Swiss-based Belimo announced a \$40 million expansion of its U.S. Headquarters and Manufacturing facility in Danbury. Belimo will construct a 200,000 ft<sup>2</sup> building to replace the 86,000 ft<sup>2</sup> building the manufacturing company currently leases. The company also plans to double its 250 member workforce.
- **U.S. Army Reserve Center.** A \$33.8 million project on 17 acres that will provide a weekend training facility for 600-700 soldiers. The two year construction project which began in May 2012 includes a 95,000 ft<sup>2</sup> facility with administrative, educational, weapons-simulator and physical fitness areas, as well as a 18,000 ft<sup>2</sup> vehicle maintenance shop and 3000 ft<sup>2</sup> storage building. 200 construction workers. Permanent staffing of 60 administrators/instructors. The target completion date is August 2013, with reservists starting in January 2014. Housing will not be provided onsite and it is anticipated that a minimum of \$2 million will be generated annually for the local economy.
- **Crowne Plaza Hotel.** The hotel, the largest in the city, completed a \$12 million renovation in September and is adding 100 new employees (to 175.)
- **Pitney Bowes.** Pitney Bowes opened its Global Technology Center in Danbury in February, the result of a \$6.2 million building renovation and expansion. There are currently 300,000 ft<sup>2</sup> at the facility with 650 employees (200 have been moved in from other Pitney Bowes sites). The GTC puts engineering, research and development and product management for the communications solutions business at one site.
- **DRS Technologies.** DRS, a company that develops, manufactures and supports a broad range of systems for military requirements, is planning a \$5 million 45,000 ft<sup>2</sup> expansion to its existing 67,000 ft<sup>2</sup> building on 10 acres. They have 240 employees and plans to add another 30. They received approval from the city for a 7 year tax deferral and have applied for building permits. The project is currently on hold due to corporate restructuring.
- **Paul Mitchell School.** Grand opening in mid-October. Represents a \$5M building and renovation investment in the city's downtown and an important component for revitalization. Includes retail, classroom (80 students) and office space.
- **PriceRite.** Important downtown grocery store announced in November, replacing the former Waldbaum's and continuing a 50 year tradition of a grocery store at that site. \$5 million in renovations and 130 new jobs are planned. Opening in June 2013.
- **Goodrich/ISR Systems.** Goodrich plans a \$2 million expansion in Danbury by adding a 17,000 ft<sup>2</sup> addition to its existing 450,000 ft<sup>2</sup> building. The company is heavily involved with government contracts and defense work, including the U.S. space program. Goodrich was recently acquired by United Technologies.
- **MannKind Biopharmaceuticals.** A \$200 million expansion was completed in September 2008, adding 300,000 ft<sup>2</sup> with an expectation of hiring an additional 1000 employees. MannKind is still waiting for final approvals for its powder insulin (AFRESA) drug and dispenser, delaying the project and new hires.
- **Danbury Sports Dome.** A 95 foot high air-supported dome with 120,000 ft<sup>2</sup> of floor space for indoor sports training has been approved. Construction began in June and the facility plans to open in January 2013.
- **Emhart Teknologies (formerly Heli-Coil).** Emhart, a longtime Danbury resident, is relocating its U.S. Industrial headquarters from Shelton to Danbury which will add 65-70 jobs. They are renovating their current office space and manufacturing space to add an additional 6,500 ft<sup>2</sup>.
- **KimchuK.** The contract manufacturer moved into its fourth building in August and plans to add 50 new employees (to 230) by next year. Growth has been fueled by the nuclear power industry.
- **Union Savings Bank.** The City of Danbury sold its former police department and two adjoining parcels to Union Savings Bank for \$2.3 million. There is a three-phased plan for this site. A bank branch has already been constructed. Connecticut Institutes for Communities will likely begin

building its health center in 2013. The third phase is a senior housing building that has yet to be fully defined.

- **Dere Street/Lesser Evil.** Two food manufacturing companies establishing a presence in Commerce Park. Dere Street (cookies and crackers) is expanding from its current 3,000 ft<sup>2</sup> location to 11,000 ft<sup>2</sup>. Lesser Evil (snacks) is moving manufacturing from Wilton, bringing 15 jobs.
- **Perosphere.** Sol Steiner (founder of MannKind Pharmaceuticals and Biomed) is starting a new company to be located in Danbury. The R&D facility and offices will employ 25 to start. Note: Building transaction not complete.
- **Prindle Lane Centre.** A Steiner project for a four-story, 122 room extended-stay hotel, a two-story office building, and a 222 seat restaurant on 20 acres. Construction has started and is expected to be completed by 2014.
- **Kennedy Place.** BRT General and its equity partner still plan to build 580 condominiums and 5,000 ft<sup>2</sup> retail space on the former Amphenol property downtown, but are waiting for the economy to recover.

### The Reserve

- **Matrix Corporate Center.** Matrix remains the largest commercial office building in New England and is 65% occupied. Major investments in the facility include an upgraded health club, planned childcare center and brand-name hotel. Catering is thriving with events all day. Tenants include Praxair, Boehringer-Ingelheim and Odyssey Logistics, which recently retained 150 jobs in Danbury and plans to expand.
- **Toll Brothers.** A 244 acre residential construction project began (as WCI) in 2007 with 1080 units planned over six phases. The first phase (134 units) has been completed and work has started on the second. The entire project will take another 10 years.
- **BLT.** Two phases are planned: 470 residential units (work has started) and a 600,000 ft<sup>2</sup> commercial building.
- **Saw Mill.** 466 rental units have been completed and are full.
- **City of Danbury 13 Acres.** Matrix Realty Group has made a \$3.2 Million offer on the city-owned property with plans to build a 150,000+ ft<sup>2</sup> retail center. Matrix signed a contract to purchase in June with target closing by the end of 2013 and development in 2014. An anchor tenant is required.
- **Hospice.** A new 35,000 ft<sup>2</sup> state-of-the-art hospice residence is planned. Currently in the fundraising stage.

### Retail

- **Danbury Fair Mall.** Macerich and its tenants have invested an estimated \$180 million in renovations, upgrades and provisioning in the past few years. The investments continue to pay dividends. Sales per ft<sup>2</sup> remain the highest for a covered mall nationwide. Retail sales in Danbury continue to rank as one of highest in the State of Connecticut which can be attributed to one of the largest malls in New England, the popular Danbury Fair Mall. The Mall, which totals 1.5 million square feet, offers more than 200 shops and services, is a destination place for many residents on the East Coast. The Filene's redevelopment is complete with L.L. Bean, Dick's Sporting Goods, Forever 21, Brio's, and The Cheesecake Factory all open. Other new retailers and restaurants include Microsoft Retail (the first in New York/New England), Brooks Brothers, Carmen Steffen and Chipotle (open in 2013.)
- **Shops at Marcus Dairy.** Construction began in June 2011 on a two building/81,000 ft<sup>2</sup> retail center on 10-acres on the former Marcus Dairy site. The exterior of the first building is being completed and work has begun on the second. Exterior construction was completed in September

and the shops will open by Spring 2013. Tenants include Whole Foods (anchor), Panera Bread, EMS and others.

- **(Other) Significant Retail Additions.** Aldi's, Barbarie's Black Angus Grill, Nardelli's, Next 40 Restaurant and Pilgrim Furniture Warehouse.

Given the constant ebb and flow of the economy at any time, the City of Danbury understands and appreciates the importance of promoting the growth of a variety of industries for Danbury's long term economic future and for tax rate stability. All three rating agencies cite the City's diverse tax base and continued development and job growth in Danbury. Moody's Investor's, Standard and Poors, and Fitch Ratings have rated the City as Aa1, AA+, and AAA from respectively.

### **Major Initiatives**

Listed below are some of the more notable initiatives that have been undertaken in recent years. Several on-going projects which will continue into Fiscal Year 2012-2013 are cited as well.

- **Vision 2020 Bond** – In November 2012, the voters overwhelmingly approved a \$55 million bonding referendum for school improvements (\$44 million), bridge replacement/repair fund (\$1.925 million), water and sewer improvements (\$8.525) and \$550,000 for a space conversion project to locate a small business development facility in the downtown district.

- The school improvement funds (\$44 million) will be used to manage and accommodate the needs of the Danbury Board of Education for more space as the student population grows and as educational programming changes occur to best prepare our students for the year 2020 and beyond.

The recommended spacing solution offers the flexibility for programmatic changes by creating an Intra-Magnate School program specifically for Danbury residents and to expand the Stem Academies (science, technology, engineering and math for middle school students) into Mill Ridge Intermediate, thus freeing up middle school space in Rogers Park. This creative approach to renovate/expand/ and reconfigure instead of new construction addresses the primary spacing/programming issues of today and for the next several years while being the most cost effective and not unnecessarily burdening the taxpayer with the significant cost increases in operational/staffing costs associated with two new buildings.

Shelter Rock Elementary, Stadley Rough Elementary, Park Avenue Elementary and Mill Ridge Primary Schools have initially been identified for significant renovation, expansion, and/or reconfiguration (space conversion) to address the space utilization and related programming concerns/issues. Funds are intended to be used for capital improvements addressing the space/programming issues at any Danbury Educational facility and will be reviewed/approved accordingly between the Danbury School Buildings Committee and the City. Examples of some specific improvements initially planned include – new classroom wings, new media center/computer/mechanical room, cafeteria additions, elevators, reconfiguration/redistribution of classrooms, site work improvements, playground improvements, roof repair/replacements, new music suite, new engineering classrooms, and roadway/parking/traffic improvements for buses and cars.

- The \$1,925,000 of funds will be used to establish a fund for a City-wide bridge replacement and repair program which will primarily address those bridges rated in "Poor Condition."
- \$550,000 of Funds will be used to make capital improvements to correct or prevent violations throughout the City's water system including at plants, pump stations and for distribution. Funding will also address the water main issue at the Oil Mill Road/Still River.
- The fund authorization of \$7,975,000 will be appropriated for the design and construction of improvements and upgrades to the wastewater treatment plant facilities and sewer collection upgrades.

- The \$550,000 of funds will be used to renovate, improve, and upgrade the Library Annex on Main Street which was previously occupied by Union Savings Bank into a small business incubator facility and community internet center.

The City created the Danbury Solid Waste Authority (DSWA) with the intention of providing some community oversight of the solid waste flow which passes through our community at the White Street Transfer Station. The DSWA intends to work cooperatively with new owner/operator, Winter Brothers, for the mutual benefit of the Danbury community.

- **Open Space Bond** - In March 2008, \$18.9 million was approved by the voters for: open space acquisitions, improvements to Danbury High School, various recreation projects and public works improvements and equipment.
  - **Open Space Initiatives** - \$6.625 million of the bond authorization will be used for the purchase of land, easements, and developmental rights for open space preservation, recreation, conservation, or agricultural land preservation. Several parcels throughout the City were previously identified and efforts to acquire the land, easements or developmental rights are underway. Since March 2008, the City has expended \$3.4 million to purchase over 400 acres of undeveloped land and the development rights to a 28 acre working farm.
  - **Danbury High School Improvements** - The \$2.9 million of improvements to Danbury High School included a new sprinkler system in the "D" building to enhance student safety and for renovations to bring the building into compliance with fire safety codes and ADA requirements. Funds have also been used for the reorganization of building space to create 3 additional classrooms, to expand a parking lot to provide additional parking spaces and for courtyard improvements between the various school buildings. Approximately \$1.2 of improvements for the Danbury High School have been expended and are eligible for approximately 50% state aid school construction grant reimbursement.
  - **Recreation Improvements** - \$4.9 million of the recent bond initiative is allocated to recreation improvement projects as part of the City's on-going commitment to enhancing the residents' quality of life for the entire family. Prior to this initiative, significant improvements to parks and playgrounds were made throughout the City costing approximately \$3.5 million. \$2.4 million of projects recently completed under the new bond initiative include the construction of a multipurpose artificial turf field with appurtenances in Rogers Park (August 2009), the design/rebuild/recondition of baseball fields, purchase of equipment for use in recreation projects and the creation of a vegetative buffer to protect the water quality of the Lake Kenosia. The remaining funds from this bond authorization will be used for various recreation improvements, planning and development that include drainage and improvements to Rogers Park fields, feasibility study for Kenosia Swamp Boardwalk and bird viewing area, and the planning/development of the Marjorie Trail system.
  - **Paving, Drainage and Related Improvements** - \$3.34 million of the bond authorization is being used for the repair, rebuilding, paving, reconstruction work of City streets and to purchase public works equipment and vehicles. Improvements to date total approximately \$2.8 million include: drainage installation, cross culvert repair and replacement throughout the city, citywide street paving, and curbing/guardrail/lighting installation. The beautification of the Main Street thoroughfare which included the installation of sprinklers in medians and islands and the design for the renovation to Kennedy Park was also completed. Beautification measures along Plumtrees Road will be made with some of the remaining bond funds. The remaining \$1.1 million of the bond authorization has been used to replace and/or add to the equipment used by the various divisions of the Public Works Department for the City of Danbury. Purchased equipment included trucks, sanders, plows, graders, sweepers, rollers, tractors, mowers and Public Works vehicles.
  - **Bridge Replacements/Improvements and Public Building Improvements** - To date approximately \$4 million has been expended to reconstruct several bridges: Padanaram Bridges (2) (2009), Rose Hill Avenue and Backus Avenue Bridge. Public building

improvements include the replacement of Park Ave School roof, renovation of Veterans Hall, and installation of new HVAC system in the Library.

- **Roberts Avenue Replacement School/Ellsworth Avenue School** - As part of its expansion plans, Western Connecticut State University purchased the Roberts Avenue Elementary School located within its campus. The Ellsworth Avenue School project was completed in September 2009. The total cost of this project is approximately \$21.2 million.
- **New Public Safety Facilities** - In May 2006, voters approved a \$49.2 million Public Safety Initiative for various projects which included funding for: school improvements, various public works projects, and public safety related projects. Completed projects include: new fire equipment (\$1.7 million); new fire station building completed September 2007 (\$1.7 million); and Police Department headquarters building completed May 2009 (\$39 million). The fire station is located on the City's west side near the Danbury Mall and Boehringer-Ingelheim facilities and provides enhanced fire protection in that area. The Police Department now has a headquarters with state of the art technology and ample space for all police activities (cell block facilities, lab, office space, vehicle storage, etc.) Funds were used in 2009 to replace the aging Park Avenue School Roof as well as to purchase public works equipment, dump trucks, plows, and vehicles.
- **CRM/ERP** - The City Council has also approved CRM/ERP (Constituent Relationship Management/ Enterprise Resource Planning System) Project plan which will replace hardware/software and infrastructure while integrating most city software systems/departments and automating many processes for a "paperless" workplace thus improving reporting/communication, efficiency, and effectiveness.
- **QAlert311** - The City's QAlert311 initiative and web site, which was introduced in spring 2007, has received national recognition and sets the benchmark for constituent services for other municipalities. It has proven to be a positive contribution that has significantly enhanced the responsiveness to citizen issues on a daily basis. Danbury was one of first cities in the country that offer 311 dialing for citizen interaction.
- **Water & Sewer Facility Improvements** - Since 2005, the voters have approved 29 million for various improvements to the City's water and sewer facilities. Approximately, 85% of the City's 11,000 accounts have had meters replaced and a radio read system has been implemented. A new two million gallon water storage tank which will better serve the high service needs on the west side of Danbury has been operational since the fall of 2009. In 2012, the West Side Sewer Interceptor project was completed. In November 2009, the nitrogen removal facilities went on-line and has significantly reduced the annual purchase of nitrogen credits from the DEP. These are the first major capital improvement programs for the facilities in several years.

## **Risk Management**

The City has a comprehensive Risk Management Program designed to measure and control exposure to financial loss resulting from claims against the City. Such claims have been reduced as a direct result of the extensive promotion of training and safety initiatives which are customized for each functional area. The program includes the purchasing of all insurances for the City such as worker's compensation, property and liability, disability, dental, life and health insurance. The Risk Manager is also responsible for purchasing employee bonds for various positions as required by State statutes. Since the establishment of this position, the City has been able to reduce insurance costs or increase its insurance coverage at no additional cost in many instances.

The City self-insures up to certain levels of risk based on an evaluation of the City's financial capability to assume risk and prevailing market conditions for commercial insurance. Presently, the City is self-insured for the first \$100,000 per claim for general, auto, property and public liability. The City also maintains a \$750,000 combined aggregate stop loss on these lines of coverage. The Risk Management Department also manages worker's compensation and heart/hypertension claims. The City is self-insured for the first \$500,000 per claim and maintains an aggregate stop loss on these worker's compensation claims of \$3

million. The City is completely self-insured for all heart/hypertension liability. Employee medical benefits are fully insured, except for prescription drug coverage and dental coverage which are self insured.

### **Debt Management**

At year-end, the City had outstanding \$152.4 million in general obligation bonds, \$9.1 million outstanding in notes, \$2.0 million in Bond Anticipation Notes (BANS) and had \$35.8 million in authorized but unissued debt (net of state/federal revenues and other funding sources). Usually, the City enters the bond market once a year to convert its short-term financing to long-term on the completed or near completed projects while issuing short-term financing for newer projects. The City has been issuing about \$20 - \$30 million in bonds and/or BANS over the last few years but reduced the amount to about \$15 - \$20 million during this fiscal year and FY 2012-2013. However, we do anticipate returning to previous levels in FY 2013-2014 as school construction and infrastructure projects associated with the "Vision 2020" projects begin. Such strategy has helped keep our debt ratio manageable while maintaining only the necessary cash funding for the City's capital program without having too much idle cash on hand (from borrowed monies) to avoid the risk of losing some of the benefit derived from the low borrowing rates (interest rate risk)..

### **AWARDS AND ACKNOWLEDGEMENTS**

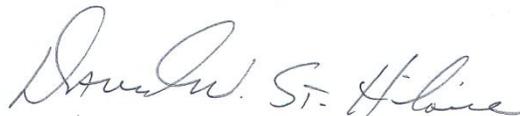
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Danbury, Connecticut for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation 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 program 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 Danbury has received a Certificate of Achievement in each of the last 25 fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedication and hard work of the entire staff of the Finance Department. I would like to express my appreciation and gratitude to all members of the Department who assisted and contributed to its preparation. I also appreciate the assistance and dedication of the audit team from McGladrey LLP and the City's Audit Committee. Finally, I would like to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



David W. St. Hilaire  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Danbury  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Christopher P. Moynell*

President

*Jeffrey R. Enos*

Executive Director

**Principal Officials  
City of Danbury, Connecticut**

**Mayor**

Mark D. Boughton

**Town Clerk**

Lori A. Kaback

**Treasurer**

Daniel P. Jowdy

**Legislative Assistant**

Jean A. Natale

**City Council**

Joseph A. Cavo  
President

Benjamin Chianese  
Philip D. Colla  
Philip D. Curran  
Stephen Darcy  
Michael J. Haddad, Sr.  
Michael J. Halas  
Jack Knapp  
Warren M. Levy  
Shailesh Nagarsheth  
Peter P. Nero

Duane E. Perkins  
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Gregg W. Seabury  
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Donald A. Taylor, Jr.  
Mary E. Teicholz  
Frederick L. Visconti, Jr.  
Andrew R. Wetmore

David W. St. Hilaire  
Director of Finance

Daniel G. Garrick  
Assistant Director of Finance

Scott Ferguson  
Tax Collector

Colleen LaHood  
Tax Assessor

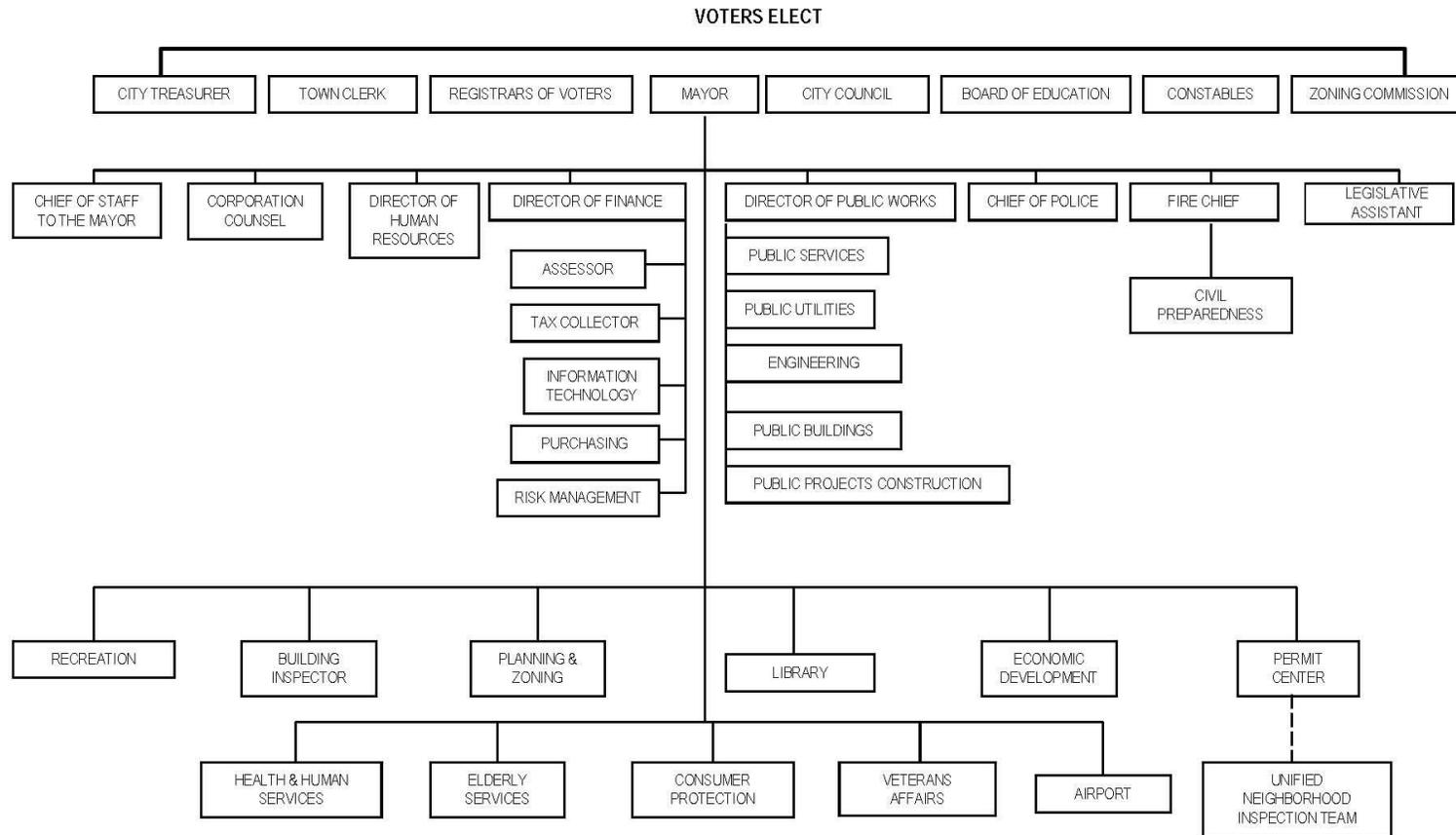
Charles Volpe  
Purchasing Agent

Frank Gentile  
Manager, Information Technology

**Independent Auditors**

McGladrey LLP  
New Haven, Connecticut

**CITY OF DANBURY  
ORGANIZATION CHART**



**Financial Section**





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Danbury, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Danbury, Connecticut (the "City"), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Danbury, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, the Charles Ives Authority for the Performing Arts and the Danbury Museum and Historical Society Authority, component units of the City, which financial statements reflect 100% of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to amounts included for the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, the Charles Ives Authority for the Performing Arts, and the Danbury Museum and Historical Society Authority, discretely presented component units of the City, is based solely on the reports of other auditors.

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. The financial statements of the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, the Charles Ives Authority for the Performing Arts and the Danbury Museum and Historical Society Authority discretely presented component units of the City, were not audited in accordance with "Government Auditing Standards." An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Danbury, Connecticut, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated January 30, 2013 on our consideration of the City of Danbury, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance and other matters. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

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

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

*McGladrey LLP*

New Haven, Connecticut  
January 30, 2013

**City of Danbury, Connecticut  
Management's Discussion and Analysis, Unaudited  
June 30, 2012**

As management of the City of Danbury, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Danbury for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal.

**Financial Highlights**

- Unassigned fund balance increased by \$.7 million to \$22.1 million for the general fund while the total fund balance amounted to \$28.3 million, an increase of \$0.1 million. At the end of the current fiscal year, revenues exceeded expenditures on an actual budgetary basis by approximately \$1.4 million. Unassigned general fund balance at year-end represents 10.1% of the ensuing year's total general fund expenditures of \$220.1 million.
- On a government-wide basis for the year-ended June 30, 2012, the City's net assets totaled \$285.8 million, an increase from last year's total of \$283.8 million. Government-wide expenses totaled \$261.8 million and revenues totaled \$260.4 million. Total net assets for Governmental Activities and Business-type Activities at fiscal year-end were \$142.7 million and \$143.1 million, respectively. Net assets for Governmental Activities decreased slightly by \$1.4 million while net assets increased for Business-Type Activities by \$3.5 million or 2.5%. Of the City's total net assets at June 30, 2012, \$13.8 million or 4.8% is unrestricted and may be used to meet the government's obligation to citizens and creditors.
- At the close of the year, the City of Danbury's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$34.5 million, a decrease of \$4.7 million from the prior fiscal year. The decrease in governmental funds fund balance was mostly due to the timing of FEMA reimbursements relating to Storm Irene and SuperStorm Alfred.

**Overview of the Financial Statements**

This discussion and analyses are intended to serve as an introduction to the City of Danbury's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Danbury's finances, in a manner similar to private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net assets presents information on all of the City of Danbury's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the city is improving or deteriorating. It speaks to the question of whether or not, the City, as a whole is better or worse off as a result of this year's activities. However, substantial changes in Net Assets may occur from one year to the next simply as a result of the construction of capital assets and new accounting standards issued by GASB (Governmental Accounting Standards Board). For an example, the implementation of GASB 45 in 2008 requiring the City to account for the unfunded portion of "Other Post Employment Benefits" (OPEB), have resulted in a reduction of the

City's net assets by a total of \$28.7 million, \$7.9 million of which impacted the FY ending June 30, 2012. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City of Danbury that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- Governmental activities of the City of Danbury encompass most of the City's basic services and include general government, public safety, public works, health and welfare, culture and recreation, education and other activities. Property taxes, charges for services and state and federal grants finance most of these activities.
- Business-type activities of the City of Danbury include the Water, Sewer, Ambulance, and Internal Service funds. The Water, Sewer and Ambulance Funds are reported here as the City charges fees to customers to help cover the cost of the operations. The Internal Service Fund is used to report the activity of providing employee benefits.
- The government-wide financial statements include not only the City of Danbury itself, but also five legally separate component units, the Danbury Parking Authority, the Richter Park Authority, the Tarrywile Park Authority, Charles Ives Authority for the Performing Arts and the Danbury Museum and Historical Society Authority for which the City of Danbury is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-17 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City of Danbury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Danbury can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Danbury maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Other funds considered to be Major Funds are Miscellaneous Special Revenue, Sewer, Water, Ambulance and Internal Service. Non-major governmental funds are combined into a single, aggregated presentation as other governmental funds. Such funds include the School Lunch Program Fund, the Community Development Block Grant Fund, the WIC Grant Fund, the Animal Control Fund, the School-Based Health Center Grant Fund, the LOCIP Fund, Airport Projects Fund, State and Federal School Projects Fund, the Library Fund, the Railyard Parking Lease Fund, Open Space Bond, Magnet School Fund, the Vision 21 and Vision 21 - 2 Bond Issues Fund, BIIP, NSP Grant, ARRA, Public Safety Bond, SECP, Century 21 PI Fund, the City Projects Fund, the Danbury Neighborhood Bond Fund, the Head Start Bond Fund, CRM Project Fund, and the Farioly Permanent Fund. The Miscellaneous Special Revenue Fund is the consolidation of 51 small grant programs that have been combined for the purposes of financial reporting. This is considered a major fund. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 18-19 of this report.

The City of Danbury adopts an annual appropriated budget for its general fund. A budgetary comparison statement on page 76 has been provided for the general fund to demonstrate compliance with the authorized budget.

**Proprietary funds.** The City of Danbury maintains four different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Danbury uses enterprise funds to account for its Water, Sewer, Ambulance and Internal Service operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Ambulance and Internal Service Funds, all of which are considered to be major funds of the City of Danbury.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City constituency. The City has six pension funds trust funds, one private purpose fund and seven agency funds. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-72 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-retirement benefits to its employees.

The City of Danbury adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Required supplementary information can be found on pages 73-79.

## Government-wide Financial Analysis

As noted earlier, the statement of net assets presents information on all of the City of Danbury's assets and liabilities, with the difference reported as net assets. In the case of the City of Danbury, assets exceeded liabilities by \$285.8 million at June 30, 2012, an increase of \$2.1 million in Net Assets from the previous fiscal year.

### SUMMARY STATEMENT OF NET ASSETS

	June 30, 2012			June 30, 2011		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 68,060	\$ 22,683	\$ 90,743	\$ 70,150	\$ 23,099	\$ 93,249
Non-current	3,989	556	4,545	3,194	387	3,581
Capital assets	303,929	157,229	461,158	299,520	158,905	458,425
<b>Total Assets</b>	<b>375,978</b>	<b>180,468</b>	<b>556,446</b>	<b>372,864</b>	<b>182,391</b>	<b>555,255</b>
Current liabilities	26,418	4,494	30,912	26,625	8,538	35,163
Long-term liabilities outstanding	206,837	32,865	239,702	202,123	34,202	236,325
<b>Total Liabilities</b>	<b>233,255</b>	<b>37,359</b>	<b>270,614</b>	<b>228,748</b>	<b>42,740</b>	<b>271,488</b>
Net assets:						
Invested in capital assets, net of related debt	147,295	123,939	271,234	145,411	121,771	267,182
Restricted	791	-	791	1,346	-	1,346
Unrestricted	(5,363)	19,171	13,808	(2,641)	17,880	15,239
<b>Total Net Assets</b>	<b>\$ 142,723</b>	<b>\$ 143,110</b>	<b>\$ 285,833</b>	<b>\$ 144,116</b>	<b>\$ 139,651</b>	<b>\$ 283,767</b>

At the end of the current fiscal year, the City of Danbury is able to report positive growth of \$2.1 million in total net assets over last year. In comparison to last year, net assets invested in capital assets (net of related debt) increased for both Governmental and Business-type activities by \$1.9 million and \$2.2 million, respectively; restricted net assets decreased for governmental activities by (\$0.5) million but remained unchanged for business-type activities; unrestricted net assets increased by \$1.3 million for business-type activities but decreased for governmental activities by \$2.7 million - mostly due to GASB 45 - (OPEB) Other Post Employment Benefits, which increased current fiscal year liabilities by \$7.9 million.

On a government-wide basis, excluding component units, the assets of the City of Danbury exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$285.8 million. This is slightly up from last year's net assets of \$283.8 million. Total net assets for Governmental Activities at fiscal year-end were \$142.7 million (down from \$144.1 million in the previous year) and total net assets for Business-type activities were \$143.1 million (up from \$139.7 million in the previous year). Of the City's total net assets at June 30, 2012, \$13.8 million or 4.8% is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net assets of \$15.2 million or 5.4% unrestricted.

The largest portion of the City of Danbury's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Danbury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Danbury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### SUMMARY STATEMENT OF CHANGES IN NET ASSETS

	Year Ended June 30, 2012			Year Ended June 30, 2011		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 12,374	\$ 22,250	\$ 34,624	\$ 12,560	\$ 23,035	\$ 35,595
Operating Grants and Contributions	64,096	-	64,096	62,500	-	62,500
Capital Grants and Contributions	7,680	485	8,165	1,283	1,186	2,469
General Revenues:						
Property Taxes	168,129	-	168,129	162,129	-	162,129
Grants and contributions not restricted to specific programs	7,478	-	7,478	7,426	-	7,426
Unrestricted investment earnings	410	500	910	199	497	696
Other non-operating revenues (transfers)	246	(246)	-	(813)	1,964	1,151
<b>Total Revenues</b>	<b>260,413</b>	<b>22,989</b>	<b>283,402</b>	<b>245,284</b>	<b>26,682</b>	<b>271,966</b>
<b>Expenses:</b>						
General Government	17,962	-	17,962	15,561	-	15,561
Public Safety	51,989	2,406	54,395	51,278	2,160	53,438
Public Works	18,237	17,124	35,361	12,543	17,445	29,988
Health and Welfare	6,085	-	6,085	6,674	-	6,674
Culture and Recreation	4,559	-	4,559	5,266	-	5,266
Education	157,905	-	157,905	152,260	-	152,260
Interest on long-term debt	5,069	-	5,069	4,035	-	4,035
<b>Total Expenses</b>	<b>261,806</b>	<b>19,530</b>	<b>281,336</b>	<b>247,617</b>	<b>19,605</b>	<b>267,222</b>
<b>Change in net assets</b>	<b>(1,393)</b>	<b>3,459</b>	<b>2,066</b>	<b>(2,333)</b>	<b>7,077</b>	<b>4,744</b>
<b>Net assets – beginning</b>	<b>144,116</b>	<b>139,651</b>	<b>283,767</b>	<b>146,449</b>	<b>132,574</b>	<b>279,023</b>
<b>Net assets - ending</b>	<b>\$ 142,723</b>	<b>\$ 143,110</b>	<b>\$ 285,833</b>	<b>\$ 144,116</b>	<b>\$ 139,651</b>	<b>\$ 283,767</b>

#### Government Activities

For Governmental activities, approximately 64.6% of the revenues were derived from property taxes followed by 32.3% from program revenues, then 3.1% from grants and investment earnings.

Total revenues in Governmental Activities increased by \$15.1 million as compared to last year. Property tax revenues increased by \$6.0 million, primarily due to an increase in the mill rate, while most of the \$7.8 million increase in Program Revenues is due to an increase of \$6.4 million in Capital Grants contributions.

For Governmental Activities, about 60.3% of the City's expenditures relate to Education; 19.9% relate to Public Safety; 7.0% from Public Works; 6.9% for General Government; 1.7% for Cultural and Recreation; 2.3% for Health and Welfare; and 1.9% for Interest on Long-Term Debt. GASB 45 required the City to record an additional \$7.9 million liability for Other Post Employment Benefits (OPEB) Cost for all functions

and a \$350,000 liability for easement obligations directly reducing the Net Assets. Expenditures were very lean again this year in every function and category. Major expenditure factors included:

- In addition to routinely reducing the budgeted staffing positions since the beginning of the recession, the City is also leaving positions which are currently open and funded positions vacant for extended periods to evaluate the necessity of such positions. This strategy yielded significant savings for FY 2011-2012 of \$2.7 million in personal salaries and benefits.
- The City also realized savings from the following: changing health care providers (\$0.9 million) in October 2011; Bond Refunding of \$17 million in December 2011 which saved \$0.3 million in FY 2011-2012 (\$0.8 million in total interest savings); LAP insurance savings (\$0.2 million); issued fewer bonds/BANS during the year, but at a preferred rate, thus saving \$0.4 million in debt service payments; \$0.8 savings in utilities, fuel, heating oil, supplies, maintenance, equipment, and profession/other services.
- Education expenditures had increased by \$5.6 million from the prior fiscal year.
- During FY 2011-2012, the most notable unexpected expenditures were related to FEMA disasters – Storm Irene and Superstorm Alfred. The total storm expenditures amount to a daunting \$4.9 million, but most of this will be reimbursed by FEMA and the City's "out-of-pocket" cost will total about \$0.5 million. Ironically, the weather also helped the City save money during FY 2011-2012 because it was one of the warmest winter seasons in years, thus more than offsetting the City's share of the costs associated with Storm Irene and Superstorm Alfred.

All other categories were impacted with rising cost associated with employee benefits, which include Other Post Employment Benefit (OPEB) and pension costs.

### **Business-Type Activities**

Business-Type activities increased the City's net assets by \$3.5 million or 2.5%. However, the new addition of the Ambulance Fund accounted for \$2.6 million of the increase in net assets or approximately 2.0%. Total net assets grew by about 5.3%. Factors impacting the growth include:

Charges for services decreased \$0.8 million mostly due to an over accrual in FY 2010-2011 to total \$22.3 million. Consequently, charges for services would be about flat from year to year after consideration of such adjustment; investment earnings amounted to nearly \$0.5 million; contributed capital decreased by \$0.7 million to total approximately \$0.5 million. Expenditures decreased only slightly by \$0.1 million to \$19.5 million.

### **Financial Analysis of the Fund Financial Statements**

As noted earlier, the City of Danbury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Danbury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Danbury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Danbury's governmental funds reported combined ending fund balances of \$34.5 million. The General Fund and Other Governmental Funds reported fund balances of \$28.3 million and \$6.2 million, respectively. Collectively, the fund balances for capital projects decreased by \$2.9 million from \$9.8 million last year to \$6.9 million at June 30, 2012. The decrease in capital projects fund balance is primarily due to the completion of projects.

The general fund is the chief operating fund of the City of Danbury. At the end of the current fiscal year, unassigned fund balance of the general fund increased \$.7 million to \$22.1 million while total fund

balance equals \$28.3 million. Approximately \$22.1 million of the General Fund's total fund balance constitutes unassigned fund balance which is available for spending at the government's discretion. The remaining \$6.2 million of the General Fund balance is not available for new spending and has been assigned to liquidate contracts/purchase orders of the prior period (\$1.0 million), prepaid expenditures (\$0.6 million), future budget appropriations (\$2.35 million), continuing education (\$1.5 million) and capital projects (\$0.7 million). As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the ensuing year's budget. Unassigned fund balance represents 10.1% of total general fund expenditures while total fund balance represents 13.1% of that same amount.

The City of Danbury's General Fund unassigned Budgetary Fund Balance increased by \$678,101 during the current fiscal year. The revenue challenges for FY 2011-2012 included not using any of the appropriated fund balance of \$2.4 million and making up for the budgetary shortfalls from the following:

- \$2.9 million for the sale of 13 acres of land which did not occur;
- \$1.1 million decrease in expected property tax revenues due to higher than expected cumulative impact of tax appeals and other adjustments; and
- The City transferred only \$0.25 million of the \$0.75 million budgeted amount from the Ambulance Fund.

The City was able to recover about half of the budgetary revenue shortfalls from other revenue sources or budgetary surpluses such as:

- Building Permits and State Revenue Sharing revenues exceeded budgetary expectation by \$0.6 and \$0.3 million, respectively; and
- Bond Premiums, which are typically unbudgeted, amounted to \$1.5 million.

Total general fund balance increased from \$28.2 million to \$28.3 million, an increase of \$0.1 million. The General Account (typically called the "General Fund") contributed an additional \$436,218 to the fund balance, but this was offset by a fund balance reduction of \$336,907 at the Continuing Education Account which is operated by the Board of Education. The net total of both accounts is an increase of \$0.1 million to the General Fund Balance for FY 2011-2012. Significant factors in this increase are as follows:

- During FY 2011-2012, \$17 million of bonds were refunded for a net present value savings of nearly \$800,000, of which approximately \$300,000 was realized in the current fiscal year.
- In October 2011, the City changed its health insurance provider and realized a savings of approximately \$0.9 million.
- Also, the City did not utilize any of the \$2.4 million budgeted use of fund balance for FY 11/12 however \$2.35 million of fund balance has been appropriated for the FY 12/13 Budget, a net decrease of \$50,000 from the previous year.

The Miscellaneous Special Revenue Fund had a decrease in fund balance (deficit) mainly due to the timing of FEMA reimbursements.

**Proprietary funds.** The City of Danbury's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Water Fund at the end of the year were \$72.2 million. During the year, the fund generated operating income of \$0.9 million, a decrease of approximately \$1.3 million from the prior year. Capital contributions totaled \$0.2 million and non-operating expenses totaled \$0.4 million which resulted in the fund increasing its net assets by \$0.7 million. Unrestricted net assets totaled \$12.9 million at year-end.

Net assets of the Sewer Fund at the end of the year were \$68.2 million. The fund generated operating income of nearly \$2.6 million and capital contributions of about \$0.2 million helped to increase the fund's overall net assets by \$2.7 million. Unrestricted net assets totaled \$3.7 million at year-end.

The Ambulance Fund was reclassified during FY 2010-2011 as a proprietary fund which required an initial transfer of assets totaling \$2.3 million. Net assets of the Ambulance Fund at the end of the year were \$2.8 million. The fund generated operating income of nearly \$0.4 million however \$0.2 million was transferred to the general fund to reimburse for expenses. Unrestricted net assets totaled \$2.5 million at year-end

### General Fund Budgetary Highlights

The difference between the original budgeted expenditures and the final amended budget was \$0.7 million. The major additional appropriations which were authorized by the City Council and approved during the year are summarized below:

- \$58,000 was authorized by City Council Resolution for the "Save the Sports" program at the Danbury Board of Education.
- \$483,066 for Continued Appropriations.
- \$163,341 for Prior Year Encumbrances.

During the year, actual revenues on a budgetary basis were \$210.4 million, \$3.2 million under budgetary estimates, which is primarily due to the budgeted \$2.9 million sale of assets not being completed during the fiscal year. Furthermore, the City had anticipated a planned use of general fund balance of \$2.4 million, however actual results did not require the use of any of the budgeted use of fund balance.

### Capital Asset and Debt Administration

**Capital assets.** As of June 30, 2012, the City of Danbury's investment in capital assets for its governmental and business-type activities amounted to \$461.2 million, net of accumulated depreciation. This investment in capital assets includes land, building and land improvements, machinery and equipment and infrastructure. The total increase in the City of Danbury's investment in capital assets for the current fiscal year was \$2.7 million.

	June 30, 2012			June 30, 2011		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 52,295,226	\$ 1,031,946	\$ 53,327,172	\$ 52,295,226	\$ 1,031,946	\$ 53,327,172
Easements	918,950		918,950	908,500	-	908,500
Land Improvements	9,625,214		9,625,214	9,639,390	-	9,639,390
Buildings and Improvements	159,076,536	55,575,276	214,651,812	162,084,282	58,062,501	220,146,783
Machinery and Equipment	13,875,761	15,623,328	29,499,089	14,037,906	16,090,494	30,128,400
Infrastructure	50,402,434	59,701,126	110,103,560	49,334,837	60,383,923	109,718,760
Other		190,518	190,518	-	138,741	138,741
Construction in Progress	17,735,067	25,107,304	42,842,371	11,220,093	23,196,916	34,417,009
<b>Total</b>	<b>\$ 303,929,188</b>	<b>\$ 157,229,498</b>	<b>\$ 461,158,686</b>	<b>\$ 299,520,234</b>	<b>\$ 158,904,521</b>	<b>\$ 458,424,755</b>

Major capital asset events during the current fiscal year included the following:

- Computer infrastructure upgrades of \$1.2 million.
- Completed Boiler replacement projects at the Danbury Schools for \$7.6 million.
- Purchased new ambulance for \$122,000.

- Completed the road reengineering and reconstruction project (Boehringer Infrastructure Project) for \$2.9 million.
- Completed reconstruction of Backus Avenue bridge for a total project expenditure of \$1.1 million.
- Purchased replacement vehicles for police department for \$300,000.
- Replaced Public Works equipment and vehicles for \$399,000.
- Repairs and renovations to various city and school buildings for \$300,000.
- Road reconstruction, repaving, and drainage to various city streets for \$800,000.
- Purchased Air Packs for the Fire Department for \$148,000.
- Roof Replacement at Stadley Rough School for \$630,000.
- Completed the Danbury High School synthetic turf replacement for \$600,000.

Additional information on the City of Danbury's capital assets can be found in Note 6 of this report.

**Debt.** At the end of the current fiscal year the City of Danbury had total bonded debt outstanding of \$157.7 million. One-hundred percent of this debt is backed by the full faith and credit of the city government.

	June 30, 2012			June 30, 2011		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 134,136,419	\$ 23,608,581	\$ 157,745,000	\$ 127,439,350	\$ 25,790,650	\$ 153,230,000
Bond anticipation notes	1,575,000	425,000	2,000,000	16,550,000	3,450,000	20,000,000
Notes payable	950,000	8,190,813	9,140,813	1,022,000	7,583,140	8,605,140
<b>Total</b>	<b>\$ 136,661,419</b>	<b>\$ 32,224,394</b>	<b>\$ 168,885,813</b>	<b>\$ 145,011,350</b>	<b>\$ 36,823,790</b>	<b>\$ 181,835,140</b>

The City of Danbury's total debt decreased by \$12.9 million during the current fiscal year, due to an increase of approximately \$5.1 million in long term debt and a \$18.0 million decrease in short-term debt.

The City of Danbury maintains the following ratings from Wall Street's credit agencies for general obligation debt: an Aa1 rating from Moody's Investors Service, AA+ from Standard and Poor's Corporation (upgraded last year), and AAA from Fitch Ratings.

The overall statutory debt limit for the City of Danbury is equal to seven times annual receipts from taxation or \$1,184.9 million. As of June 30, 2012 the City recorded long-term debt of \$134.1 million related to Governmental Activities and \$23.6 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Danbury's long-term debt can be found in Note 8 of this report.

**Cash Management Policies and Practices.** At June 30, 2012, the City had \$60.9 million in cash and cash equivalents. The City also had cash and cash equivalents and investments of \$3.4 million and \$217.6 million (totaling \$221.0 million) representing assets in the fiduciary funds and the City's six pension funds, respectively.

With the exception of the six pension funds, the City's operating and working capital funds are invested at the direction of the City Treasurer in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) money market accounts; (3) overnight repurchase agreements collateralized by U.S. government agency obligations such as Federal Home Loan Mortgage Corporation which are valued daily; (4) overnight U.S. Treasury obligations; (5) an investment pool investing only in

(a) high grade, short-term federal securities and variable rate obligations faced by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two, and (b) very short-term (usually overnight) repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the program's custodial bank to be held for the benefits of the Pool's participants.

**Pension Administration.** The City maintains six distinct pension plans covering substantially all of its employees, except teachers who are covered by the State Teachers' Retirement Fund. The City does not contribute to the State Teachers' Retirement Fund. The General Employee's Plan was entirely a non-contributory defined benefit plan until January 1, 2011 when new non-union employees hired after such date were required to contribute 5% of their salary to the plan. Furthermore, it should also be noted that the Unions agreed to make contributions under the new contract terms effective July 1, 2012. The remaining five plans - Post-1983 Police; Post-1967 Fire; Post-1967 Police; Pre-1967 Fire and Pre-1967 Police, are contributory defined benefit plans. Police contribute 4%-4.5% of their wages to the plans, while the Fire Union members contribute 5%. The City's funding policy is to make contributions on an actuarial cost basis, which includes normal cost plus an amortization of the unfunded past service liability. Total employer pension contributions for the year ended June 30, 2012 were \$7.7 million.

The City prepares valuations of its pension plans every other year. At the latest actuarial valuation dates July 1, 2011 and July 1 2010, the City's six pension trust funds had assets, in the aggregate on an actuarial basis, of \$255.6 million, while the actuarial accrued liability was \$283.3 million. On an actuarial accrued basis, the City's liability was in the aggregate, 90.1% funded. As of June 30, 2012, the six plans had aggregate assets of \$217.6 million, down \$17.1 million (-7.3%) from \$234.2 million over the past 12 months. Nevertheless, the cyclical market especially the one experienced in 2008 continues to have a significant effect on the funding ratios and on the annual required contributions (ARC payments) in future years.

### **Economic Factors and Next Year's Budgets and Rates**

The City of Danbury continues to show economic stability compared to other parts of the State of Connecticut. As of November 2012, the unemployment rate for the Danbury Labor Market Area was 6.6%, the lowest in the State of Connecticut. Connecticut's unemployment rate was 8.3% for the same period.

To date, the impact of the severe recession and economic crisis has been realized to a much lesser degree in the City of Danbury and the surrounding area than that of most other areas of the State and the Country. The number of private construction projects still remains relatively high however the size and scope of these projects have been reduced significantly. As such building activity and associated fees have declined over the past few years but have since stabilized. The City's Permit Center is in steady contact with developers of major projects regarding their construction plans and while most development has been postponed, many corporations still intend to expand their presence in the future, demonstrating that Danbury remains a desirable location to do business. Finally, the Danbury's diverse and high quality tax base lends stability to the City's revenue stream and the City of Danbury expects to retain its competitive advantage in Northern Fairfield County.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Danbury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 155 Deer Hill Avenue, Danbury, CT 06810.

## **Basic Financial Statements**



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## CITY OF DANBURY, CONNECTICUT

## STATEMENT OF NET ASSETS

June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
<b>Assets</b>			
Cash and cash equivalents	\$ 33,920,946	\$ 15,573,749	\$ 49,494,695
Investments	11,500,000	-	11,500,000
Receivables (net of allowances for collection losses):			
Property taxes	5,971,912	-	5,971,912
Special assessments	-	3,820,978	3,820,978
Accounts receivable	1,452,119	-	1,452,119
Federal and state governments	11,441,062	-	11,441,062
User charges	-	2,998,659	2,998,659
Other receivable	-	875,956	875,956
Unbilled services	-	2,812,532	2,812,532
Inventories	61,971	313,829	375,800
Internal balances	3,711,850	(3,711,850)	-
Other assets	597,231	-	597,231
Deferred charges, net of accumulated amortization	2,569,824	555,928	3,125,752
Federal and state government receivables	821,778	-	821,778
Capital assets, not being depreciated	70,949,243	26,139,250	97,088,493
Capital assets, net of accumulated depreciation	232,979,945	131,090,248	364,070,193
<b>Total assets</b>	<b>375,977,881</b>	<b>180,469,279</b>	<b>556,447,160</b>
<b>Liabilities</b>			
Accounts payable	18,769,049	592,471	19,361,520
Accrued liabilities	1,485,996	645,960	2,131,956
Advance tax collections	2,263,254	-	2,263,254
Unearned revenues	2,323,641	2,829,941	5,153,582
Bond anticipation notes payable	1,575,000	425,000	2,000,000
Noncurrent liabilities:			
Due within one year	16,285,556	5,087,614	21,373,170
Due in more than one year	190,552,639	27,778,592	218,331,231
<b>Total liabilities</b>	<b>233,255,135</b>	<b>37,359,578</b>	<b>270,614,713</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	147,295,078	123,938,292	271,233,370
Restricted	790,706	-	790,706
Unrestricted	(5,363,038)	19,171,409	13,808,371
<b>Total net assets</b>	<b>\$ 142,722,746</b>	<b>\$ 143,109,701</b>	<b>\$ 285,832,447</b>

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

\* After internal receivables and payables have been eliminated.

Component Units					
Danbury Parking Authority	Richter Park Authority	Tarrywile Park Authority	Danbury Museum and Historical Society Authority	Charles Ives Authority for the Performing Arts	
\$ 130,458	\$ 81,214	\$ 63,904	\$ 33,905	\$ 42,050	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
45,198	-	21,350	900	162,794	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	13,307	-	
-	-	-	-	-	
13,563	56,749	15,200	4,597	4,383	
-	-	-	-	-	
-	-	-	-	43,740	
-	842,285	-	-	-	
196,032	2,560,736	111,757	887,461	24,309	
385,251	3,540,984	212,211	940,170	277,276	
47,822	585,432	4,236	442	174,937	
11,766	-	4,858	3,588	2,551	
-	-	-	-	-	
-	4,000	-	-	-	
-	-	-	-	-	
-	305,540	-	-	-	
26,000	761,853	14,475	16	-	
85,588	1,656,825	23,569	4,046	177,488	
196,032	2,512,866	111,757	887,461	24,309	
-	877,393	5,391	2,560	-	
103,631	(1,506,100)	71,494	46,103	75,479	
\$ 299,663	\$ 1,884,159	\$ 188,642	\$ 936,124	\$ 99,788	

CITY OF DANBURY, CONNECTICUT

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ (17,961,072)	\$ 6,758,805	\$ 344,075	\$ -
Public safety	(51,989,164)	1,662,355	40,829	37,018
Public works	(18,237,392)	335,333	814,078	6,540,027
Health and welfare	(6,085,420)	262,310	2,870,990	884,114
Culture and recreation	(4,559,420)	244,814	77,574	-
Education	(157,904,768)	3,109,961	59,948,916	218,407
Interest on long-term debt	(5,068,939)	-	-	-
<b>Total governmental activities</b>	<b>(261,806,175)</b>	<b>12,373,578</b>	<b>64,096,462</b>	<b>7,679,566</b>
Business-type activities:				
Water	(7,547,425)	7,795,700	-	246,230
Sewer	(9,576,983)	11,692,618	-	238,600
Ambulance	(2,405,558)	2,761,382	-	-
<b>Total business-type activities</b>	<b>(19,529,966)</b>	<b>22,249,700</b>	<b>-</b>	<b>484,830</b>
<b>Total primary government</b>	<b>(281,336,141)</b>	<b>34,623,278</b>	<b>64,096,462</b>	<b>8,164,396</b>
<b>Component Units:</b>				
Danbury Parking Authority	(1,047,979)	1,082,606	-	-
Richter Park Authority	(2,451,365)	1,790,780	-	106,760
Tarrywile Park Authority	(380,164)	112,545	-	-
Danbury Museum and Historical Society Authority	(241,580)	174,508	-	2,500
Charles Ives Authority for the Performing Arts	(879,519)	797,632	58,320	-
<b>Total component units</b>	<b>\$ (5,000,607)</b>	<b>\$ 3,958,071</b>	<b>\$ 58,320</b>	<b>\$ 109,260</b>

General revenues:  
Property taxes  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Transfers  
Total general revenues and transfers

Change in net assets

Net assets - beginning  
Net assets - ending

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

**Net (Expense) Revenue and Changes in Net Assets**

Primary Government			Component Units				
Governmental Activities	Business-type Activities	Total	Danbury Parking Authority	Richter Park Authority	Tarrywile Park Authority	Danbury Museum and Historical Society Authority	Charles Ives Authority for the Performing Arts
\$ (10,858,192)	\$ -	\$ (10,858,192)	\$ -	\$ -	\$ -	\$ -	\$ -
(50,248,962)	-	(50,248,962)	-	-	-	-	-
(10,547,954)	-	(10,547,954)	-	-	-	-	-
(2,068,006)	-	(2,068,006)	-	-	-	-	-
(4,237,032)	-	(4,237,032)	-	-	-	-	-
(94,627,484)	-	(94,627,484)	-	-	-	-	-
(5,068,939)	-	(5,068,939)	-	-	-	-	-
(177,656,569)	-	(177,656,569)	-	-	-	-	-
-	494,505	494,505	-	-	-	-	-
-	2,354,235	2,354,235	-	-	-	-	-
-	355,824	355,824	-	-	-	-	-
-	3,204,564	3,204,564	-	-	-	-	-
(177,656,569)	3,204,564	(174,452,005)	-	-	-	-	-
-	-	-	34,627	-	-	-	-
-	-	-	-	(553,825)	-	-	-
-	-	-	-	-	(267,619)	-	-
-	-	-	-	-	-	(64,572)	-
-	-	-	-	-	-	-	(23,567)
-	-	-	34,627	(553,825)	(267,619)	(64,572)	(23,567)
168,129,234	-	168,129,234	-	-	-	-	-
7,477,670	-	7,477,670	-	-	229,635	-	-
410,250	500,123	910,373	450	-	264	-	-
245,814	(245,814)	-	-	-	-	-	-
176,262,968	254,309	176,517,277	450	-	229,899	-	-
(1,393,601)	3,458,873	2,065,272	35,077	(553,825)	(37,720)	(64,572)	(23,567)
144,116,347	139,650,828	283,767,175	264,586	2,437,984	226,362	1,000,696	123,355
<u>\$ 142,722,746</u>	<u>\$ 143,109,701</u>	<u>\$ 285,832,447</u>	<u>\$ 299,663</u>	<u>\$ 1,884,159</u>	<u>\$ 188,642</u>	<u>\$ 936,124</u>	<u>\$ 99,788</u>

CITY OF DANBURY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	General	Miscellaneous Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 11,863,669	\$ 1,679,022	\$ 20,378,255	\$ 33,920,946
Investments	11,500,000	-	-	11,500,000
Receivables (net of allowances for collection losses):				
Property taxes	5,971,912	-	-	5,971,912
Contract receivable	-	-	305,528	305,528
State and federal governments	6,692,225	4,159,246	1,411,369	12,262,840
Accounts receivable	1,144,211	-	2,380	1,146,591
Inventories	-	-	61,971	61,971
Other assets	597,231	-	-	597,231
Due from other funds	11,679,373	1,075,929	932,141	13,687,443
<b>Total assets</b>	<b>\$ 49,448,621</b>	<b>\$ 6,914,197</b>	<b>\$ 23,091,644</b>	<b>\$ 79,454,462</b>
<b>Liabilities</b>				
Accounts payable	\$ 3,696,670	\$ 2,065,502	\$ 4,539,713	\$ 10,301,885
Accrued wages	1,485,996	-	-	1,485,996
Due to other funds	6,814,461	2,937,755	6,063,522	15,815,738
Deferred revenues	6,784,408	3,861,876	536,243	11,182,527
Unearned revenue	110,976	1,056,175	1,156,490	2,323,641
Bond anticipation notes payable	-	-	1,575,000	1,575,000
Advance tax collections	2,263,254	-	-	2,263,254
<b>Total liabilities</b>	<b>21,155,765</b>	<b>9,921,308</b>	<b>13,870,968</b>	<b>44,948,041</b>
<b>Fund Balances</b>				
Nonspendable	597,231	-	1,545,104	2,142,335
Restricted	-	-	790,706	790,706
Committed	709,030	58,890	13,336,760	14,104,680
Assigned	4,845,847	-	108,912	4,954,759
Unassigned	22,140,748	(3,066,001)	(6,560,806)	12,513,941
<b>Total fund balances (deficits)</b>	<b>28,292,856</b>	<b>(3,007,111)</b>	<b>9,220,676</b>	<b>34,506,421</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 49,448,621</b>	<b>\$ 6,914,197</b>	<b>\$ 23,091,644</b>	

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

Capital assets, net of accumulated depreciation of \$185,559,444, purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole.	303,929,188
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(206,838,195)
Deferred charges, net of accumulated amortization	2,569,824
Deferred revenue	11,182,527
Accrued interest	(2,627,019)

Net assets of governmental activities \$ 142,722,746

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012

	General	Miscellaneous Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 168,088,383	\$ -	\$ -	\$ 168,088,383
State and federal governments	47,293,595	837,275	27,330,458	75,461,328
Licenses and permits	3,639,454	-	14,735	3,654,189
Charges for services	5,354,883	424,632	1,554,365	7,333,880
Fines and penalties	1,385,509	-	-	1,385,509
Investment income	139,318	-	270,932	410,250
Contributions	-	814,078	266,660	1,080,738
<b>Total revenues</b>	<b>225,901,142</b>	<b>2,075,985</b>	<b>29,437,150</b>	<b>257,414,277</b>
<b>EXPENDITURES</b>				
Current:				
General government	8,724,776	494,370	264,036	9,483,182
Public safety	29,704,609	54,620	253,259	30,012,488
Public works	8,765,595	3,843,608	293,638	12,902,841
Health and welfare	3,645,443	497,885	967,758	5,111,086
Culture and recreation	2,530,195	-	122,208	2,652,403
Education	129,949,781	-	23,488,518	153,438,299
Pension and other employee benefits	26,447,785	-	-	26,447,785
Debt service:				
Principal retirements	10,181,600	-	-	10,181,600
Interest and other charges	5,610,243	-	-	5,610,243
Capital outlay	1,002,754	162,579	14,699,071	15,864,404
<b>Total expenditures</b>	<b>226,562,781</b>	<b>5,053,062</b>	<b>40,088,488</b>	<b>271,704,331</b>
<b>Revenues over (under) expenditures</b>	<b>(661,639)</b>	<b>(2,977,077)</b>	<b>(10,651,338)</b>	<b>(14,290,054)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	245,814	-	1,158,428	1,404,242
Transfers out	(1,158,428)	-	-	(1,158,428)
Issuance of refunding bonds	13,264,000	-	-	13,264,000
Payment to escrow agent	(15,101,113)	-	-	(15,101,113)
Issuance of general obligation bonds	-	-	17,552,320	17,552,320
Payments bond anticipation notes	-	-	(12,407,555)	(12,407,555)
Issuance of debt - leases	-	-	2,500,000	2,500,000
Premium on bonds	3,510,677	-	-	3,510,677
<b>Total other financing sources (uses)</b>	<b>760,950</b>	<b>-</b>	<b>8,803,193</b>	<b>9,564,143</b>
<b>Net change in fund balances (deficits)</b>	<b>99,311</b>	<b>(2,977,077)</b>	<b>(1,848,145)</b>	<b>(4,725,911)</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>28,193,545</b>	<b>(30,034)</b>	<b>11,068,821</b>	<b>39,232,332</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 28,292,856</b>	<b>\$ (3,007,111)</b>	<b>\$ 9,220,676</b>	<b>\$ 34,506,421</b>

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

**CITY OF DANBURY, CONNECTICUT**

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

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

Net change in fund balances – total governmental funds \$ (4,725,911)

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. 4,408,954

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Examples are revenues from special assessments, property taxes and intergovernmental projects.

Taxes and related interest	40,851
Miscellaneous revenue	(25,475)
School construction	(582,547)
Intergovernmental revenue and other	3,319,654

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,589,560

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. (5,418,687)

Change in net assets of governmental activities \$ (1,393,601)

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Ambulance	Totals	Activities Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 10,199,997	\$ 3,405,743	\$ 1,968,009	\$ 15,573,749	\$ -
Receivables (net of allowances for collection losses):					
Unbilled services	1,360,723	1,451,809	-	2,812,532	-
Special assessments receivable	78,351	327,155	-	405,506	-
User Charges	1,148,698	1,326,531	523,430	2,998,659	-
Due from other funds	-	168,522	-	168,522	5,840,145
Other	-	748,836	127,120	875,956	-
Inventories	313,829	-	-	313,829	-
<b>Total current assets</b>	<b>13,101,598</b>	<b>7,428,596</b>	<b>2,618,559</b>	<b>23,148,753</b>	<b>5,840,145</b>
Noncurrent assets:					
Capital assets (net of accumulated depreciation)	73,170,215	83,824,762	234,521	157,229,498	-
Special assessments receivable, net	508,371	2,907,101	-	3,415,472	-
Other assets (net of accumulated amortization)	229,952	325,976	-	555,928	-
<b>Total noncurrent assets</b>	<b>73,908,538</b>	<b>87,057,839</b>	<b>234,521</b>	<b>161,200,898</b>	<b>-</b>
<b>Total assets</b>	<b>87,010,136</b>	<b>94,486,435</b>	<b>2,853,080</b>	<b>184,349,651</b>	<b>5,840,145</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accrued liabilities	431,163	214,797	-	645,960	-
Accounts payable	164,041	330,055	98,375	592,471	5,840,145
Due to other funds	112,954	3,767,418	-	3,880,372	-
Unearned revenues	205,000	2,624,941	-	2,829,941	-
Bonds and notes payable	1,622,750	3,464,864	-	5,087,614	-
Bond anticipation notes payable	350,000	75,000	-	425,000	-
<b>Total current liabilities</b>	<b>2,885,908</b>	<b>10,477,075</b>	<b>98,375</b>	<b>13,461,358</b>	<b>5,840,145</b>
Noncurrent liabilities:					
Notes payable (net of unamortized discount)	-	5,576,629	-	5,576,629	-
Bonds payable (net of unamortized premium)	11,546,870	9,588,281	-	21,135,151	-
Other liabilities (net of accumulated amortization)	419,953	646,859	-	1,066,812	-
<b>Total noncurrent liabilities</b>	<b>11,966,823</b>	<b>15,811,769</b>	<b>-</b>	<b>27,778,592</b>	<b>-</b>
<b>Total liabilities</b>	<b>14,852,731</b>	<b>26,288,844</b>	<b>98,375</b>	<b>41,239,950</b>	<b>5,840,145</b>
<b>NET ASSETS</b>					
Invested in capital assets (net of related debt)	59,230,642	64,473,129	234,521	123,938,292	-
Unrestricted	12,926,763	3,724,462	2,520,184	19,171,409	-
<b>Total net assets</b>	<b>\$ 72,157,405</b>	<b>\$ 68,197,591</b>	<b>\$ 2,754,705</b>	<b>\$ 143,109,701</b>	<b>\$ -</b>

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -  
 PROPRIETARY FUNDS

For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Ambulance	Totals	Activities Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 7,795,700	\$ 10,566,384	\$ 2,761,382	\$ 21,123,466	\$ 18,607,557
Septic and connection fees	-	1,126,234	-	1,126,234	-
<b>Total operating revenues</b>	<b>7,795,700</b>	<b>11,692,618</b>	<b>2,761,382</b>	<b>22,249,700</b>	<b>18,607,557</b>
<b>OPERATING EXPENSES</b>					
Salaries, benefits and claims	3,284,780	-	1,668,932	4,953,712	-
Materials and supplies	682,464	-	37,486	719,950	-
Depreciation	1,413,191	2,782,209	28,120	4,223,520	-
Utilities	536,793	-	-	536,793	-
Administrative and operating	1,004,037	6,332,395	671,020	8,007,452	18,607,557
<b>Total operating expenses</b>	<b>6,921,265</b>	<b>9,114,604</b>	<b>2,405,558</b>	<b>18,441,427</b>	<b>18,607,557</b>
<b>Operating income</b>	<b>874,435</b>	<b>2,578,014</b>	<b>355,824</b>	<b>3,808,273</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	194,033	305,723	367	500,123	-
Interest expense	(626,160)	(462,379)	-	(1,088,539)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(432,127)</b>	<b>(156,656)</b>	<b>367</b>	<b>(588,416)</b>	<b>-</b>
<b>Net income before capital contributions and transfers</b>	<b>442,308</b>	<b>2,421,358</b>	<b>356,191</b>	<b>3,219,857</b>	<b>-</b>
Capital Contributions	246,230	238,600	-	484,830	-
Transfers out	-	-	(245,814)	(245,814)	-
<b>Change in net assets</b>	<b>688,538</b>	<b>2,659,958</b>	<b>110,377</b>	<b>3,458,873</b>	<b>-</b>
<b>NET ASSETS, beginning</b>	<b>71,468,867</b>	<b>65,537,633</b>	<b>2,644,328</b>	<b>139,650,828</b>	<b>-</b>
<b>NET ASSETS, ending</b>	<b>\$ 72,157,405</b>	<b>\$ 68,197,591</b>	<b>\$ 2,754,705</b>	<b>\$ 143,109,701</b>	<b>\$ -</b>

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Ambulance	Totals	Internal Service Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 8,389,374	\$ 11,457,705	\$ 2,842,976	\$ 22,690,055	\$ 18,287,690
Payments to suppliers/claims paid	(2,047,467)	(7,841,433)	(698,686)	(10,587,586)	(18,287,690)
Payments to employees	(3,265,587)	-	(1,668,932)	(4,934,519)	-
<b>Net cash provided by operating activities</b>	<b>3,076,320</b>	<b>3,616,272</b>	<b>475,358</b>	<b>7,167,950</b>	<b>-</b>
<b>Cash Flows From NonCapital Financing Activities</b>					
Transfers to other funds	-	-	(245,814)	(245,814)	-
<b>Cash Flows From Capital and Related Financing Activities</b>					
Principal payments on debt	(2,949,400)	(5,636,015)	-	(8,585,415)	-
Interest paid on debt	(587,914)	(451,266)	-	(1,039,180)	-
Capital contributions	246,230	238,600	-	484,830	-
Purchase of capital assets	(561,115)	(1,865,118)	(122,264)	(2,548,497)	-
Refunding of bonds	(1,319,630)	(1,747,719)	-	(3,067,349)	-
Proceeds of bonds, notes and refunding	1,633,000	5,420,368	-	7,053,368	-
<b>Net cash used in capital and related financing activities</b>	<b>(3,538,829)</b>	<b>(4,041,150)</b>	<b>(122,264)</b>	<b>(7,702,243)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>					
Interest received on investments	194,033	305,723	367	500,123	-
<b>Net cash provided by investing activities</b>	<b>194,033</b>	<b>305,723</b>	<b>367</b>	<b>500,123</b>	<b>-</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(268,476)</b>	<b>(119,155)</b>	<b>107,647</b>	<b>(279,984)</b>	<b>-</b>
<b>Cash and Cash Equivalents</b>					
Beginning	10,468,473	3,524,898	1,860,362	15,853,733	-
Ending	<u>\$ 10,199,997</u>	<u>\$ 3,405,743</u>	<u>\$ 1,968,009</u>	<u>\$ 15,573,749</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>					
Operating income	\$ 874,435	\$ 2,578,014	\$ 355,824	\$ 3,808,273	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,413,191	2,782,209	28,120	4,223,520	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	593,674	169,888	208,714	972,276	-
Decrease in other receivables	-	95,203	(127,120)	(31,917)	-
Decrease in inventories	139,189	-	-	139,189	-
(Decrease) increase in accrued expenses	56,969	(566,410)	-	(509,441)	319,867
(Decrease) increase in due to/from other funds	(1,138)	(942,628)	9,820	(933,946)	(319,867)
Decrease in unearned revenue	-	(500,004)	-	(500,004)	-
<b>Net cash provided by operating activities</b>	<b>\$ 3,076,320</b>	<b>\$ 3,616,272</b>	<b>\$ 475,358</b>	<b>\$ 7,167,950</b>	<b>\$ -</b>
<b>Supplemental Schedule of Noncash Financing Activities</b>					
Amortization of issuance costs and gain on refunded debt	\$ 115,191	\$ 45,818	\$ -	\$ 161,009	\$ -
Amortization of premium on refunded debt	\$ 127,796	\$ 88,714	\$ -	\$ 216,510	\$ -

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2012

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,231,813	\$ 1,461	\$ 3,391,403
Investments, at fair value			
Common stock	23,245,816	-	-
Debt securities	8,834,385	-	-
Mutual funds	110,205,039	-	-
Private hedge funds	57,824,538	-	-
<b>Total investments</b>	<b>200,109,778</b>	<b>-</b>	<b>-</b>
Accrued interest and dividends	113,049	-	-
Pending sales	117,555	-	-
<b>Total assets</b>	<b>217,572,195</b>	<b>1,461</b>	<b>3,391,403</b>
<b>LIABILITIES</b>			
Pending purchases	504,181	-	-
Other liabilities	-	-	3,391,403
	504,181	-	3,391,403
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes</b>	<b>\$ 217,068,014</b>	<b>\$ 1,461</b>	<b>\$ -</b>

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

For the Year Ended June 30, 2012

	Pension Trust Funds	Private Purpose Trust Fund
<b>Additions</b>		
Contributions		
Employer	\$ 7,678,289	\$ -
Plan members	856,075	-
<b>Total contributions</b>	<b>8,534,364</b>	<b>-</b>
Investment Income		
Net depreciation in fair value of investments	(12,709,806)	-
Interest and dividends	5,290,289	7
	(7,419,517)	7
Less investment expenses:		
Investment management fees	902,378	-
<b>Net investment income (loss)</b>	<b>(8,321,895)</b>	<b>7</b>
<b>Deductions</b>		
Benefits Paid	17,319,350	-
<b>Change in net assets</b>	<b>(17,106,881)</b>	<b>7</b>
<b>Net Assets</b>		
Beginning of year	234,174,895	1,454
End of year	<b>\$ 217,068,014</b>	<b>\$ 1,461</b>

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

## **CITY OF DANBURY, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

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#### **Note 1. Summary of Significant Accounting Policies**

##### **Reporting entity**

The City was created in 1889 and operates under an elected Mayor/Council form of government. The City's major operations include education services, health, social services, public safety, public roads, culture and recreation, public improvements, water and sewer services, planning and zoning, and general administrative services.

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.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City's component units are discretely presented component units, which are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City. Each component unit has a June 30 year-end, except the Stanley L. Richter Memorial Park Authority ("Richter Park"), which has a December 31 year-end, and Charles Ives, which has a September 30 year-end.

##### **Discretely Presented Component Units**

The Redevelopment Agency of the City is governed by members who are appointed by the Mayor with the approval of the City Council. The Redevelopment Agency has the absolute authority (including the right to exercise eminent domain) to acquire, renovate, and resell property within a blighted area legally designated as the redevelopment district. The Redevelopment Agency does not have any assets, liabilities, fund balance, revenues, or expenditures. As such, no financial statements exist or are available for this component unit as it has no activity.

The Tarrywile Park Authority ("Tarrywile") is responsible for administering, operating and maintaining Tarrywile Park, including all structures and land. The land and original buildings are owned by the City. Tarrywile is governed by members that are appointed by the Mayor and confirmed by the City Council on a rotating basis. The City is potentially liable for any operating deficits and provides substantial budgeted allocation annually to Tarrywile to support its operations. Tarrywile is presented as a governmental fund type. The information presented for Tarrywile is for the year ended June 30, 2012.

The Danbury Parking Authority ("Parking Authority") is responsible for establishing and operating parking facilities within the City in a manner similar to a private business enterprise where the costs of providing services to the general public are financed through user charges. The Parking Authority is governed by members who are appointed by the Mayor and confirmed by the City Council. The Parking Authority has the potential to provide specific financial benefit to, or impose specific financial burdens on, the City. The Parking Authority is presented as a proprietary fund type. The information presented for the Parking Authority is for the year ended June 30, 2012.

Richter Park is responsible for independent control over the operation of the Stanley L. Richter Memorial Park. Richter Park was donated to the City of Danbury for use as a recreational facility in 1971. The board members are appointed on a rotating basis by the Mayor and confirmed by the City Council. The City is potentially liable for any operating deficits and provides funding periodically as needed, in the form of operating and capital grants, to Richter Park to support its operations. Richter Park is presented as a

## CITY OF DANBURY, CONNECTICUT

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

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proprietary fund type. The information presented for Richter Park is for the year ended December 31, 2011.

The Danbury Museum and Historical Society Authority (“the Authority”) is responsible for administering, operating, and maintaining the Danbury Museum and Historical Society in the City of Danbury. The board members are appointed by the Mayor with the approval of the majority of the City Council. The City is potentially liable for any operating deficits and provides budgeted allocation annually to the Authority. The Authority is presented as a proprietary fund type. The information presented for the Authority is for the year ended June 30, 2012.

The Charles Ives Authority for the Performing Arts (“Charles Ives”) is responsible, in affiliation with Western Connecticut States University, for administering, operating and maintaining the Ives Concert Park. The board members are appointed by the Mayor with the approval of the majority of the City Council. Three of the nine appointees selected by the Mayor shall be persons nominated by the President of Western Connecticut State University. The City is potentially liable for any operating deficits and provides budgeted allocation and capital grants to fund operations, capital acquisitions and long-term improvements. The Authority is presented as a proprietary fund type. The information presented for Charles Ives is for the year ended September 30, 2011.

Complete financial statements for each of the individual component units may be obtained at the entities’ administrative offices:

Tarrywile Park Authority  
70 Southern Boulevard  
Danbury, CT 06810

Stanley L. Richter Memorial Park Authority  
100 Aunt Hack Road  
Danbury, CT 06811

Danbury Parking Authority  
21 Delay Street  
Danbury, CT 06810

Danbury Museum and Historical Society Authority  
43 Main Street  
Danbury, CT 06810

Charles Ives Authority for the Performing Arts  
University Boulevard  
Danbury, CT 06810

#### **Joint ventures and related organizations**

The Candlewood Lake Authority, the Housatonic Resources Recovery Authority (HRRRA), and the Housatonic Area Regional Transit (HART) District are joint ventures of the City. The Danbury Housing Authority is a related organization. See Note 13 in the notes to financial statements. The City does not have an equity investment in the joint ventures. Therefore, the annual support is reported as an expenditure when incurred.

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

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

## CITY OF DANBURY, CONNECTICUT

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

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues when eligibility requirements are 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 are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds.

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

The *Miscellaneous Special Revenue Fund* accounts for proceeds from smaller projects related to public health, social services, public safety, public works, open space and culture and recreation.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operation of the City's water supply system. 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.

## CITY OF DANBURY, CONNECTICUT

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

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The *Sewer Fund* accounts for the operations of the City's wastewater treatment system. The City, through Veolia Water North America - Northeast, LLC ("Veolia Water"), operates its own sewage treatment plant, sewage pumping stations, and collection system. It is independent in terms of its relationship to other City functions. Veolia Water finances all aspects of the sewage system operations and recovers such costs through direct charges billed through the City to the users of the service.

The *Ambulance Fund* accounts for the operations of the City's ambulance system for the benefit of its residents. Its operations are financed from fees charged to the users of its services.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for workers' compensation and risk management, including health and general liability insurance costs, provided to departments of the City and the Board of Education.

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust for use by a not-for-profit organization devoted to educating the public about the government's historic city hall by means of guided tours, publications, and special events. All resources of the fund, including any earnings on invested resources, may be used to support the organization's activities. There is no requirement that any portion of these resources be preserved as capital.

The *Pension Trust Funds* account for the activities of the City's six defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees. Pension funds follow the accrual basis of accounting.

The *Agency Funds* account for monies held as a custodian for outside student groups, airport security deposits, Flood Plain permit applications, and city street opening permits. Agency funds have no measurement focus and are reported on the accrual basis of accounting.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Operating expenses for enterprise funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **CITY OF DANBURY, CONNECTICUT**

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

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#### **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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **Property taxes**

Property taxes are assessed as of October 1 and levied on the following July 1. Taxes are due in four installments on July 1, October 1, January 1 and April 1. Supplemental motor vehicle taxes are due in full January 1. Liens are recorded during the month of June.

#### **Cash equivalents**

The City considers all highly liquid investments and those with original maturities of three months or less, when purchased to be cash equivalents.

#### **Allowance for doubtful accounts**

Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$2,360,000. 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.

#### **Investments**

Investments are stated at fair value, based on quoted market prices, except as disclosed in the following paragraphs.

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.

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

#### **Inventories**

Inventories of governmental fund types are stated at the lower of cost or market using the consumption method on the first-in, first-out basis.

Inventories of proprietary funds are stated at the lower of cost (first-in, first-out method) or market.

## CITY OF DANBURY, CONNECTICUT

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

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#### Capital assets

Capital assets, which include property easements, 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 in proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of any interest revenue earned from specific borrowings.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	15-45
Land improvements	20
Distribution and collection systems	50-100
Infrastructure	10-100
Machinery and equipment	5-20
Vehicles	6
Other	10
Furniture and fixtures	20

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

#### Compensated absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for the amounts that have become due. Amounts for compensated absences are generally liquidated by the General Fund.

#### Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, including capital

## CITY OF DANBURY, CONNECTICUT

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

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leases, 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, and principal payments are reported as debt service expenditures.

#### **Pension accounting:**

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

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

##### **Governmental Funds**

Expenditures for employer pension contributions are recognized when they are paid or are expected to be paid with current available resources.

##### **Funding policy**

The City funds the contributions to its pension plans based on the actuarial required contribution and terms of union contracts.

#### **Net other post-employment benefit obligations**

In fiscal year 2008, the City implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.*" This pronouncement requires the City to calculate and record a net other post-employment benefit obligation (NOPEBO). The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2007. The City makes annual contributions based upon the decision of City Council.

#### **Net Assets**

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

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

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

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

## CITY OF DANBURY, CONNECTICUT

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

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#### Fund Balance

In the government fund financial statements, the City classified fund balances as follows:

- Nonspendable Fund Balance – Amounts which cannot be spent either because they are in a nonspendable 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 Danbury City 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.
- Unassigned Fund Balance (Deficit) – 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.

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

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

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

Bonds and notes payable	\$ (134,136,419)
Add: Issuance premium (to be amortized over life of debt)	(9,380,834)
Capital leases payable	(18,225,658)
Compensated absences	(3,234,669)
Pollution remediation obligation	(872,307)
Landfill closure	(8,518,796)
HUD-Section 108 loans	(950,000)
Legal claims and other	(750,000)
OPEB obligations	(28,690,700)
Easement obligations	(350,000)
Early retirement accrual	(1,728,812)
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ (206,838,195)</u></u>

**CITY OF DANBURY, CONNECTICUT**

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

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

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

Capital outlay	\$ 14,859,539
Depreciation expense	<u>(10,450,585)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,408,954</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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

Debt issued or incurred:	
Issuance of bonds (including bond anticipation notes)	\$ 30,816,320
Premiums	3,510,677
Bond issuance costs	(860,552)
Capital leases	2,500,000
Principal repayments:	
General obligation debt	(36,598,806)
Capital leases	<u>(957,199)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,589,560)</u>

**CITY OF DANBURY, CONNECTICUT**

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

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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.”

Compensated absences	\$ (200,906)
Early retirement	(769,593)
Other post employment benefits	7,875,900
Amortization of deferred charges	(747,908)
Accrued interest	(24,306)
Landfill closure	(453,107)
Other liabilities	<u>(261,393)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,418,687</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 deposit with Connecticut banks. City policy adopts the State of Connecticut requirements 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 investment and credit risk policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do 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. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk. They set asset allocation parameters, as follows:

	Range	Target
Cash and short-term investments	0%-20%	5%
Equity securities	45%-75%	60%
Fixed income securities	20%-60%	40%
Alternative strategies (hedge funds)	0%-30%	15%

Interest Rate Risk: The City does have a policy that limits its exposure to fair value losses arising from changes in interest rates. The City’s pension funds do have a policy to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities

## CITY OF DANBURY, CONNECTICUT

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

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mature to meet cash requirements for benefit payments, and monitoring the liquidity of the funds on an ongoing basis.

*Concentrations:* The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

The investment policy of the pension plans is that no more than 10% (at market) may be invested in any one company and no more than 20% exposure to any one industry. In addition, the portfolio cannot have more than 20% invested in foreign bonds and no more than 20% invested in preferred stocks and convertibles.

*Custodial credit risk:*

*Deposits:* This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2012, \$31,474,076 of the City's bank balance of \$68,123,774 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. The City and the pension funds do not have custodial credit risk policies for investments.

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

<b>Cash and Cash Equivalents</b>	
Deposits With Financial Institutions	\$ 69,099,308
Cutwater Asset Management - Connecticut Class Plus	1,020,064
<b>Total cash and cash equivalents</b>	<b>70,119,372</b>
<b>Investments</b>	
General Fund	
U.S. Government securities	11,500,000 *
<b>Total government investments</b>	<b>11,500,000</b>
Pension Trust Funds:	
U.S. Government securities	1,319,847 *
U.S. Government agencies	1,037,115 *
Asset backed securities	2,331,142 *
Corporate bonds	4,146,281 *
Common stocks	23,245,816 *
Fixed income funds	27,074,258
Equity funds	83,130,781
Private hedge funds	57,824,538
<b>Total pension investments</b>	<b>200,109,778</b>
<b>Total cash, cash equivalents and investments</b>	<b>\$ 281,729,150</b>

\* These investments are uninsured and unregistered, with securities held by its agent, but in the City's Pension Trust Funds' name.

**CITY OF DANBURY, CONNECTICUT**

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

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

	Primary Government
<b>Statement of Net Assets</b>	
Cash and cash equivalents	\$ 49,494,695
Investments	11,500,000
	<u>60,994,695</u>
<b>Fiduciary Funds:</b>	
Cash and cash equivalents	20,624,677
Investments	200,109,778
	<u>220,734,455</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 281,729,150</u>

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Securities	\$ 12,819,847	\$ 11,500,000	\$ 412,764	\$ 907,083	\$ -
U.S. Government Agencies	1,037,115	-	765,683	271,432	-
Asset Backed Securities	2,331,142	-	1,061,586	-	1,269,556
Fixed Income Funds	27,074,258	1,217,646	12,241,878	7,978,182	5,636,552
Corporate Bonds	4,146,281	-	2,812,741	1,333,540	-
<b>TOTAL</b>	<u>\$ 47,408,643</u>	<u>\$ 12,717,646</u>	<u>\$ 17,294,652</u>	<u>\$ 10,490,237</u>	<u>\$ 6,906,108</u>

**CITY OF DANBURY, CONNECTICUT**

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

*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. The City does have a formalized policy establishing a minimum rating for investments. Cash equivalents of \$1,020,064 are invested in Cutwater Asset Management-Connecticut Class Plus, which maintains a Standard and Poor's investment rating of AAA. Presented below is the minimum rating as required for each debt type investment:

Average Rating	U.S. Government Securities	U.S. Government Agency Obligation	Asset Backed Securities	Fixed Income Funds	Corporate Bonds
AAA	\$ 11,602,874	\$ -	\$ 1,651,674	\$ 9,667,845	\$ -
AA+	1,216,973	1,037,115	-	-	200,032
AA	-	-	-	1,074,117	103,250
AA-	-	-	-	-	100,428
A+	-	-	-	-	388,483
A	-	-	-	5,957,302	713,422
A-	-	-	-	-	957,959
BBB+	-	-	-	-	524,595
BBB	-	-	-	4,768,667	826,727
BBB-	-	-	-	-	331,385
BB	-	-	-	2,027,903	-
B	-	-	-	1,293,084	-
CCC	-	-	-	1,316,250	-
Unrated	-	-	679,468	969,090	-
	<u>\$ 12,819,847</u>	<u>\$ 1,037,115</u>	<u>\$ 2,331,142</u>	<u>\$ 27,074,258</u>	<u>\$ 4,146,281</u>

**Note 4. Deferred Revenue/Unearned Revenue**

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

	Deferred Revenue	Unearned Revenue
<b>General Fund:</b>		
Taxes and accrued interest on delinquent property taxes	\$ 5,338,246	\$ -
School construction receivable	821,778	-
Other	624,384	110,976
<b>Miscellaneous Special Revenue:</b>		
Grants and other	3,861,876	1,056,175
<b>Nonmajor Funds:</b>		
Grants and other	536,243	1,156,490
	<u>\$ 11,182,527</u>	<u>\$ 2,323,641</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**Note 5. Interfund Receivables, Payables and Transfers**

As of June 30, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 11,679,373	\$ 6,814,461
Miscellaneous Funds	1,075,929	2,937,755
Water	-	112,954
Sewer	168,522	3,767,418
Internal Service Fund	5,840,145	-
Nonmajor and Other Funds	932,141	6,063,522
<b>Totals</b>	<b>\$ 19,696,110</b>	<b>\$ 19,696,110</b>

Interfund balances represent routine short-term advances.

Interfund transfers during the year ended June 30, 2012 were as follows:

	Transfers in:	
	Transfers In	Transfers Out
General Fund	\$ 245,814	\$ 1,158,428
Nonmajor Governmental Funds	1,158,428	-
Ambulance	-	245,814
<b>Total</b>	<b>\$ 1,404,242</b>	<b>\$ 1,404,242</b>

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various capital projects accounted for in other funds in accordance with budget authorizations.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**Note 6. Capital Assets**

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

	Beginning Balance	Increases/ Transfers	Transfers/ Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 52,295,226	\$ -	\$ -	\$ 52,295,226
Easements	908,500	10,450	-	918,950
Construction in progress	11,220,093	12,894,811	(6,379,837)	17,735,067
Total capital assets, not being depreciated	64,423,819	12,905,261	(6,379,837)	70,949,243
Capital assets, being depreciated:				
Land improvements	13,394,825	588,910	-	13,983,735
Buildings and improvements	221,723,953	1,484,259	-	223,208,212
Machinery and equipment	41,842,859	2,557,445	(15,500)	44,384,804
Infrastructure	133,259,137	3,703,501	-	136,962,638
Total capital assets being depreciated	410,220,774	8,334,115	(15,500)	418,539,389
Less accumulated depreciation for:				
Land improvements	3,755,435	603,086	-	4,358,521
Buildings and improvements	59,639,671	4,492,005	-	64,131,676
Machinery and equipment	27,804,953	2,719,590	(15,500)	30,509,043
Infrastructure	83,924,300	2,635,904	-	86,560,204
Total accumulated depreciation	175,124,359	10,450,585	(15,500)	185,559,444
Total capital assets, being depreciated, net	235,096,415	(2,116,470)	-	232,979,945
Governmental activities capital assets, net	\$ 299,520,234	\$ 10,788,791	\$ (6,379,837)	\$ 303,929,188

**CITY OF DANBURY, CONNECTICUT**

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

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,031,946	\$ -	\$ -	\$ 1,031,946
Construction in progress	23,196,916	1,910,388	-	25,107,304
Total capital assets, not being depreciated	24,228,862	1,910,388	-	26,139,250
Capital assets, being depreciated:				
Buildings and improvements	103,351,990	-	-	103,351,990
Machinery and equipment	23,938,956	24,190	-	23,963,146
Distribution and collection systems	80,766,024	467,830	-	81,233,854
Vehicles	1,033,468	146,089	-	1,179,557
Other	907,217	-	-	907,217
Furniture and fixtures	287,704	-	-	287,704
Total capital assets, being depreciated	210,285,359	638,109	-	210,923,468
Less accumulated depreciation for:				
Buildings and improvements	45,289,489	2,487,225	-	47,776,714
Machinery and equipment	7,848,462	491,356	-	8,339,818
Distribution and collection systems	20,382,101	1,150,627	-	21,532,728
Vehicles	915,389	72,600	-	987,989
Other	886,555	21,712	-	908,267
Furniture and fixtures	287,704	-	-	287,704
Total accumulated depreciation	75,609,700	4,223,520	-	79,833,220
Total capital assets, being depreciated, net	134,675,659	(3,585,411)	-	131,090,248
Business-type capital assets, net	\$ 158,904,521	\$ (1,675,023)	\$ -	\$ 157,229,498

**CITY OF DANBURY, CONNECTICUT**

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

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 712,557
Public safety	1,841,694
Public works, including depreciation of general infrastructure assets	2,945,367
Health and welfare	78,516
Culture and recreation	787,789
Education	<u>4,084,662</u>
Total depreciation expense – governmental activities	<u><u>\$ 10,450,585</u></u>
<b>Business-type activities:</b>	
Sewer	\$ 2,782,209
Water	1,413,191
Ambulance	<u>28,120</u>
Total depreciation expense – business-type activities	<u><u>\$ 4,223,520</u></u>

**Discretely presented component units**

Activity for the Danbury Parking Authority for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 192,956	\$ 75,519	\$ -	\$ 268,475
Machinery and equipment	474,578	5,897	-	480,475
Computer equipment	22,506	-	-	22,506
Total capital assets, being depreciated	<u>690,040</u>	<u>81,416</u>	<u>-</u>	<u>771,456</u>
Less accumulated depreciation for:				
Buildings and improvements	96,018	11,387	-	107,405
Machinery and equipment	436,941	9,627	-	446,568
Computer equipment	21,236	215	-	21,451
Total accumulated depreciation	<u>554,195</u>	<u>21,229</u>	<u>-</u>	<u>575,424</u>
Total capital assets, being depreciated, net	<u><u>\$ 135,845</u></u>	<u><u>\$ 60,187</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 196,032</u></u>

**CITY OF DANBURY, CONNECTICUT**

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

Activity for the Richter Park Authority for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 842,385	\$ -	\$ -	\$ 842,385
Total capital assets, not being depreciated	842,385	-	-	842,385
Capital assets, being depreciated:				
Course development improvements	3,418,056	72,210	-	3,490,266
Building and improvements	2,134,936	192,380	-	2,327,316
Machinery and equipment	1,332,070	139,000	(83,125)	1,387,945
Totals, capital assets being depreciated	6,885,062	403,590	(83,125)	7,205,527
Less accumulated depreciation for:				
Course development improvements	1,874,038	171,032	-	2,045,070
Building and improvements	1,578,427	57,876	-	1,636,303
Machinery and equipment	898,611	133,932	(69,025)	963,518
Total accumulated depreciation	4,351,076	362,840	(69,025)	4,644,891
Total capital assets, being depreciated, net	2,533,986	40,750	(14,100)	2,560,636
Total capital assets, net	\$ 3,376,371	\$ 40,750	\$ (14,100)	\$ 3,403,021

Activity for the Tarrywile Park Authority for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 173,954	\$ -	\$ -	\$ 173,954
Ground maintenance equipment	40,307	2,980	-	43,287
Administrative equipment	92,311	2,156	(3,740)	90,727
Construction-in-progress	28,499	-	-	28,499
Totals, capital assets being depreciated	335,071	5,136	(3,740)	336,467
Less accumulated depreciation for:				
Buildings and improvements	97,538	8,955	-	106,493
Ground maintenance equipment	25,373	7,271	-	32,644
Administrative equipment	87,967	1,346	(3,740)	85,573
Total accumulated depreciation	210,878	17,572	(3,740)	224,710
Total capital assets, being depreciated, net	\$ 124,193	\$ (12,436)	\$ -	\$ 111,757

**CITY OF DANBURY, CONNECTICUT**

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

Activity for the Danbury Museum and Historical Society Authority for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 128,790	\$ -	\$ -	\$ 128,790
Total capital assets, not being depreciated	128,790	-	-	128,790
Capital assets, being depreciated:				
Buildings and improvements	1,118,932	69,819	-	1,188,751
Machinery and equipment	26,016	-	-	26,016
Furniture and fixtures	23,427	4,683	-	28,110
Totals, capital assets being depreciated	1,168,375	74,502	-	1,242,877
Less accumulated depreciation for:				
Buildings and improvements	397,025	-	60,967	457,992
Machinery and equipment	13,600	-	-	13,600
Furniture and fixtures	12,614	-	-	12,614
Total accumulated depreciation	423,239	-	60,967	484,206
Total capital assets, being depreciated, net	745,136	74,502	(60,967)	758,671
Total capital assets, net	\$ 873,926	\$ 74,502	\$ (60,967)	\$ 887,461

Activity for the Charles Ives Authority for the Performing Arts for the year ended September 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 88,387	\$ 12,770	\$ -	\$ 101,157
Totals, capital assets being depreciated	88,387	12,770	-	101,157
Less accumulated depreciation for:				
Machinery and equipment	(57,894)	(18,954)	-	(76,848)
Total accumulated depreciation	(57,894)	(18,954)	-	(76,848)
Total capital assets, net	\$ 30,493	\$ (6,184)	\$ -	\$ 24,309

**CITY OF DANBURY, CONNECTICUT**

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

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**Note 7. Bond Anticipation Notes Payable**

The City has \$2,000,000 of bond anticipation notes outstanding as of June 30, 2012. The bond anticipation notes bear interest at 1% and a yield of 0.25% Bond Anticipation Notes were issued for sewer, water, school facility and other general government and public improvement capital projects.

Bond anticipation note transactions for the year ended June 30, 2012 were as follows:

Outstanding, July 1, 2011	\$ 20,000,000
Borrowings	2,000,000
Repayments	<u>(20,000,000)</u>
Outstanding, June 30, 2012	<u>\$ 2,000,000</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**Note 8. Long-Term Liabilities**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds and notes payable:					
General obligation bonds	\$ 127,439,350	\$ 30,816,320	\$ 24,119,251	\$ 134,136,419	\$ 10,866,570
Notes payable	1,022,000	-	72,000	950,000	72,000
Bond anticipation notes	12,407,555	-	12,407,555	-	-
Plus deferred amounts:					
Unamortized premiums	6,618,065	3,510,677	747,908	9,380,834	-
<b>Total bonds and notes payable</b>	<b>147,486,970</b>	<b>34,326,997</b>	<b>37,346,714</b>	<b>144,467,253</b>	<b>10,938,570</b>
Capital leases	16,682,857	2,500,000	957,199	18,225,658	2,152,485
Landfill post-closure monitoring	8,971,903	-	453,107	8,518,796	106,523
Pollution remediation obligation	1,083,700	-	211,393	872,307	-
Early retirement accrual	2,498,405	199,872	969,465	1,728,812	969,465
Compensated absences	3,435,575	1,541,964	1,742,870	3,234,669	2,068,513
Legal claims and other	750,000	-	-	750,000	-
Easement obligation	400,000	-	50,000	350,000	50,000
OPEB obligations	20,814,800	7,875,900	-	28,690,700	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 202,124,210</b>	<b>\$ 46,444,733</b>	<b>\$ 41,730,748</b>	<b>\$ 206,838,195</b>	<b>\$ 16,285,556</b>
<b>Business-type activities:</b>					
Bonds and notes payable:					
General obligation bonds	\$ 25,790,650	\$ 3,408,680	\$ 5,590,749	\$ 23,608,581	\$ 2,473,430
Notes payable	7,583,140	3,219,688	2,612,015	8,190,813	2,614,184
Plus deferred amounts:					
Unamortized premiums	829,273	454,049	216,510	1,066,812	-
<b>Total bonds and notes payable</b>	<b>34,203,063</b>	<b>7,082,417</b>	<b>8,419,274</b>	<b>32,866,206</b>	<b>5,087,614</b>
<b>Business-type activity long-term liabilities</b>	<b>\$ 34,203,063</b>	<b>\$ 7,082,417</b>	<b>\$ 8,419,274</b>	<b>\$ 32,866,206</b>	<b>\$ 5,087,614</b>

Notes payable

The City's notes payable, which are payable from its governmental activities, are as follows at June 30, 2012:

	Outstanding Amount
HUD-Section 108 loan, due in annual installments with an interest rate of 3%.	<u>\$ 950,000</u>

**CITY OF DANBURY, CONNECTICUT**

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

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General obligation bonds

As of June 30, 2012, the outstanding general obligation bonded indebtedness of the City, payable from its governmental activities, was as follows:

	<u>Outstanding Amount</u>
\$16,350,000 School Additions and Improvements/Public Improvements general obligations bonds issued August 15, 1992 due in annual installments of \$815,000 to \$820,000; final maturity August 15, 2012; interest at 4.13% to 6.13%	\$ 815,000
\$2,705,000 Public Improvement general obligation bonds issued February 1, 1994 due in annual installments of \$80,000 to \$220,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	160,000
\$17,740,000 School Additions general obligation bonds issued February 1, 1994 due in annual installments of \$880,000 to \$890,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	1,760,000
\$1,695,000 Public Improvement general obligation bonds issued February 1, 1995 due in annual installments of \$70,000 to \$115,000; final maturity February 1, 2015; interest at 5.0% to 7.0%	220,000
\$12,925,000 Public Improvement and School Improvement general obligation bonds issued August 1, 2003, due in annual installments of \$535,000 to \$760,000; final maturity August 1, 2023; interest at 3.25% to 4.75%	755,000
\$11,770,000 General Purpose General Obligation Refunding bonds, issued March 1, 2004, due in annual installments of \$15,000 to \$1,180,000; final maturity August 1, 2021; interest at 2.00% to 5.00%	9,101,000
\$2,278,000 School Program General Obligation Refunding bonds issued March 1, 2004, due in annual installments of \$221,000 to \$233,000; final maturity August 1, 2021; interest at 2.00% to 5.00%	2,278,000
\$10,440,000 General Purpose and Schools General Obligation bonds, issued August 1, 2005, due in annual installments of \$365,400 and \$785,000; final maturity date August 2025; interest at 3.0% to 4.5%	575,000
\$24,357,500 General Purpose and Schools General Obligation bonds; issued August 1, 2006, due in annual installments of \$1,185,000 to \$1,252,500, final maturity date August 2026; interest at 4.25% to 5.0%	3,680,000

**CITY OF DANBURY, CONNECTICUT**

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

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	<u>Outstanding Amount</u>
\$23,480,000 General Purpose and School General Obligation bonds; issued August 1, 2007, due in annual installments of \$1,070,000 to \$1,284,000 final maturity date August 2027, interest at 4.0% to 5.0%	7,729,000
\$17,599,450 General Obligation bonds; issued August 1, 2008, due in annual installments of \$879,000 to \$882,450 final maturity date August 2028, interest at 3.5% to 5.0%	9,677,000
\$15,269,000 General Obligation Bonds; issued July 15, 2009 - 2010 post refunding due in annual installments of \$763,000 to \$766,762; final maturity July 15, 2029; interest at 3.00% - 5.00%	13,356,000
\$5,525,000 General Obligation Bonds issued; March 18, 2010 -2010 post refunding-Series A post refunding-Series A due in annual installments of \$292,000	5,525,000
\$27,159,000 General Obligation Bonds issued; March 18, 2010 -2010 post refunding-Series B due in annual installments of \$22,000 to \$4,096,000; final maturity July 1, 2024; interest at 2.00% - 5.00%	27,159,000
\$21,705,000 General Purpose and School Obligation Bonds issued July 15, 2010 due in annual installments of \$1,085,250; final maturity July 15, 2030; interest at 2.00% - 4.00%	20,530,099
\$17,552,320 General Purpose and School Obligation Bonds; issued July 15, 2011; due in annual installments of \$548,000 to \$1,498,000; final maturity July 15, 2031; interest at 3.00% to 5.00%	17,552,320
\$13,264,000 General Obligation Bonds; issued December 15, 2011; refunding due in annual installments of \$1,038,000 to \$2,569,000; final maturity July 15, 2026; interest at 3.00% - 5.00%	<u>13,264,000</u>
	<u><u>\$ 134,136,419</u></u>

**CITY OF DANBURY, CONNECTICUT****NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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At June 30, 2012, the outstanding general obligation bonded indebtedness of the City, payable from its business-type activities, was as follows:

	<u>Outstanding Amount</u>
\$1,310,000 Lateral Sewer Systems general obligation bonds issued February 1, 1994 due in annual installments of \$65,000 to \$70,000; final maturity February 1, 2014; interest a 3.20% to 5.10%	\$ 130,000
\$3,100,000 Waste Water Treatment general obligation bonds (includes \$1 million for water general obligation bonds) issued February 1, 1994 due in annual installments of \$50,000 to \$105,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	310,000
\$2,000,000 Water general obligation bonds issued February 1, 1994 due in annual installments of \$100,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	200,000
\$2,100,000 Water general obligation bonds issued February 1, 1995 due in annual installments of \$105,000; final maturity February 1, 2015; interest at 5.0% to 7.0%	315,000
\$1,500,000 Lateral Sewer Systems general obligation bonds issued February 1, 1995 due in annual installments of \$75,000; final maturity February 1, 2015; interest at 5.0% to 7.0%	225,000
\$11,312,000 Water and Sewer general obligation refunding bonds issued March 1, 2004, due in annual installments of \$20,000 to \$1,127,000; final maturity August 1, 2021; interest at 2.00% to 5.00%	7,811,000
\$500,000 Water general obligation bond issued August 1, 2005 due in annual installments of \$25,000; final maturity August 2025; interest at 3.0% to 4.5%	25,000
\$7,262,500 Water and Sewer general obligation bonds; issued August 1, 2006, due in annual installments of \$360,000 to \$370,000; final maturity August 2027; interest at 4.25% to 5.0%	1,090,000
\$4,835,000 Water and Sewer general obligation bonds; issued August 1, 2007, due in annual installments of \$234, 000 to \$252,000; final maturity August 2027; interest at 4.0% to 5.0%	1,616,000
\$2,400,550 Water and Sewer general obligation bonds; issued August 1, 2008, due in annual installments of \$117,500 to \$121,000; final maturity August 2028; interest at 4.0% to 5.0%	1,323,000

**CITY OF DANBURY, CONNECTICUT**

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

	<u>Outstanding Amount</u>
\$915,000 Water general obligation bonds; issued July 15, 2009, due in annual installments of \$41,000 to \$46,000; final maturity July 15, 2029; interest at 3.00% to 5.00%	644,000
\$5,286,000 Water and Sewer general obligation refunding bonds; issued March 18, 2010; due in annual installments of \$179,000 to \$428,000; final maturity July 1, 2020; interest at 2.00% to 5.00%	5,286,000
\$1,295,000 Water and Sewer General Obligation Bonds issued July 15, 2010; due in annual installments of \$64,750; final maturity July 15, 2030; interest at 2.00% - 4.00%	1,224,901
\$447,680 Sewer general obligation bond; issued July 15, 2011; due in annual installments of \$80,000 to \$250,000; final maturity July 15, 2016; interest at 3.00% - 5.00%	447,680
\$2,961,000 Water and Sewer general obligation refunding bonds; issued December 11, 2011; due in annual installments of \$144,000 to \$495,000; final maturity July 15, 2016; interest 3.00% - 5.00%	<u>2,961,000</u>
<b>Total general obligation bonds</b>	<u>23,608,581</u>
\$47,373,853 Clean Water Fund 103-C note payable signed July 30, 1994 due in annual installments of \$2,482,473 (\$206,873 in 2014); final maturity July 30, 2013; interest at 2.0%	2,689,344
\$441,322 Clean Water Fund 305-C note payable signed January 31, 1995 due in annual installments of \$22,066 (\$1,840 in 2015); final maturity January 31, 2014; interest at 2.0%	45,972
\$2,549,994 Clean Water Fund 5155-C note payable signed March 31, 2010 due in annual installments of \$107,476 (\$206,709 in 2011); final maturity September 30, 2029, interest at 2.0%	2,235,809
\$3,219,688 Clean Water 132-CSC note payable	<u>3,219,688</u>
<b>Total notes payable</b>	<u>8,190,813</u>
	<u><u>\$ 31,799,394</u></u>

**CITY OF DANBURY, CONNECTICUT**

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

The annual debt service requirements of the City's bonded indebtedness and notes payable are as follows (excluding BANS payable):

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2013	\$ 10,938,570	\$ 5,559,131	\$ 16,497,701	\$ 5,087,614	\$ 1,102,851	\$ 6,190,465
2014	10,407,250	5,128,477	15,535,727	3,136,909	1,017,765	4,154,674
2015	9,576,250	4,696,520	14,272,770	2,576,507	886,966	3,463,473
2016	9,502,095	4,271,421	13,773,516	2,398,847	768,556	3,167,403
2017	8,939,376	3,850,525	12,789,901	2,286,691	662,628	2,949,319
2018	8,889,376	3,450,380	12,339,756	2,281,920	566,623	2,848,543
2019	8,543,376	3,053,338	11,596,714	1,965,255	481,683	2,446,938
2020	8,058,376	2,667,753	10,726,129	1,365,697	413,433	1,779,130
2021	7,907,250	2,309,469	10,216,719	1,242,376	360,425	1,602,801
2022	7,722,250	1,999,860	9,722,110	1,248,040	317,042	1,565,082
2023	6,872,250	1,712,581	8,584,831	1,203,818	273,901	1,477,719
2024	6,901,250	1,412,339	8,313,589	1,210,714	225,154	1,435,868
2025	6,384,250	1,131,110	7,515,360	1,218,728	177,464	1,396,192
2026	6,161,250	869,140	7,030,390	1,168,863	131,445	1,300,308
2027	5,807,250	621,503	6,428,753	1,154,123	87,825	1,241,948
2028	4,622,250	409,650	5,031,900	795,509	53,443	848,952
2029	3,551,250	243,863	3,795,113	568,023	31,731	599,754
2030	2,667,250	118,591	2,785,841	337,880	18,430	356,310
2031	1,635,250	32,705	1,667,955	250,339	11,038	261,377
2032	-	-	-	189,335	6,031	195,366
2033	-	-	-	112,206	4,359	116,565
Total	\$ 135,086,419	\$ 43,538,356	\$ 178,624,775	\$ 31,799,394	\$ 7,598,793	\$ 39,398,187

School Bond Reimbursements

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such principal reimbursement for the year ended June 30, 2012 was approximately \$582,547. Additional payments aggregating approximately \$821,778 are expected to be received through the bonds' maturity dates.

In-Substance Defeasance

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2012, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements was approximately \$52,970,000. In the current year, the City issued \$16,225,000 of General Obligation Refunding Bonds to advance refund all or any portion of the aggregate principal amounts outstanding of certain of the City's outstanding general obligation bonds totaling \$17,005,000. The bonds mature through 2025, with interest from 3.00% to 5.00%. The transaction produced a present value gain of \$771,462 and a cash savings of \$818,875.

## **CITY OF DANBURY, CONNECTICUT**

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

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#### **Landfill postclosure monitoring**

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The landfill's closure project was completed during the year ended June 30, 1999. The estimated total current cost of the landfill postclosure care, aggregating \$8,518,796, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill as of June 30, 2012. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. These costs will be paid from the General Fund.

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

Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions," requires the City to accrue a net OPEB obligation. The amount at June 30, 2012 was \$28,690,700. This amount is recorded in the government-wide statements, and will eventually be paid out of the General Fund when due.

#### **Early Retirement**

In March 2009, the City approved early retirement incentive payout for eligible Board of Education and government employees to retire as of June 30, 2009. The Board of Education obligation represents the early retirement incentive payout for eligible certified teachers who have completed twenty-five or more years of Connecticut public school teaching service and have been a certified employee of the Danbury Board of Education for at least 10 years. Participants electing early retirement receive incentive compensation equal to a percentage of salary rates for the 2008-2009 school year to be paid in five equal installments representing 20% of the total incentive compensation. Payments commencing September 1, 2009 will be made through September 1, 2014. The amount accrued has been calculated at the discounted present value of the expected future benefit. The amount recorded at June 30, 2012 is approximately \$1,728,814 on the government-wide statements, and is paid out of the annual appropriation to the Board of Education from the General Fund.

#### **Compensated absences**

Included in the Long-Term Obligations in the government-wide statement of net assets is the estimated obligation for employee compensated absences in the amount of \$3,234,669 as of June 30, 2012. The General Fund has typically been used to liquidate the liability for compensated absences.

#### **Capital lease obligations**

The City has entered into multi-year capital leases for the purchase of various capital items including energy conservation construction, public works equipment, vehicles and computer hardware and software. Interest rates on these leases range from 1.59% to 4.45%. Most of the lease arrangements have terms of 5-8 years; however, the energy conservation project leases have a 15-year term.

On December 30, 2011, the City entered into a \$2,500,000 capital lease agreement with JP Morgan Chase Bank, N.A. The lease has an interest rate of 1.59% and matures on July 1, 2016. Principal and interest payments are made annually and vary throughout the life of the lease.

On June 28, 2011, the City entered into a \$4,248,835 equipment tax-exempt lease/purchase agreement and a \$7,251,165 equipment taxable direct pay qualified energy conservation bond (QECB) lease/purchase agreement for building improvements. The \$4,248,835 lease has an interest rate of 3.60% and matures on June 28, 2026. The \$7,251,165 lease has an interest rate of 5.27%, a tax credit

**CITY OF DANBURY, CONNECTICUT**

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

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rate of 5.04% (70% of tax credit rate of 3.53%), and a net effective rate of 1.74% and matures on June 28, 2026. Principal and interest payments are made biannually on both leases and vary throughout the life of the lease. The City received \$11,500,000 in funding on June 28, 2011 and had associated construction in progress of \$8,535,862.

Construction in progress	\$ 8,535,862
Machinery and equipment	18,130,882
Accumulated depreciation	<u>(13,488,135)</u>
Net book value	<u><u>\$ 13,178,609</u></u>

Future minimum lease payments under capital leases are as follows:

<u>Fiscal Year</u>	
2013	\$ 2,864,746
2014	2,565,231
2015	2,510,756
2016	2,493,823
2017	2,340,351
Thereafter	<u>10,145,463</u>
	22,920,370
Less amount representing interest	(2,767,700)
Less interest subsidy for Qualified Energy Conservation bonds	<u>(1,927,012)</u>
	<u><u>\$ 18,225,658</u></u>

**Stanley L. Richter Park Authority**

The following is a summary of the component unit's bonds and notes payable transactions for the year ended December 31, 2011:

Beginning balance	\$ 243,853
Additions	588,011
Deductions	<u>(243,853)</u>
Ending balance	<u><u>\$ 588,011</u></u>

The Authority issued a long-term bond amounting to \$588,011 in October 2011 to finance renovations and improvements to the golf course. The bond principal is payable in monthly installments commencing in November 2013, with final maturity in October 2023.

On October 18, 2011, the Authority entered into an agreement with Newtown Savings Bank for a credit line in the amount of \$300,000 bearing interest at a variable rate per annum of .75% above the Prime Rate (4% at December 31, 2011). Interest on outstanding principal is payable monthly commencing November 2011. Principal is payable upon demand. The line of credit is used for working capital needs of the Authority. At December 31, 2011, the credit balance was \$190,000. Prior to the agreement with Newtown Savings Bank, the Authority had entered into an agreement with Union Savings Bank for a credit line in the amount of \$350,000 bearing interest at the bank's base lending rate plus .5% (floating).

**CITY OF DANBURY, CONNECTICUT**

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

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The line of credit was used for working capital needs of the Authority. At December 31, 2010, the credit line balance was \$169,147. This line of credit was repaid and cancelled in October 2011 in connection with the new agreement with Newtown Savings Bank.

The future principal amortization is as follows:

Year ending December 31,	
2013	\$ 130,242
2014	84,099
2015	63,623
2016	39,090
Thereafter	270,957
	<u>\$ 588,011</u>

**Authorized but unissued bonds**

Bonds authorized but unissued by the City at June 30, 2012 are as follows:

General Purpose	\$ 14,860,845
Sewer	5,185,504
Water	2,875,850
	<u>\$ 22,922,199</u>

As per the bonding authorization, the amount of the bonds authorized but unissued has been reduced by any State/Federal Grant funding approved and/or received, and by the amounts of funding received through other sources such as the Clean Water Act Funds.

**Legal Debt Limit**

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

	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 380,869,418	\$ 134,128,908	\$ 246,740,510
Unfunded Pension Benefit Obligation	507,825,891	-	507,825,891
Schools	761,738,837	47,513,204	714,225,633
Sewers	634,782,364	37,066,061	597,716,303
Urban renewal	550,144,715	950,000	549,194,715

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,184,927,079.

## CITY OF DANBURY, CONNECTICUT

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

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#### **Note 9. Commitments and Contingencies**

##### **Lawsuits**

There are several personal injury, negligence, personnel and other related lawsuits pending against the City. For certain 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 for in the government-wide statement of approximately \$750,000. Based upon the advice of the legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

##### **Municipal Solid Waste Service Agreement**

The City has entered into a municipal solid waste agreement, as amended (the "Service Agreement") with the Housatonic Resources Recovery Authority (the "Authority") pursuant to which it participates with nine other Connecticut municipalities (the five constituting the "Contracting Municipalities"), in the Housatonic Resources Recovery Authority System (the "System").

Under the Service Agreement, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries but in no case less than its guaranteed annual tonnage of 48,600 tons per year and to pay a uniform per ton disposal service payment (the "Service Payment"). The current fee is \$83.60 per ton. The aggregate guaranteed annual tonnage of the eleven Contracting Municipalities is 115,300 tons per year. The City's Service Payment commitment is a "put-or-pay" commitment, in that if the aggregate guaranteed annual tonnage of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the City must pay the Service Payment for its proportionate share of the shortfall of the aggregate guaranteed annual tonnage (even if it did deliver its full portion).

Service Payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the City, throughout the term of the Service Agreement which terminates on June 30, 2019.

If any Contracting Municipality shall default in the payment of any Service Payments, the other Contracting Municipalities shall pay their share of the amounts unpaid by the nonpaying Contracting Municipality. If a Contracting Municipality fails to meet its minimum annual tonnage requirement, the effect to the City of Danbury would not be material to the financial statement as a whole.

##### **Waste Water Treatment**

The City has a 20-year agreement through June 2018 (the "Agreement") with Veolia Water to manage its waste water collection and treatment system. As consideration for such Agreement, the City received a \$10 million up-front concession fee. If the Agreement is terminated prior to the end of the 20 year term, the City has to repay the unamortized balance of the concession fee (calculated using the straight-line method over the term of the Agreement). The unamortized balance of the concession fee at June 30, 2012 is \$2,624,941 and is recorded as unearned revenue in the Sewer Enterprise Fund.

Under the Agreement, the City pays an annual base fee of approximately \$3,700,000 plus an annual adjustment equal to the change in the consumer price index. The current annual amount is approximately \$5,015,000.

**CITY OF DANBURY, CONNECTICUT**

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

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**Note 10. Fund Deficits**

The City has the following fund deficits at June 30, 2012 and expects to eliminate the deficits in the future as follows:

Fund	Deficit June 30, 2012	Plan for Eliminating Debt
Capital Projects:		
Danbury Neighborhood Bond	\$ 163,589	Through future debt issuance
Open Space	\$ 153,186	Through future debt issuance
Century 21 Pl.	\$ 1,506,405	Through future debt issuance
Special Revenue:		
LOCIP	\$ 125,479	Through future grant reimbursement/transfers
Airport	\$ 26,173	Through future grant reimbursement/transfers/revenues
BIIP	\$ 2,620	Through future grant reimbursement/transfers
ARRA	\$ 97,667	Through future grant reimbursement/transfers
Miscellaneous Special Revenue	\$ 3,007,111	Through future grant reimbursement/transfers/revenues

**Note 11. Employee Retirement Plans**

The City maintains six separate single-employer pension plans covering substantially all of its employees (collectively, "the City's plans"), except those public school teachers covered under the State of Connecticut Teachers' Retirement System. The General Employees Plan is a non-contributory defined benefit plan covering all full-time employees not qualified under one of the City's other plans or the State Teachers' Retirement System. Beginning January 1, 2011, all non-union employees who are hired or become eligible for benefits subsequent to January 1, 2011 and are members of the General Employees Pension Plan shall contribute 5% of their base salary. The remaining five plans: Pre-1967 Policemen, Pre-1967 Firemen, Post-1967 Policemen, Post-1967 Firemen, and Post-1983 Policemen are contributory defined benefit plans, and cover all paid members of the City Police and Fire Departments. City and employee contributions are made pursuant to City charter and Union contracts. Administrative fees are paid through the plans. The City's pension plans do not, however, issue stand-alone financial reports.

The plans' assets are consolidated and treated as one combined trust ("Master Trust") for the City's retirement plans. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Master Trust transactions other than cash and cash equivalents, employer and employee contributions, and payments to separated participants by participating plans are allocated to each plan based upon procedures established by the trustee and the plans' actuary. Earnings from the Master Trust include interest and dividend income, and net appreciation in the fair value of investments. Master Trust earnings are allocated to the City's plans based upon the relative fair values of the assets of each plan.

**CITY OF DANBURY, CONNECTICUT**

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

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The City's plans, including the employer and employee obligations to contribute, are established under the authority of Chapter 14 of the City's Code of Ordinances. The City's plans, by policy, (i) require biennial actuarial valuations (as of July 1), with yearly updates, and (ii) require annual City contributions based on actuarial determinations. During the year of actuarial valuation, the City has historically contributed the annual required contribution ("ARC") for each of the pension plans. Any difference between the ARC and the actual contribution made has been settled by the next actuarial valuation date, and thus the City has never actually had, or had need to report, a net pension obligation ("NPO"). The required contributions are calculated to cover normal cost and the amortization of unfunded actuarial accrued liabilities.

**CITY OF DANBURY, CONNECTICUT**

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

Provisions of Pension Plans	General Employees	Pre-1967		Post-1967		Post-1983
		Police	Fire	Police	Fire	Police
Employees covered	All employees not covered by another plan.	All police employed before 1967.	All firefighters employed before 1967.	All police employed after 1967 but before 1983.	All firefighters employed after 1967.	All police hired after 1983.
Number of retirees receiving benefits	506	32	24	83	70	17
Vested in employee contributions only	-	-	-	-	2	12
Terminated employees Entitled to future benefits	145	-	-	-	-	2
Current employees	<u>557</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>120</u>	<u>132</u>
Total number of participants	<u>1,208</u>	<u>32</u>	<u>24</u>	<u>102</u>	<u>192</u>	<u>163</u>
Normal Benefit provisions	After attaining age 65, 1.5% of average compensation times years of credited service	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 55 or 25 years of service, 2% of average compensation for each year of service, but not greater than 68%
Definition of "Compensation"	Average of 3 highest years	Final base salary				
Eligibility requirements	50% vested after 5 years and increasing 10% each year thereafter until 10 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years
Disability Benefits: Line of Duty or Social Security Disability	1.5% of average compensation times years of credited service	66.7% of final pay	50% of final pay, 2% increase in benefit after being retired for one year			
Non-Line of Duty (Years 1-10)	N/A	2% of final pay for each year of service	2% of final pay for each year of service	2% of final pay for each year of service	2% of final pay for each year of service	2% of final pay for each year of service
Non-Line of Duty (10+ Years)	N/A	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service

**CITY OF DANBURY, CONNECTICUT**

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

Provisions of Pension Plans	General Employees	Pre-1967		Post-1967		Post-1983 Police
		Police	Fire	Police	Fire	
Obligation to contribute in accordance with funding policy:						
Employee	None*	None	None	4% of earnings	5% of earnings	4.5% of earnings
Employer	\$2,639,000	\$904,000	\$488,000	\$798,000	\$1,429,000	\$1,419,000
Authority under which benefit provisions established	City code of ordinances	City code of ordinances	City code of ordinances	City code of ordinances	City code of ordinances	City code of Ordinances
Contribution Rates						
Employee	**	-	-	4.0%	5.0%	4.5%
Employer	100%	100%	100%	100%	100%	100%
Annual Pension Cost	\$2,639,000	\$904,000	\$488,000	\$798,000	\$1,429,000	\$1,419,000
Contribution Made	\$2,639,000	\$904,000	\$488,000	\$798,000	\$1,429,000	\$1,419,000
<u>Funding Status and Progress</u>						
Date of actuarial valuation	7/1/11	7/1/11	7/1/11	7/1/10	7/1/10	7/1/10
Significant actuarial assumptions						
Investment rate of return	7.25%	7.25%	7.25%	8.0%	8.0%	8.0%
Projected annual salary increases*	3 to 5%	N/A	N/A	4.0%	4.0%	4.0%
Post retirement benefit increases*	3.0%, 15% every 5 years	3.0%	3.0%	3.5%	3.5%	2.0% after 5 years retirement or one year service connected disability
* including inflation of	3.0%	-	-	3.0%	3.0%	3.0%
Mortality table	1983 GAM Set back 6 years for females and set forward 9 years for disabled lives	1983 GAM Set back 6 years for females and set forward 9 years for disabled lives	1983 GAM Set back 6 years for females and set forward 9 years for disabled lives	RP2000Blue Collar Combined-generational and RP2000 Disabled Lives	RP2000Blue Collar Combined-generational and RP2000 Disabled Lives	RP2000Blue Collar Combined-generational and RP2000 Disabled Lives

\* An adjustment to the asset method was made with the July 1, 2009 and July 1, 2010 valuations. Previously, the actuarial value of assets was required to be within 80% to 120% of the market value. The new range is 65% to 135% of market value for all plans except Post 1983 Police, which is 70% to 130% of market value.

\*\* Beginning January 1, 2011, all non-union employees who are hired or become eligible for benefits subsequent to January 1, 2011 and are members of the General Employees Pension Plan shall constitute 5% of their base salary.

**CITY OF DANBURY, CONNECTICUT**

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

Provisions of Pension Plans	General Employees	Pre-1967		Post-1967		Post-1983 Police
		Police	Fire	Police	Fire	
Actuarial asset valuation method*	Expected Actuarial Value					
Funding Policy	Actuarial	Actuarial	Actuarial	Actuarial	Actuarial	Actuarial
Actuarial cost method	Projected unit credit cost					
Amortization method	Level Dollar Amount Open					
Remaining amortizing period	10 years	7 years	9 years	10 years	16 years	16 years
Authority under which contributions are established	City Council					

\* An adjustment to the asset method was made with the July 1, 2009 valuation. Previously, the actuarial value of assets was required to be within 80% to 120% of the market value. The new range is 65% to 135% of market value for all plans except Post 1983 Police, which is 70% to 130% of market value.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

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Three-Year Trend Information

	Trend % Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
General Employees			
2012	2,639,000	100.0%	-
2011	2,529,000	100.0%	-
2010	-	-	-
Police Pre-1967			
2012	904,000	100.0%	-
2011	904,000	100.0%	-
2010	845,000	100.0%	-
Fire Pre-1967			
2012	488,000	100.0%	-
2011	488,000	100.0%	-
2010	552,000	100.0%	-
Police Post-1967			
2012	798,000	100.0%	-
2011	-	-	-
2010	-	-	-
Fire Post-1967			
2012	1,429,689	100.0%	-
2011	311,000	100.0%	-
2010	272,000	99.8%	(28,672)
Police Post-1983			
2012	1,419,000	100.0%	-
2011	1,047,000	100.0%	-
2010	1,018,000	100.0%	-

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**SCHEDULE OF PLAN NET ASSETS  
JUNE 30, 2012**

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police	Post-1967 Fire	Post-1983 Police	Totals
<b>ASSETS</b>							
<b>Cash and cash equivalents</b>	\$ 7,356,826	\$ 287,637	\$ 267,982	\$ 3,344,909	\$ 4,496,363	\$ 1,478,096	\$ 17,231,813
<b>Investments, at fair value</b>							
Common stock	9,924,401	388,023	361,510	4,512,302	6,065,620	1,993,960	23,245,816
Debt securities	3,771,688	147,465	137,389	1,714,864	2,305,189	757,790	8,834,385
Mutual funds	47,050,145	1,839,561	1,713,865	21,392,170	28,756,224	9,453,074	110,205,039
Private hedge fund	24,687,191	965,217	899,265	11,224,462	15,088,379	4,960,024	57,824,538
<b>Total investments</b>	<b>85,433,425</b>	<b>3,340,266</b>	<b>3,112,029</b>	<b>38,843,798</b>	<b>52,215,412</b>	<b>17,164,848</b>	<b>200,109,778</b>
Accrued interest and dividends	48,264	1,887	1,758	21,944	29,499	9,697	113,049
Pending sales	50,188	1,962	1,828	22,819	30,674	10,084	117,555
<b>Total Assets</b>	<b>92,888,703</b>	<b>3,631,752</b>	<b>3,383,597</b>	<b>42,233,470</b>	<b>56,771,948</b>	<b>18,662,725</b>	<b>217,572,195</b>
<b>LIABILITIES</b>							
Pending purchases	215,251	8,416	7,841	97,868	131,558	43,247	504,181
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 92,673,452</b>	<b>\$ 3,623,336</b>	<b>\$ 3,375,756</b>	<b>\$ 42,135,602</b>	<b>\$ 56,640,390</b>	<b>\$ 18,619,478</b>	<b>\$ 217,068,014</b>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**SCHEDULE OF CHANGES IN  
PLAN NET ASSETS  
YEAR ENDED JUNE 30, 2012**

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police	Post-1967 Fire	Post-1983 Police	Totals
<b>Additions</b>							
Contributions							
Employer	\$ 2,639,000	\$ 904,000	\$ 488,000	\$ 798,000	\$ 1,429,001	\$ 1,420,288	\$ 7,678,289
Plan members	4,969	-	-	35,428	407,001	408,677	856,075
<b>Total contributions</b>	<b>2,643,969</b>	<b>904,000</b>	<b>488,000</b>	<b>833,428</b>	<b>1,836,002</b>	<b>1,828,965</b>	<b>8,534,364</b>
Investment Income							
Net depreciation in fair value of investments	(5,569,482)	(166,560)	(181,864)	(2,635,175)	(3,394,117)	(762,608)	(12,709,806)
Interest and dividends	2,323,924	75,782	79,147	1,072,572	1,406,034	332,830	5,290,289
	(3,245,558)	(90,778)	(102,717)	(1,562,603)	(1,988,083)	(429,778)	(7,419,517)
Less Investment Expenses:							
Investment management fees	388,717	24,781	22,539	189,774	215,733	60,834	902,378
<b>Net investment income (loss)</b>	<b>(3,634,275)</b>	<b>(115,559)</b>	<b>(125,256)</b>	<b>(1,752,377)</b>	<b>(2,203,816)</b>	<b>(490,612)</b>	<b>(8,321,895)</b>
<b>Deductions</b>							
Benefits paid	7,098,152	1,378,155	992,853	3,805,150	3,488,351	556,689	17,319,350
<b>Total deductions</b>	<b>7,098,152</b>	<b>1,378,155</b>	<b>992,853</b>	<b>3,805,150</b>	<b>3,488,351</b>	<b>556,689</b>	<b>17,319,350</b>
<b>Net change in net assets</b>	<b>(8,088,458)</b>	<b>(589,714)</b>	<b>(630,109)</b>	<b>(4,724,099)</b>	<b>(3,856,165)</b>	<b>781,664</b>	<b>(17,106,881)</b>
<b>Net Assets Held in Trust for Pension Benefits</b>							
Beginning of year	100,761,910	4,213,050	4,005,865	46,859,701	60,496,555	17,837,814	234,174,895
End of year	\$ 92,673,452	\$ 3,623,336	\$ 3,375,756	\$ 42,135,602	\$ 56,640,390	\$ 18,619,478	\$ 217,068,014

**CITY OF DANBURY, CONNECTICUT**

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

**SCHEDULE OF FUNDING PROGRESS**

*Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Underfunded AAL (UAAL)*	Funded Ratio	Covered Payroll	(Over) Underfunded AAL as a Percentage of Covered Payroll
General Employees:						
7/1/11	\$ 110,890,677	\$ 117,668,661	\$ 6,777,984	94.2%	\$ 26,889,958	25.2%
Pre-1967 Police:						
7/1/11	\$ 4,894,494	\$ 9,509,978	\$ 4,615,484	51.5%	\$ -	NA
Pre-1967 Fire:						
7/1/11	\$ 4,600,978	\$ 8,000,590	\$ 3,399,612	57.5%	\$ -	NA
Post-1967 Police:						
7/1/10	\$ 52,769,298	\$ 56,466,195	\$ 3,696,897	93.5%	\$ 1,528,555	241.9%
Post-1967 Fire:						
7/1/10	\$ 65,257,292	\$ 68,330,153	\$ 3,072,861	95.5%	\$ 8,446,958	36.4%
Post-1983 Police:						
7/1/10	\$ 17,189,830	\$ 23,294,439	\$ 6,104,609	73.8%	\$ 8,678,205	70.3%

\* Subsequent to the most recent valuation date, certain economic events have had a significant adverse impact on investment portfolios. As such, these market downturns may have a significant effect on the funded ratio and on future required contributions.

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

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 by 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.

## CITY OF DANBURY, CONNECTICUT

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

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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/town 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 \$12,820,000 for the year ended June 30, 2012.

#### Post employment retirement benefits

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

The City provides post employment retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. The City maintains one plan to cover all employees. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2010. The post-retirement plan does not issue stand-alone financial reports.

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, 2010, the date of the last actuarial valuation.

General Government Employees:	
Retirees and beneficiaries receiving benefits	341
Active plan members	<u>536</u>
<b>Total</b>	<u><u>877</u></u>
Board of Education Employees:	
Retirees and beneficiaries receiving benefits	166
Active plan members	<u>1,272</u>
<b>Total</b>	<u><u>1,438</u></u>

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2010 was estimated to be \$124,038,200 and \$19,730,300 for City and Board of Education employees, respectively. The City's contributions represent payments made for premiums for insured individuals.

**CITY OF DANBURY, CONNECTICUT**

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

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
General Government Employees:				
6/30/2012	\$ 12,715,100	\$ 5,990,600	47.1%	\$ 23,114,300
6/30/2011	\$ 11,174,200	\$ 5,595,600	50.1%	\$ 16,389,800
6/30/2010	\$ 11,017,400	\$ 5,594,100	50.8%	\$ 10,811,200
Board of Education Employees:				
6/30/2012	\$ 1,968,800	\$ 817,400	41.5%	\$ 6,776,400
6/30/2011	\$ 2,088,900	\$ 150,200	7.2%	\$ 5,625,000
6/30/2010	\$ 2,065,000	\$ 967,300	46.8%	\$ 3,686,300
Annual required contribution			\$ 14,800,600	
Interest on net OPEB obligation			1,541,100	
Adjustments to ARC			(1,657,800)	
Annual OPEB cost			<u>14,683,900</u>	
Contributions made			<u>6,808,000</u>	
Increase in net OPEB liability			7,875,900	
Net OPEB obligation, beginning of year			<u>20,814,800</u>	
Net OPEB obligation, end of year			<u><u>\$ 28,690,700</u></u>	

Schedule of Funding Progress 000's						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
General Government Employees:						
7/1/2010	\$ -	\$ 124,038,200	\$ 124,038,200	0.00%	\$33,256,200	373.0%
Board of Education Employees:						
7/1/2010	\$ -	\$ 19,730,300	\$ 19,730,300	0.00%	\$72,319,700	27.3%

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

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.

**CITY OF DANBURY, CONNECTICUT**

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

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

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

Valuation Date:	July 1, 2010
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (Open)
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Investment rate of return	7.00%
Inflation rate	None
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

<u>Year After Valuation Date</u>	<u>Increase</u>
1	10%
2	9%
3	8%
4	7%
5	6%
6	5%
7 or more	5%

**Note 12. Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the last three years. The City self-insures up to certain levels of risk based on an evaluation of the City's financial capability to assume risk and prevailing market conditions for commercial insurance. Presently, the City is self-insured for the first \$100,000 per claim for general, auto, property and public liability. The City also maintains a \$750,000 combined aggregate stop loss on these lines of coverage. The Risk Management Department also manages workers' compensation. The City is self-insured for the first \$500,000 per claim and maintains an aggregate stop loss on these worker's compensation claims of \$3 million. Employee medical benefits are fully insured, except for prescription drug and dental coverage which is a self-insured arrangement. The BOE is also self-insured for certain dental and prescription programs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Generally all claims are paid by the Internal Service Funds.

**CITY OF DANBURY, CONNECTICUT**

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

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Changes in the balances of claims liabilities recorded by the City 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
2012	\$ 4,320,278	\$ 18,607,558	\$ 18,287,691	\$ 4,640,145
2011	4,530,564	16,672,998	16,883,284	4,320,278

**Note 13. Joint Ventures and Related Organizations**

The Candlewood Lake Authority (“Candlewood”) is a joint venture of five municipalities, including the City of Danbury. Candlewood is under joint control, comprised of three delegates from each member municipality selected for three-year terms. The City of Danbury has an ongoing financial responsibility but no equity interest. The City remitted approximately \$60,514 to supplement Candlewood’s operating revenues for the year ended June 30, 2012 as Candlewood would experience financial stress without such revenue supplement.

Complete financial statements for Candlewood can be obtained by request from the Candlewood Lake Authority, P.O. Box 37, Sherman, CT 06784-0037.

The Housatonic Area Regional Transit District (“HART”) is a joint venture of eight municipalities, including the City of Danbury. HART is under joint control, comprised of at least one director from each member municipality selected for four-year terms. The City of Danbury has an ongoing financial responsibility, but no equity interest. The City remitted approximately \$733,080 to supplement HART’s operating revenues for the year ended June 30, 2012 as HART would experience financial stress without such revenue supplement.

Complete financial statements for HART can be obtained by request from HART, 107 Newtown Road, Suite 2C, Danbury, CT 06810.

The Housatonic Resources Recovery Authority (“HRRA”) is a joint venture of which the City of Danbury is a member. The HRRA was established as a separate political subdivision of the State in 1986 with the adoption of a creating ordinance by local municipalities, including Danbury. HRRA was created for the purpose of providing solid waste management and disposal services for the member municipalities. There are nine participating municipalities in HRRA with the board being comprised of one member from each municipality. To avoid financial stress, the City has an ongoing financial responsibility to supply a certain level of tonnage to HRRA in accordance with the agreement between the City and HRRA, but the City has no equity interest.

Complete financial statements for HRRA can be obtained by request from HRRA, Old Town Hall, Routes 25 and 133, Brookfield Center, CT 06804 or at City Hall, 155 Deer Hill Avenue, Danbury, CT 06810.

The City’s officials are responsible for appointing the board members of the Housing Authority. The City’s accountability for the Housing Authority does not extend beyond making the appointments.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

**Note 14. Fund Balance (Deficit)**

Below is a table of fund balance categories and classifications in accordance with GASB Statement No. 54 at June 30, 2012 for the City governmental Funds:

	General Fund	Miscellaneous Special Revenue	Nonmajor Governmental Funds
<b>Fund balances (deficits):</b>			
<b>Non-spendable:</b>			
Inventory	\$ -	\$ -	\$ 61,971
Permanent fund principal	-	-	1,483,133
Prepaid	597,231	-	-
<b>Total nonspendable</b>	<b>597,231</b>	<b>-</b>	<b>1,545,104</b>
<b>Restricted:</b>			
General government	-	-	36,991
Public works	-	-	30,000
Education	-	-	8,785
Health and welfare	-	-	490,726
Raillyard parking lease	-	-	15,930
Library	-	-	76,921
Capital projects	-	-	131,353
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>790,706</b>
<b>Committed:</b>			
General government	-	-	-
Public safety	-	-	364,292
Public works	-	-	1,227,314
Health and welfare	-	-	89,514
Culture and recreation	-	-	628,588
Education	-	58,890	6,948,994
Farioly Library	-	-	168,192
Capital projects	709,030	-	3,909,866
<b>Total committed</b>	<b>709,030</b>	<b>58,890</b>	<b>13,336,760</b>
<b>Assigned:</b>			
General government	90,024	-	-
Public safety	57,667	-	108,912
Public works	92,655	-	-
Culture and recreation	2,368	-	-
Education	2,253,133	-	-
Future Appropriation	2,350,000	-	-
<b>Total assigned</b>	<b>4,845,847</b>	<b>-</b>	<b>108,912</b>
<b>Unassigned</b>	<b>22,140,748</b>	<b>(3,066,001)</b>	<b>(6,560,806)</b>
<b>Total fund balance (deficit)</b>	<b>\$ 28,292,856</b>	<b>\$ (3,007,111)</b>	<b>\$ 9,220,676</b>

**Note 15. Governmental Accounting Standards Board (GASB) Statements**

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

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

- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements***, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

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(which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The provisions of this Statement are effective for periods beginning after June 30, 2014, and would be applied on a prospective basis. Early adoption is encouraged
- **GASB Statement No. 66, *Technical Corrections - 2012***, enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. GASB 66 amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for periods beginning after June 30, 2014, and would be applied on a prospective basis. Early adoption is encouraged.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25, was issued in June 2012***. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide

## CITY OF DANBURY, CONNECTICUT

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

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postemployment benefits other than pensions. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2014.

- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, was issued in June 2012.** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2015.

#### **Note 16. Subsequent Events**

##### Refunding Bonds

On August 2, 2012, the City issued \$15,055,000 of General Obligation Refunding Bonds to advance refund all or any portion of the aggregate principal amounts outstanding of certain of the City's outstanding general obligation bonds totaling \$14,780,000. The bonds mature through 2028, with interest from 3.50% to 5.00%. The transaction produced a present value gain of \$1,003,967 and a cash savings of \$1,062,131.

##### General Obligation Bonds and Bond Anticipation Notes

In July 2012, the City issued \$12,000,000 in general obligation bonds. The bonds bear interest of 2.00% - \$4.00% and mature serially from July 15, 2013 to July 15, 2030. The City issued \$2,500,000 in general obligation bond anticipation notes dated July 27, 2012. The BANs bear an interest rate of 1.25% and mature on July 26, 2013.

**Required Supplementary  
Information**



CITY OF DANBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF FUNDING PROGRESS -  
PENSIONS AND OPEB  
June 30, 2012

SCHEDULE OF FUNDING PROGRESS - PENSIONS AND OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(Over) Underfunded AAL as a
<b>PENSIONS</b>						
General Employees:						
7/1/2011	\$ 110,890,677	\$ 117,668,661	\$ 6,777,984	94.2%	\$ 26,889,958	25.2%
7/1/2009	111,314,774	110,074,859	(1,239,915)	101.1%	25,822,179	-4.8%
7/1/2007	112,567,220	93,792,699	(18,774,521)	120.0%	25,217,732	-74.4%
7/1/2005	104,464,850	81,604,546	(22,860,304)	128.0%	23,777,020	-96.1%
7/1/2003	97,448,725	74,647,619	(22,801,106)	130.5%	23,576,524	-96.7%
1/1/2002	95,940,971	71,836,054	(24,104,917)	133.6%	21,547,768	-111.9%
Pre-1967 Police:						
7/1/2011	4,894,494	9,509,978	4,615,484	51.5%	-	N/A
7/1/2009	5,826,153	11,020,751	5,194,598	52.9%	-	N/A
7/1/2007	6,713,395	11,566,937	4,853,542	58.0%	-	N/A
7/1/2005	7,019,283	13,139,006	6,119,723	53.4%	-	N/A
7/1/2003	6,993,981	14,173,012	7,179,031	49.3%	-	N/A
1/1/2002	7,833,857	15,189,737	7,355,880	51.6%	-	N/A
Pre-1967 Fire:						
7/1/2011	4,600,978	8,000,590	3,399,612	57.5%	-	N/A
7/1/2009	5,375,994	8,618,850	3,242,856	62.4%	-	N/A
7/1/2007	5,748,743	9,425,747	3,677,004	61.0%	-	N/A
7/1/2005	5,753,625	12,223,443	6,469,818	47.1%	-	N/A
7/1/2003	5,864,207	13,091,400	7,227,193	44.8%	-	N/A
1/1/2002	6,558,299	13,355,820	6,797,521	49.1%	-	N/A
Post-1967 Police:						
7/1/2010	52,769,298	56,466,195	3,696,897	93.5%	1,528,555	241.9%
7/1/2008	57,259,302	52,905,479	(4,353,823)	108.2%	1,738,046	-250.5%
7/1/2006	54,386,012	50,028,155	(4,357,857)	108.7%	1,855.01	-234.9%
7/1/2004	50,324,387	51,774,948	1,450,561	97.2%	2,146,668	67.6%
1/1/2003	48,161,141	53,371,318	5,210,177	90.2%	2,541,819	205.0%
1/1/2001	44,924,489	45,301,753	377,264	99.2%	2,532,599	14.9%

CITY OF DANBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF FUNDING PROGRESS -  
PENSIONS AND OPEB, Continued  
June 30, 2012

SCHEDULE OF FUNDING PROGRESS - PENSIONS AND OPEB, Continued						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(Over) Underfunded AAL as a Percentage of Covered Payroll
Post-1967 Fire:						
7/1/2010	\$ 65,257,292	\$ 68,330,153	\$ 3,072,861	95.5%	\$ 8,446,958	36.4%
7/1/2008	67,128,480	60,820,930	(6,307,550)	110.4%	7,593,132	-83.1%
7/1/2006	61,402,936	52,290,625	(9,112,311)	117.4%	6,493,522	-140.3%
7/1/2004	54,985,734	48,112,254	(6,873,480)	114.3%	6,330,894	-108.6%
1/1/2003	50,848,678	47,808,052	(3,040,626)	106.4%	6,065,277	-50.1%
1/1/2001	45,969,156	41,475,940	(4,493,216)	110.8%	5,379,669	-83.5%
Post-1983 Police:						
7/1/2010	\$ 17,189,830	\$ 23,294,439	\$ 6,104,609	73.8%	8,678,205	70.3%
7/1/2008	14,419,318	17,264,266	2,844,948	83.5%	7,752,824	36.7%
7/1/2006	11,036,832	13,309,142	2,272,310	82.9%	7,610,777	29.9%
7/1/2004	8,268,316	9,038,173	769,857	91.5%	6,496,617	11.9%
1/1/2003	6,979,088	7,629,489	650,401	91.5%	5,653,461	11.5%
1/1/2001	5,383,342	5,121,615	(261,727)	105.1%	4,370,060	-6.0%
<b>OPEB</b>						
General Government Employees:						
7/1/2010	\$ -	\$ 124,038,200	\$ 124,038,200	0.0%	33,256,200	373.0%
7/1/2008	-	102,450,000	102,450,000	0.0%	34,705,900	295.0%
7/1/2006	-	73,448,012	73,448,012	0.0%	NA	NA
Board of Education Employees:						
7/1/2010	\$ -	\$ 19,730,300	\$ 19,730,300	0.0%	72,319,700	27.3%
7/1/2008	-	20,134,000	20,134,000	0.0%	66,898,500	30.0%
7/1/2006	-	20,366,070	20,366,070	0.0%	NA	NA

CITY OF DANBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS AND OPEB  
 June 30, 2012

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS**

Year Ended June 30,	General Employees		Pre-1967 Police		Pre-1967 Fire	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2012	\$ 2,639,000	100.0%	\$ 904,000	100.0%	\$ 488,000	100.0%
2011	2,529,000	100.0%	904,000	100.0%	488,000	100.0%
2010	-	100.0%	845,000	100.0%	552,000	100.0%
2009	-	100.0%	845,000	100.0%	552,000	100.0%
2008	-	100.0%	857,000	100.0%	865,000	100.0%
2007	-	100.0%	857,000	100.0%	611,000	100.0%

Year Ended June 30,	Post 1967 Police		Post -1967 Fire		Post 1983 Police	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2012	\$ 798,000	100.0%	\$ 1,429,000	100.0%	\$ 1,419,000	100.0%
2011	-	100.0%	311,000	100.0%	1,047,000	100.0%
2010	-	100.0%	272,000	100.0%	1,018,000	100.0%
2009	-	100.0%	-	100.0%	889,000	100.0%
2008	-	100.0%	-	100.0%	910,000	100.0%
2007	713,000	100.0%	342,000	100.0%	910,000	100.0%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**

Year Ended June 30,	General Employees		Board of Education	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2012	\$ 12,802,000	46.8%	\$ 1,998,600	40.9%
2011	11,231,500	50.0%	2,108,500	7.0%
2010	11,045,900	51.0%	2,078,700	46.5%
2009	7,039,100	67.0%	1,769,800	25.7%
2008	7,039,100	56.0%	1,769,800	27.8%

CITY OF DANBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED  
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 169,221,244	\$ 169,221,244	\$ 168,088,383	\$ (1,132,861)
Federal and state governments	32,642,787	32,642,787	32,801,393	158,606
Licenses and permits	3,985,987	3,985,987	3,639,454	(346,533)
Charges for services	5,242,379	5,242,379	2,524,494	(2,717,885)
Fines and penalties	1,407,000	1,407,000	1,385,509	(21,491)
Investment income	270,000	270,000	139,318	(130,682)
<b>Total revenues</b>	<b>212,769,397</b>	<b>212,769,397</b>	<b>208,578,551</b>	<b>(4,190,846)</b>
<b>EXPENDITURES</b>				
Current:				
General government	9,180,945	9,321,435	8,699,989	621,446
Public safety	29,271,801	29,284,351	28,521,413	762,938
Public works	9,256,155	9,280,516	8,828,515	452,001
Health and welfare	2,182,705	2,182,105	1,973,241	208,864
Culture and recreation	2,743,376	2,803,911	2,531,483	272,428
Education	115,103,866	115,103,866	114,693,224	410,642
Pension and other employee benefits	29,724,447	29,724,447	26,447,785	3,276,662
Capital outlay	1,100,000	1,683,066	974,036	709,030
Debt service:				
Principal retirements	10,681,600	10,681,600	10,581,600	100,000
Interest	5,966,050	5,966,050	5,465,397	500,653
<b>Total expenditures</b>	<b>215,210,945</b>	<b>216,031,347</b>	<b>208,716,683</b>	<b>7,314,664</b>
<b>Revenues over (under) expenditures</b>	<b>(2,441,548)</b>	<b>(3,261,950)</b>	<b>(138,132)</b>	<b>3,123,818</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	750,000	750,000	245,814	(504,186)
Transfers (out)	(258,452)	(258,452)	(258,428)	24
Premium from bond	-	-	1,528,718	1,528,718
<b>Total other financing sources (uses)</b>	<b>491,548</b>	<b>491,548</b>	<b>1,516,104</b>	<b>1,024,556</b>
<b>Revenues over (under) expenditures and other financing sources (uses)</b>	<b>\$ (1,950,000)</b>	<b>\$ (2,770,402)</b>	<b>\$ 1,377,972</b>	<b>\$ 4,148,374</b>

See Note to Required Supplementary Information.

## CITY OF DANBURY, CONNECTICUT

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012

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#### **Note 1. Budgets and Budgetary Accounting**

The City follows procedures in establishing the formal (as amended) budgetary data reflected in the financial statements for the General Fund. The procedures are as follows:

1. Prior to April 7, the Mayor submits proposed operating budgets to the City Council for the fiscal year commencing the following July 1. The Board of Education has the same duties and follows the same procedures with respect to the budget of the Board of Education as those required of the Mayor. The operating budgets include proposed expenditures and the means of financing them; however, capital lease acquisitions and state on-behalf payments are not included in the operating budget. The Animal Control and Ambulance are special revenue funds which have legally adopted annual budgets.
2. Upon receipt of the proposed budgets, the City Council publishes a notice of the proposed budgets and a public hearing to be held no later than May 1.
3. No later than May 15, the budgets are legally enacted through City Council resolution.
4. The legal level of budgetary control is at the department level. The Mayor is authorized to transfer budget amounts within departments and the City Council is authorized to transfer budget amounts between departments within any fund as well as any supplemental appropriations that amend the total expenditures of any budgeted fund. During the year, several supplemental appropriations were necessary; the effect of the amendments increased budgeted expenditures by approximately \$700,000.
5. Formal budgetary accounting is employed as a management control within the City for the General Fund and certain special revenue funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting, except that encumbrances and continued appropriations are treated as budgeted expenditures in the year of incurrence of the commitment to purchase and certain employee benefits are budgeted on the cash basis of accounting (non-GAAP basis). Budgetary comparisons in the financial statements are presented pursuant to the applicable budgetary basis referred to above.
6. Except for purposes which are to be financed by the issuance of bonds or by special assessment, no money can be disbursed without an authorized appropriation in any fiscal year. A contingency fund may be used for emergency appropriations, however, expenditures may not be charged directly to this fund. An appropriation and transfer to the expending fund must be approved by the City Council.
7. All unencumbered appropriations, except for continued appropriations, lapse at the end of each fiscal year.

**CITY OF DANBURY, CONNECTICUT**

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

8. Continued appropriations represent approved appropriations from the current or prior years' budgets for construction or other permanent improvement projects. In accordance with the City's Charter, these appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Any such project is deemed to be abandoned if three years have elapsed without any expenditure from, or encumbrance of, the appropriation. At June 30, 2012, there was \$720,704 in continued appropriations.

A reconciliation of General Fund operations presented on a budgetary basis to the amounts presented in the fund financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") is as follows:

	Revenues and Other Financing Sources	Expenditures, Encumbrances and Other Financing Uses
Balance, budgetary basis	\$ 210,353,083	\$ 208,975,111
Encumbrances and continued appropriations		
June 30, 2011	-	1,928,420
June 30, 2012	-	(997,791)
Unliquidated prior year encumbrances	-	(6,433)
State Teachers' Retirement on-behalf payments, not recognized for budgetary purposes	12,820,000	12,820,000
On-behalf payments paid directly by the Department of Health to WIC recipients, not recognized for budgetary purposes	1,672,202	1,672,202
Reclassified to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54	1,599,121	1,936,028
Public safety off-duty services	1,231,268	1,248,826
Issuance of refunding bonds	13,264,000	-
Payment to escrow agent	-	15,101,113
Premium on bond	1,981,959	-
Bond issue costs	-	144,846
Balance, GAAP basis	<u>\$ 242,921,633</u>	<u>\$ 242,822,322</u>

**CITY OF DANBURY, CONNECTICUT**

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

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**Special revenue funds**

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

**Capital projects funds**

Legal authorization for expenditures of 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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**SUPPLEMENTAL AND COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS AND SCHEDULES**



**General Fund**

## **General Fund**

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

CITY OF DANBURY, CONNECTICUT

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

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>General Government</b>				
Common Council	\$ 23,650	\$ 23,650	\$ 21,746	\$ 1,904
Mayor's Office	336,028	334,530	311,732	22,798
City Clerk	55,370	56,022	55,939	83
Ordinances	22,000	23,846	23,846	-
Probate Court	18,600	18,600	14,114	4,486
Registrars and Elections	183,936	199,075	184,354	14,721
City Treasurer	22,134	22,134	22,098	36
Director of Finance	845,604	845,569	843,952	1,617
Data Processing/Information Technology	1,223,703	1,232,336	1,185,657	46,679
Independent Audit	40,000	40,000	27,192	12,808
Bureau of Assessments	440,667	440,667	355,874	84,793
Board of Assessments and Appeal	4,465	4,465	4,170	295
Tax Collector	561,013	561,013	499,040	61,973
Purchasing	225,585	225,585	196,634	28,951
Corporation Counsel	806,627	698,409	698,376	33
Town Clerk	342,122	342,122	282,377	59,745
Annual Report	10,000	10,000	10,000	-
Permit Coordination	300,624	300,624	289,767	10,857
Planning	475,163	478,263	478,195	68
Office of Economic Development	81,541	81,541	48,752	32,789
Danbury Conservation Commission	10,024	10,024	8,777	1,247
HR/Civil Service	311,232	293,832	293,751	81
Mayor's Discretionary Fund	10,500	9,500	8,869	631
Fair Rent Commission	875	875	-	875
City Memberships	84,714	84,749	84,749	-
Lake Authority	60,514	60,514	60,514	-
Retirement Administration	20,000	20,000	15,790	4,210
Labor Negotiations	115,300	247,417	247,417	0
Public Buildings	1,046,218	1,103,307	1,065,762	37,545
City Hall Building	425,794	393,234	347,946	45,288
Library Building	225,162	217,996	215,088	2,908
Police Station Building	550,381	490,700	484,961	5,739
Senior Center Building	88,275	97,775	67,692	30,083
Old Library Building	53,224	199,769	112,180	87,589
Park Buildings	145,416	148,408	132,678	15,730
Employee Service Benefit	14,484	4,884	-	4,884
<b>Total general government</b>	<b>9,180,945</b>	<b>9,321,435</b>	<b>8,699,989</b>	<b>621,446</b>

(Continued)

CITY OF DANBURY, CONNECTICUT

GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -  
 BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Public Safety</b>				
Police Department	14,944,367	14,947,207	14,669,894	277,313
Fire Department	11,589,983	11,937,878	11,714,075	223,803
Building Inspector	638,968	638,968	637,270	1,698
Department of Civil Preparedness	127,550	127,550	123,369	4,181
Department of Consumer Protection	53,381	54,010	53,790	220
Unified Neighborhood Inspection Team	128,904	128,904	107,801	21,103
Airport	511,858	511,858	482,338	29,520
HART	733,080	733,080	732,876	204
Employee Service Benefit	543,710	204,896	-	204,896
<b>Total public safety</b>	<b>29,271,801</b>	<b>29,284,351</b>	<b>28,521,413</b>	<b>762,938</b>
<b>Public Works</b>				
Director of Public Works	210,822	212,009	210,584	1,425
Highways	2,455,521	2,857,595	2,857,123	472
State Aid-Highways	375,000	382,926	382,926	0
Snow & Ice Removal	849,000	292,125	243,318	48,807
Street Lighting	500,000	500,000	495,708	4,292
Park Maintenance	1,188,651	1,248,521	1,237,066	11,455
Forestry	245,357	292,457	291,661	796
Public Buildings-Maint & Repair	547,555	583,264	512,042	71,222
Equipment Maintenance	1,352,104	1,427,104	1,251,496	175,608
Recycling/Solid Waste	308,080	315,120	219,182	95,938
Engineering	938,951	948,400	918,530	29,870
Construction Services	220,114	220,994	208,879	12,115
Public Works Empl Benefits	65,000	-	-	-
<b>Total public works</b>	<b>9,256,155</b>	<b>9,280,516</b>	<b>8,828,515</b>	<b>452,001</b>
<b>Health and Welfare</b>				
Health, House and Welfare Department	1,358,714	1,358,114	1,232,931	125,183
Veterans Advisory Center	57,568	58,751	58,391	360
Elderly Services	245,298	244,115	213,644	30,471
Elderly Transportation	12,000	12,000	12,000	-
Community Services	456,275	456,275	456,275	-
Employee Service Benefit	52,850	52,850	-	52,850
<b>Total health and welfare</b>	<b>2,182,705</b>	<b>2,182,105</b>	<b>1,973,241</b>	<b>208,864</b>
<b>Education</b>	<b>115,103,866</b>	<b>115,103,866</b>	<b>114,693,224</b>	<b>410,642</b>

(Continued)

CITY OF DANBURY, CONNECTICUT

GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -  
 BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Culture and Recreation</b>				
Recreation	382,670	440,670	375,386	65,284
Tarrywile Park Authority	229,635	229,635	229,635	-
Cultural Commission	76,545	78,001	78,000	1
Lake Kenosia Commission	16,038	16,538	16,130	408
Ives Authority Performing Arts	58,320	58,320	58,320	-
Danbury Public Library	1,906,053	1,906,632	1,699,897	206,735
Long Ridge Library	4,860	4,860	4,860	-
Danbury Museum/Hist Soc Authority	69,255	69,255	69,255	-
<b>Total culture and recreation</b>	<b>2,743,376</b>	<b>2,803,911</b>	<b>2,531,483</b>	<b>272,428</b>
<b>Pension and Other Employee Benefits</b>	<b>29,724,447</b>	<b>29,724,447</b>	<b>26,447,785</b>	<b>3,276,662</b>
<b>Debt Service</b>				
Redemption Of Debt	10,681,600	10,681,600	10,581,600	100,000
Interest - bonds	5,966,050	5,966,050	5,465,397	500,653
<b>Total debt service</b>	<b>16,647,650</b>	<b>16,647,650</b>	<b>16,046,997</b>	<b>600,653</b>
<b>Contingency</b>	<b>450,000</b>	<b>332,061</b>	<b>-</b>	<b>332,061</b>
<b>Capital Outlay</b>	<b>1,100,000</b>	<b>1,683,066</b>	<b>974,036</b>	<b>709,030</b>
<b>Transfer Out</b>	<b>258,452</b>	<b>258,452</b>	<b>258,428</b>	<b>24</b>
<b>Total</b>	<b>\$ 215,919,397</b>	<b>\$ 216,621,860</b>	<b>\$ 208,975,111</b>	<b>\$ 7,646,749</b>

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**Nonmajor Governmental Funds**

## **Nonmajor Governmental Funds**

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

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditures for special purposes other than debt service or capital projects.

**School Lunch Program Fund** - to account for the operations of the School Lunch Program. Financing is provided by the students and teachers as well as reimbursement from State and Federal governments.

**Community Development Block Grant Fund** - to account for an entitlement grant received from the Department of Housing and Urban Development for housing and community development activities under the Housing and Community Development Act of 1974.

**WIC Grant Fund** - to account for the operations of the Women, Infant and Children Health Program. Financing is provided by the Federal Government.

**Railyard Parking Lease Fund** – to account for funds received from the City of Danbury Parking Authority for permits sold at the Danbury Railyard - Union Station.

**Library Board Library Fund** – to account for fines and fees collected by the Library.

**Animal Control Fund** - to account for funds provided by the sale of dog licenses, sale of stray dogs and various fines levied against owners of stray dogs, as well as General Fund appropriations.

**School Based Health Center Grant Fund** - to account for funds received from preventive and mental health services for Danbury students. Funding is provided by the State of Connecticut Department of Public Health and Addiction Services.

**LOCIP Fund** – to account for projects funded through the State Local Capital Improvement Program.

**Airport** – to account for projects related to the maintenance and upkeep of the Danbury Municipal Airport. Funds provided by Federal, State and local sources.

**State & Federal School Projects** – to account for education related programs that are funded through State and Federal Grants.

**BIIP (Boehringer-Ingelheim Infrastructure Project)** – to account for grants from the State Department of Economic and Community Development for infrastructure projects near Boehringer-Ingelheim.

**ARRA** – to account for education and capital related programs that are funded by Federal ARRA Grants.

## ***Capital Projects Funds***

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Vision 21 and Vision 21<sup>2</sup> Bond Fund** - to account for the proceeds of specific general obligation bonds for various projects to further develop the City.

**City Projects Fund** - to account for proceeds of specific general obligation bonds for various projects either authorized by the City or to further develop the City.

**SECP** - to account for proceeds from qualified energy conservation bond lease agreements for school building improvements.

**City Works/Library Reconstruction** – to account for proceeds of specific general obligation bonds for various projects to further develop the City.

**Danbury Neighborhood Bond Fund** – to account for proceeds of specific general obligation bonds for various projects either authorized by the City or to further develop the City.

**Head Start Fund** – to account for proceeds of specific general obligation bonds for various projects either authorized by the City or to further develop the City.

**Public Safety Bond Fund** - accounts for proceeds of specific general obligation bonds for various projects either authorized by the City or to further develop the City.

**Century 21 PI Fund** - accounts for proceeds of specific general obligation bonds for various projects throughout the City.

**Open Space Bond Fund** - to account for the proceeds of specific general obligation bonds for various projects to preserve land in the City.

**Special Litigation** - to account for proceeds of specific general obligation bonds for a litigation settlement.

**CRM** – to account for the new Constituent Relationship Management (CRM) System Project.

**SCHCAP** – funds received from Board of Education to set up reserve to pay for the school equipment lease purchase and the school technology improvement.

### ***Permanent Fund***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Farioly Permanent Fund** – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to improve the City's library.



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CITY OF DANBURY, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2012

	Special Revenue			
	School Lunch Program	Community Development Block Grant	WIC Grant	Railyard Parking Lease
<b>ASSETS</b>				
Cash and cash equivalents	\$ 103,015	\$ 626,291	\$ 45,803	\$ 19,374
Receivables:				
Accounts receivable, net	154,078	-	-	-
Federal and State government	487,812	-	-	-
Other	-	-	-	1,240
Inventories	61,971	-	-	-
Due from other funds	-	-	26,581	-
<b>Total assets</b>	<b>\$ 806,876</b>	<b>\$ 626,291</b>	<b>\$ 72,384</b>	<b>\$ 20,614</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 665,304	\$ 6,965	\$ 69	\$ 2,004
Bond anticipation notes payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	40,377	-
Due to other funds	-	39,086	31,938	2,680
<b>Total liabilities</b>	<b>665,304</b>	<b>46,051</b>	<b>72,384</b>	<b>4,684</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	61,971	-	-	-
Restricted	-	490,726	-	15,930
Committed	79,601	89,514	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>141,572</b>	<b>580,240</b>	<b>-</b>	<b>15,930</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 806,876</b>	<b>\$ 626,291</b>	<b>\$ 72,384</b>	<b>\$ 20,614</b>

Special Revenue							
Library Board Library Fund	Animal Control	School-Based Health Center Grant	LOCIP	Airport	State & Fed. School Projects	BIIP	
\$ 162,941	\$ 131,447	\$ 132,872	\$ 105,736	\$ 720,826	\$ 1,303,980	\$ 197,645	
-	-	-	-	-	-	-	-
-	-	-	127,081	33,125	552,058	56,440	-
-	1,140	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	13,021	-	-	-
<u>\$ 162,941</u>	<u>\$ 132,587</u>	<u>\$ 132,872</u>	<u>\$ 232,817</u>	<u>\$ 766,972</u>	<u>\$ 1,856,038</u>	<u>\$ 254,085</u>	
\$ 86,011	\$ 20,061	\$ 55,465	\$ 32,817	\$ 66,970	\$ 942,028	\$ 54,085	
-	-	-	-	-	-	-	-
-	-	-	125,479	26,175	101,928	2,620	-
-	-	-	-	-	803,297	-	-
9	3,614	77,407	200,000	700,000	-	200,000	-
<u>86,020</u>	<u>23,675</u>	<u>132,872</u>	<u>358,296</u>	<u>793,145</u>	<u>1,847,253</u>	<u>256,705</u>	
-	-	-	-	-	-	-	-
76,921	-	-	30,000	-	8,785	131,353	-
-	-	-	-	186,199	-	-	-
-	108,912	-	-	-	-	-	-
-	-	-	(155,479)	(212,372)	-	(133,973)	-
<u>76,921</u>	<u>108,912</u>	<u>-</u>	<u>(125,479)</u>	<u>(26,173)</u>	<u>8,785</u>	<u>(2,620)</u>	
<u>\$ 162,941</u>	<u>\$ 132,587</u>	<u>\$ 132,872</u>	<u>\$ 232,817</u>	<u>\$ 766,972</u>	<u>\$ 1,856,038</u>	<u>\$ 254,085</u>	

(Continued)

CITY OF DANBURY, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012

	Special Revenue	Capital Projects		
	ARRA	Vision 21 and Vision 21 <sup>2</sup>	City Projects	SECP
<b>ASSETS</b>				
Cash and cash equivalents	\$ 328,162	\$ 191,344	\$ 2,256,067	\$ 4,444,248
Receivables:				
Accounts receivable, net	-	-	-	-
Federal and State government	97,667	-	-	-
Other	-	-	-	-
Inventories	-	-	-	-
Due from other funds	373,107	-	19,432	-
<b>Total assets</b>	<b>\$ 798,936</b>	<b>\$ 191,344</b>	<b>\$ 2,275,499</b>	<b>\$ 4,444,248</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 118,012	\$ -	\$ 353,517	\$ 211,633
Bond anticipation notes payable	-	-	-	-
Deferred revenue	97,667	-	-	-
Unearned revenue	312,816	-	-	-
Due to other funds	368,108	453	569,595	1,250,000
<b>Total liabilities</b>	<b>896,603</b>	<b>453</b>	<b>923,112</b>	<b>1,461,633</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	36,991	-	-	-
Committed	-	190,891	826,982	2,982,615
Assigned	-	-	-	-
Unassigned	(134,658)	-	525,405	-
<b>Total fund balances (deficits)</b>	<b>(97,667)</b>	<b>190,891</b>	<b>1,352,387</b>	<b>2,982,615</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 798,936</b>	<b>\$ 191,344</b>	<b>\$ 2,275,499</b>	<b>\$ 4,444,248</b>

Capital Projects

Danbury Neighborhood Bond	Head Start	Public Safety Bond	Century 21 PI	Open Space	Magnet School Projects
\$ 423,096	\$ 2,453,799	\$ 2,018,336	\$ -	\$ 467,579	\$ -
-	-	-	151,450	-	-
-	-	57,186	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 423,096	\$ 2,453,799	\$ 2,075,522	\$ 151,450	\$ 467,579	\$ -

\$ 11,136	\$ 184,972	\$ 599,396	\$ 992,973	\$ 20,765	-
-	1,575,000	-	-	-	-
-	-	30,924	151,450	-	-
-	-	-	-	-	-
575,549	1,352	699	513,432	600,000	-
586,685	1,761,324	631,019	1,657,855	620,765	-

-	-	-	-	-	-
-	-	-	-	-	-
179,319	4,444,393	1,444,503	26,562	668,750	-
-	-	-	-	-	-
(342,908)	(3,751,918)	-	(1,532,967)	(821,936)	-
(163,589)	692,475	1,444,503	(1,506,405)	(153,186)	-

\$ 423,096	\$ 2,453,799	\$ 2,075,522	\$ 151,450	\$ 467,579	\$ -
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CITY OF DANBURY, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012

	Capital Projects		Permanent Fund	Totals
	CRM	SCHCAP	Farioly Library	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,594,369	\$ -	\$ 1,651,325	\$ 20,378,255
Receivables:				
Accounts receivable, net	-	-	-	305,528
Federal and State government	-	-	-	1,411,369
Other	-	-	-	2,380
Inventories	-	-	-	61,971
Due from other funds	-	500,000	-	932,141
<b>Total assets</b>	<b>\$ 2,594,369</b>	<b>\$ 500,000</b>	<b>\$ 1,651,325</b>	<b>\$ 23,091,644</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>LIABILITIES</b>				
Accounts payable	115,530	-	-	\$ 4,539,713
Bond anticipation notes payable	-	-	-	1,575,000
Deferred revenue	-	-	-	536,243
Unearned revenue	-	-	-	1,156,490
Due to other funds	929,600	-	-	6,063,522
<b>Total liabilities</b>	<b>1,045,130</b>	<b>-</b>	<b>-</b>	<b>13,870,968</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	1,483,133	1,545,104
Restricted	-	-	-	790,706
Committed	1,549,239	500,000	168,192	13,336,760
Assigned	-	-	-	108,912
Unassigned	-	-	-	(6,560,806)
<b>Total fund balances (deficits)</b>	<b>1,549,239</b>	<b>500,000</b>	<b>1,651,325</b>	<b>9,220,676</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 2,594,369</b>	<b>\$ 500,000</b>	<b>\$ 1,651,325</b>	<b>\$ 23,091,644</b>

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CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012

	Special Revenue			
	School Lunch Program	Community Development Block Grant	WIC Grant	Railyard Parking Lease
<b>REVENUES</b>				
Federal and State governments	\$ 2,721,152	\$ 884,114	\$ 381,706	\$ -
Licenses and permits	-	-	-	-
Charges for services	1,510,840	-	-	35,409
Investment income	-	-	-	-
Contributions	-	-	-	-
<b>Total revenues</b>	<b>4,231,992</b>	<b>884,114</b>	<b>381,706</b>	<b>35,409</b>
<b>EXPENDITURES</b>				
General government	-	200,065	-	34,048
Public safety	-	-	-	-
Public works	-	293,638	-	-
Culture and recreation	-	3,750	-	-
Health and welfare	-	123,716	381,706	-
Education	3,934,727	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>3,934,727</b>	<b>621,169</b>	<b>381,706</b>	<b>34,048</b>
<b>Revenues over (under) expenditures</b>	<b>297,265</b>	<b>262,945</b>	<b>-</b>	<b>1,361</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Capital lease	-	-	-	-
Payments on bond anticipation note	-	-	-	-
Issuance of general obligation bonds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue and other financing sources (uses) over (under) expenditures</b>	<b>297,265</b>	<b>262,945</b>	<b>-</b>	<b>1,361</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>(155,693)</b>	<b>317,295</b>	<b>-</b>	<b>14,569</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 141,572</b>	<b>\$ 580,240</b>	<b>\$ -</b>	<b>\$ 15,930</b>

Special Revenue							
Library Board Library Fund	Animal Control	School-Based Health Center Grant	LOCIP	Airport	State & Fed. School Projects	BIIP	
\$ 10,845	\$ -	\$ 462,336	\$ 350,846	\$ 1,213,938	\$ 19,553,791	\$ 279,051	
-	14,735	-	-	-	-	-	
5,516	-	-	-	-	-	-	
903	52	-	-	-	-	-	
66,729	-	-	-	-	-	-	
<u>83,993</u>	<u>14,787</u>	<u>462,336</u>	<u>350,846</u>	<u>1,213,938</u>	<u>19,553,791</u>	<u>279,051</u>	
-	-	-	-	-	-	-	
-	253,259	-	-	-	-	-	
-	-	-	-	-	-	-	
118,458	-	-	-	-	-	-	
-	-	462,336	-	-	-	-	
-	-	-	-	-	19,553,791	-	
20,540	1,424	-	336,700	851,600	-	245,052	
<u>138,998</u>	<u>254,683</u>	<u>462,336</u>	<u>336,700</u>	<u>851,600</u>	<u>19,553,791</u>	<u>245,052</u>	
(55,005)	(239,896)	-	14,146	362,338	-	33,999	
-	258,428	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	258,428	-	-	-	-	-	
(55,005)	18,532	-	14,146	362,338	-	33,999	
131,926	90,380	-	(139,625)	(388,511)	8,785	(36,619)	
<u>\$ 76,921</u>	<u>\$ 108,912</u>	<u>\$ -</u>	<u>\$ (125,479)</u>	<u>\$ (26,173)</u>	<u>\$ 8,785</u>	<u>\$ (2,620)</u>	

(Continued)

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED  
 FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012

	Special Revenue	Capital Projects		
	ARRA	Vision 21 and Vision 21 <sup>2</sup>	City Projects	SECP
<b>REVENUES</b>				
Federal and State governments	\$ 777,940	\$ -	\$ -	\$ 18,477
Licenses and permits	-	-	-	-
Charges for services	2,600	-	-	-
Investment income	-	-	-	-
Contributions	-	-	-	-
<b>Total revenues</b>	<b>780,540</b>	<b>-</b>	<b>-</b>	<b>18,477</b>
<b>EXPENDITURES</b>				
General government	17,760	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Education	-	-	-	-
Capital outlay	653,097	93,030	3,072,538	5,511,726
<b>Total expenditures</b>	<b>670,857</b>	<b>93,030</b>	<b>3,072,538</b>	<b>5,511,726</b>
<b>Revenues over (under) expenditures</b>	<b>109,683</b>	<b>(93,030)</b>	<b>(3,072,538)</b>	<b>(5,493,249)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	400,000	-
Capital lease	-	-	-	-
Payments on bond anticipation notes	-	-	(3,607,958)	-
Issuance of general obligation bonds	-	21,518	7,457,958	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>21,518</b>	<b>4,250,000</b>	<b>-</b>
<b>Total revenue and other financing sources (uses) over (under) expenditures</b>	<b>109,683</b>	<b>(71,512)</b>	<b>1,177,462</b>	<b>(5,493,249)</b>
<b>FUND BALANCES</b>				
<b>(DEFICITS), beginning</b>	<b>(207,350)</b>	<b>262,403</b>	<b>174,925</b>	<b>8,475,864</b>
<b>FUND BALANCES</b>				
<b>(DEFICITS), ending</b>	<b>\$ (97,667)</b>	<b>\$ 190,891</b>	<b>\$ 1,352,387</b>	<b>\$ 2,982,615</b>

Capital Projects					
Danbury Neighborhood Bond	Head Start	Public Safety Bond	Century 21 PI	Open Space	Magnet School Projects
\$ -	\$ -	\$ 26,262	\$ -	\$ 650,000	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	264,832	-	-	-	-
-	199,931	-	-	-	-
-	464,763	26,262	-	650,000	-
-	-	-	-	-	12,163
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
458,594	-	991,310	1,254,870	257,829	-
458,594	-	991,310	1,254,870	257,829	12,163
(458,594)	464,763	(965,048)	(1,254,870)	392,171	(12,163)
-	-	-	-	-	-
-	-	-	-	-	-
(1,500,000)	-	(3,476,753)	(1,922,844)	(1,900,000)	-
1,500,000	-	4,750,000	1,922,844	1,900,000	-
-	-	1,273,247	-	-	-
(458,594)	464,763	308,199	(1,254,870)	392,171	(12,163)
295,005	227,712	1,136,304	(251,535)	(545,357)	12,163
\$ (163,589)	\$ 692,475	\$ 1,444,503	\$ (1,506,405)	\$ (153,186)	\$ -

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED  
 FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012

	Capital Projects		Permanent Fund	Totals
	CRM	SCHCAP	Farioly Library	
<b>REVENUES</b>				
Federal and State governments	\$ -	\$ -	\$ -	\$ 27,330,458
Licenses and permits	-	-	-	14,735
Charges for services	-	-	-	1,554,365
Investment income	-	-	5,145	270,932
Contributions	-	-	-	266,660
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,145</b>	<b>29,437,150</b>
<b>EXPENDITURES</b>				
General government	-	-	-	264,036
Public safety	-	-	-	253,259
Public works	-	-	-	293,638
Culture and recreation	-	-	-	122,208
Health and welfare	-	-	-	967,758
Education	-	-	-	23,488,518
Capital outlay	950,761	-	-	14,699,071
<b>Total expenditures</b>	<b>950,761</b>	<b>-</b>	<b>-</b>	<b>40,088,488</b>
<b>Revenues over (under) expenditures</b>	<b>(950,761)</b>	<b>-</b>	<b>5,145</b>	<b>(10,651,338)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	500,000	-	1,158,428
Capital lease	2,500,000	-	-	2,500,000
Payments on bond anticipation notes	-	-	-	(12,407,555)
Issuance of general obligaton bonds	-	-	-	17,552,320
<b>Total other financing sources (uses)</b>	<b>2,500,000</b>	<b>500,000</b>	<b>-</b>	<b>8,803,193</b>
<b>Total revenue and other financing sources (uses) over (under) expenditures</b>	<b>1,549,239</b>	<b>500,000</b>	<b>5,145</b>	<b>(1,848,145)</b>
<b>FUND BALANCES (DEFICITS), beginning</b>				
	-	-	1,646,180	11,068,821
<b>FUND BALANCES (DEFICITS), ending</b>				
	<b>\$ 1,549,239</b>	<b>\$ 500,000</b>	<b>\$ 1,651,325</b>	<b>\$ 9,220,676</b>

CITY OF DANBURY, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL - ANIMAL CONTROL FUND  
 For the Year Ended June 30, 2012

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Town clerk fees	\$ 12,000	\$ 12,000	\$ 12,405	405
City contribution	258,428	258,428	258,428	-
Other revenue	2,050	2,050	2,383	333
<b>Total revenues</b>	<b>272,478</b>	<b>272,478</b>	<b>273,216</b>	<b>738</b>
<b>EXPENDITURES</b>				
	272,478	272,478	254,683	17,795
<b>Revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,533</b>	<b>\$ (18,533)</b>

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**Internal Service Funds**

### **Internal Service Funds**

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

**Workers' Compensation Fund** – is used to account for the City's and Board of Education's workers' compensation claims.

**Risk Management Fund** – is used to account for the City's and Board of Education's self-insured dental and pharmaceutical claims and the City's general insurance.

**Retired Employee Benefit Fund** – is used to account for funds to be placed in a future OPEB trust fund.

CITY OF DANBURY, CONNECTICUT

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2012**

	Workers' Compensation	Risk Management	Retired Employee Benefits	Total
<b>ASSETS</b>				
Current assets:				
Due from general fund	\$ 3,376,714	\$ 1,263,431	\$ 1,200,000	\$ 5,840,145
<b>Total assets</b>	<b>3,376,714</b>	<b>1,263,431</b>	<b>1,200,000</b>	<b>5,840,145</b>
<b>LIABILITIES</b>				
Accrued claims and judgments	3,376,714	1,263,431	1,200,000	5,840,145
<b>Total liabilities</b>	<b>3,376,714</b>	<b>1,263,431</b>	<b>1,200,000</b>	<b>5,840,145</b>
<b>NET ASSETS</b>				
Unrestricted	\$ -	\$ -	\$ -	\$ -

CITY OF DANBURY, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2012**

	Workers' Compensation	Risk Management	Retired Employee Benefits	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,404,637	\$ 16,202,920	\$ -	\$ 18,607,557
<b>Total operating revenues</b>	<b>2,404,637</b>	<b>16,202,920</b>	<b>-</b>	<b>18,607,557</b>
<b>OPERATING EXPENSES</b>				
Claims	2,404,637	16,202,920	-	18,607,557
<b>Total operating expenses</b>	<b>2,404,637</b>	<b>16,202,920</b>	<b>-</b>	<b>18,607,557</b>
<b>Change in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND NET ASSETS, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND NET ASSETS, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
June 30, 2012

	Workers' Compensation	Risk Management	Retired Employee Benefits	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 1,992,529	\$ 16,295,161	\$ -	\$ 18,287,690
Payments to suppliers/claims paid	(1,992,529)	(16,295,161)	-	(18,287,690)
<b>Net cash provided by operating activities</b>	-	-	-	-
<b>Net increase in cash and cash equivalents</b>	-	-	-	-
<b>CASH AND CASH EQUIVALENTS, beginning</b>	-	-	-	-
<b>CASH AND CASH EQUIVALENTS, ending</b>	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in due from other funds	(412,108)	92,241	-	(319,867)
Increase (decrease) in accrued expenses and accounts payable	412,108	(92,241)	-	319,867
<b>Net cash provided by operating activities</b>	\$ -	\$ -	\$ -	\$ -

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**Pension Trusts, Private Purpose  
Trusts and Agency Funds**

## **Pension Trusts, Private Purpose Trusts and Agency Funds**

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts, Private Purpose Trusts and Agency Funds.

- i. **Pension Trust Funds** – utilize the accrual basis of accounting and are used for the accumulation of resources to be used for retirement benefits. The City's Pension Trust Funds are listed below:

General Employees	Post-1967 Police
Pre-1967 Police	Post-1967 Fire
Pre-1967 Fire	Post-1983 Police

- ii. **Private Purpose Trust Fund** – No restrictions have been placed on this fund by the donors. The City's Private Purpose Trust Fund is the Phoebe M. Harrison Fund which is used to account for funds left in trust to the City for scholarships.
- iii. **Agency Funds** - Agency funds are custodial in nature (assets equal liabilities). The City's Agency Funds are listed below:

**Street Openings Fund** - to account for permits issued by the Public Works Department to contractors or individuals for the opening of a city street (i.e., installation of water line or sewer line). Permit fees range according to the size of the project. Funds are refunded upon completion of a project and approval by the Highway Permit Inspector.

**School Activities Fund** - to account for collections and payments related to educational extracurricular activities at the schools. Financing is provided by individual fund raising projects.

**Danbury High School Scholarship Fund** - to account for funds received through donations for yearly scholarships presented to members of the high school graduating class.

**Downtown Special Services District Fund** - to account for funds received to revitalize and improve the physical appearance of downtown Danbury.

**Security Lease Account** – holds security deposits on airport leases, per the lease agreements.

**Danbury Permits Fund** - to account for funds received for performance bonds issued for construction projects that have received sedimentation/erosion control permits.

**Sugar Hollow Fund** - to account for funds received for Flood Plain permit application relating to engineering work.

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CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - PENSION TRUST FUNDS

June 30, 2012

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,356,826	\$ 287,637	\$ 267,982	\$ 3,344,909
Investments, at fair value				
Common stock	9,924,401	388,023	361,510	4,512,302
Debt securities	3,771,688	147,465	137,389	1,714,864
Mutual funds	47,050,145	1,839,561	1,713,865	21,392,170
Private hedge fund	24,687,191	965,217	899,265	11,224,462
<b>Total investments</b>	<b>85,433,425</b>	<b>3,340,266</b>	<b>3,112,029</b>	<b>38,843,798</b>
Accrued interest and dividends	48,264	1,887	1,758	21,944
Pending sales	50,188	1,962	1,828	22,819
<b>Total assets</b>	<b>92,888,703</b>	<b>3,631,752</b>	<b>3,383,597</b>	<b>42,233,470</b>
<b>LIABILITIES</b>				
Pending purchases	215,251	8,416	7,841	97,868
<b>Total liabilities</b>	<b>215,251</b>	<b>8,416</b>	<b>7,841</b>	<b>97,868</b>
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes</b>	<b>\$ 92,673,452</b>	<b>\$ 3,623,336</b>	<b>\$ 3,375,756</b>	<b>\$ 42,135,602</b>

Post-1967 Fire	Post-1983 Police	Total
\$ 4,496,363	\$ 1,478,096	\$ 17,231,813
6,065,620	1,993,960	23,245,816
2,305,189	757,790	8,834,385
28,756,224	9,453,074	110,205,039
15,088,379	4,960,024	57,824,538
52,215,412	17,164,848	200,109,778
29,499	9,697	113,049
30,674	10,084	117,555
56,771,948	18,662,725	217,572,195
131,558	43,247	504,181
131,558	43,247	504,181
\$ 56,640,390	\$ 18,619,478	\$ 217,068,014

CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - PRIVATE PURPOSE TRUST FUND

June 30, 2012

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	Phoebe M. Harrison
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,461
<b>Total assets</b>	<u>1,461</u>
<b>LIABILITIES</b>	
Other liabilities	-
<b>Total liabilities</b>	<u>-</u>
<b>Net Assets Held in Trust</b>	<u>\$ 1,461</u>

CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - AGENCY FUNDS  
June 30, 2012

	Street Openings	School Activities	Danbury High School Scholarship	Downtown Special Services District	Security Lease Account	Danbury Permits	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 751,084	\$ 512,133	\$ 651,718	\$ 45,695	\$ 18,551	\$ 1,412,222	\$ 3,391,403
<b>Total assets</b>	<b>751,084</b>	<b>512,133</b>	<b>651,718</b>	<b>45,695</b>	<b>18,551</b>	<b>1,412,222</b>	<b>3,391,403</b>
<b>LIABILITIES</b>							
Other liabilities	751,084	512,133	651,718	45,695	18,551	1,412,222	3,391,403
<b>Total liabilities</b>	<b>751,084</b>	<b>512,133</b>	<b>651,718</b>	<b>45,695</b>	<b>18,551</b>	<b>1,412,222</b>	<b>3,391,403</b>
<b>Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF DANBURY, CONNECTICUT

**STATEMENT OF CHANGES IN NET ASSETS - PENSION TRUST FUNDS**  
**For the Year Ended June 30, 2012**

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police
<b>Additions</b>				
Contributions				
Employer	\$ 2,639,000	\$ 904,000	\$ 488,000	\$ 798,000
Plan members	4,969	-	-	35,428
<b>Total contributions</b>	<b>2,643,969</b>	<b>904,000</b>	<b>488,000</b>	<b>833,428</b>
Investment Income				
Net depreciation in fair value of investments	(5,569,482)	(166,560)	(181,864)	(2,635,175)
Interest and dividends	2,323,924	75,782	79,147	1,072,572
	(3,245,558)	(90,778)	(102,717)	(1,562,603)
Less investment expenses:				
Investment management fees	388,717	24,781	22,539	189,774
<b>Net investment income (loss)</b>	<b>(3,634,275)</b>	<b>(115,559)</b>	<b>(125,256)</b>	<b>(1,752,377)</b>
<b>Deductions</b>				
Benefits	7,098,152	1,378,155	992,853	3,805,150
<b>Change in net assets</b>	<b>(8,088,458)</b>	<b>(589,714)</b>	<b>(630,109)</b>	<b>(4,724,099)</b>
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes</b>				
Beginning of year	100,761,910	4,213,050	4,005,865	46,859,701
End of year	\$ 92,673,452	\$ 3,623,336	\$ 3,375,756	\$ 42,135,602

Post-1967 Fire	Post-1983 Police	Total
\$ 1,429,128	\$ 1,420,288	\$ 7,678,416
406,874	408,677	855,948
<u>1,836,002</u>	<u>1,828,965</u>	<u>8,534,364</u>
(3,394,117)	(762,608)	(12,709,806)
1,406,034	332,830	5,290,289
<u>(1,988,083)</u>	<u>(429,778)</u>	<u>(7,419,517)</u>
215,733	60,834	902,378
<u>(2,203,816)</u>	<u>(490,612)</u>	<u>(8,321,895)</u>
3,488,351	556,689	17,319,350
(3,856,165)	781,664	(17,106,881)
60,496,555	17,837,814	234,174,895
<u>\$ 56,640,390</u>	<u>\$ 18,619,478</u>	<u>\$ 217,068,014</u>

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN NET ASSETS - PRIVATE PURPOSE TRUST FUND

For the Year Ended June 30, 2012

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	<u>Phoebe M. Harrison</u>
<b>Additions</b>	
Investment Income	
Interest and dividends	\$ 7
<b>Net investment income</b>	<u>7</u>
<b>Change in net assets</b>	7
<b>Net Assets Held in Trust</b>	
Beginning of year	<u>1,454</u>
End of year	<u><u>\$ 1,461</u></u>

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>STREET OPENINGS</b>				
<b>Assets</b>				
Cash	\$ 736,087	\$ 198,102	\$ 183,105	\$ 751,084
<b>Liabilities</b>				
Amounts held for others	\$ 736,087	\$ 198,102	\$ 183,105	\$ 751,084
<b>SCHOOL ACTIVITIES</b>				
<b>Assets</b>				
Cash	\$ 504,828	\$ 2,007,893	\$ 2,000,588	\$ 512,133
<b>Liabilities</b>				
Amounts held for others	\$ 504,828	\$ 2,007,893	\$ 2,000,588	\$ 512,133
<b>DANBURY HIGH SCHOOL SCHOLARSHIP</b>				
<b>Assets</b>				
Cash	\$ 640,923	\$ 48,544	\$ 37,749	\$ 651,718
<b>Liabilities</b>				
Amounts held for others	\$ 640,923	\$ 48,544	\$ 37,749	\$ 651,718
<b>DOWNTOWN SPECIAL SERVICES</b>				
<b>Assets</b>				
Cash	\$ 62,002	\$ 223,472	\$ 239,779	\$ 45,695
<b>Liabilities</b>				
Amounts held for others	\$ 62,002	\$ 223,472	\$ 239,779	\$ 45,695
<b>SECURITY LEASE ACCOUNT</b>				
<b>Assets</b>				
Cash	\$ 17,642	\$ 12,378	\$ 11,469	\$ 18,551
<b>Liabilities</b>				
Amounts held for others	\$ 17,642	\$ 12,378	\$ 11,469	\$ 18,551

CITY OF DANBURY, CONNECTICUT

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

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>DANBURY PERMITS</b>				
<b>Assets</b>				
Cash	\$ 1,304,633	\$ 284,058	\$ 176,469	\$ 1,412,222
<b>Liabilities</b>				
Amounts held for others	\$ 1,304,633	\$ 284,058	\$ 176,469	\$ 1,412,222
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$ 3,266,115	\$ 2,774,447	\$ 2,649,159	\$ 3,391,403
<b>Liabilities</b>				
Amounts held for others	\$ 3,266,115	\$ 2,774,447	\$ 2,649,159	\$ 3,391,403

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



CITY OF DANBURY, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -  
SCHEDULE BY CATEGORY

June 30, 2012

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Governmental funds capital assets:

Land	\$ 52,295,226
Easements	918,950
Land improvements	13,983,735
Buildings and improvements	223,208,212
Machinery and equipment	44,384,804
Infrastructure	136,962,638
Construction in progress	17,735,067
<b>Total governmental funds capital assets</b>	<b><u>\$ 489,488,632</u></b>

CITY OF DANBURY, CONNECTICUT

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

	Land	Easements	Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government	12,933,600	\$ -	\$ -	\$ 24,510,860	\$ 6,268,915	\$ -	\$ 1,346,838	\$ 45,060,213
Public Safety	7,457,129	-	36,300	40,831,745	15,406,908	783,274	2,465,322	66,980,678
Public Works	19,700	-	72,283	2,384,460	8,170,476	135,138,958	2,641,571	148,427,448
Health & Welfare	821,100	-	-	3,746,650	200,330	-	153,447	4,921,527
Education	5,431,900	-	6,321,302	136,835,475	12,039,984	42,970	10,481,105	171,152,736
Culture and Recreation	25,631,797	918,950	7,553,850	14,899,022	2,298,191	997,436	646,784	52,946,030
<b>Total</b>	<b>\$ 52,295,226</b>	<b>\$ 918,950</b>	<b>\$ 13,983,735</b>	<b>\$ 223,208,212</b>	<b>\$ 44,384,804</b>	<b>\$ 136,962,638</b>	<b>\$ 17,735,067</b>	<b>\$ 489,488,632</b>

CITY OF DANBURY, CONNECTICUT

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

For the Year Ended June 30, 2012

	Governmental Funds				Governmental Funds
	Capital Assets July 1, 2011	Additions	Deletions	Transfers	Capital Assets June 30, 2012
General Government	\$ 40,995,672	\$ 4,039,492	\$ -	\$ 25,049	\$ 45,060,213
Public Safety	65,469,104	1,536,623	-	(25,049)	66,980,678
Public Works	146,309,292	2,118,156	-	-	148,427,448
Health and Welfare	4,765,114	156,413	-	-	4,921,527
Education	164,479,792	6,688,444	(15,500)	-	171,152,736
Culture and Recreation	52,625,619	320,411	-	-	52,946,030
<b>Total</b>	<b>\$ 474,644,593</b>	<b>\$ 14,859,539</b>	<b>\$ (15,500)</b>	<b>\$ -</b>	<b>\$ 489,488,632</b>

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**Other Schedules**



CITY OF DANBURY, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND

June 30, 2012

	General	Continuing Education	Combined
<b>Assets</b>			
Cash and cash equivalents	\$ 10,365,613	\$ 1,498,056	\$ 11,863,669
Investments	11,500,000	-	11,500,000
Receivables (net of allowances for collection losses):			
Property taxes	5,971,912	-	5,971,912
State and federal governments	6,692,225	-	6,692,225
Accounts receivable	1,144,211	-	1,144,211
Other assets	597,231	-	597,231
Due from other funds	11,679,373	-	11,679,373
<b>Total assets</b>	<b>\$ 47,950,565</b>	<b>\$ 1,498,056</b>	<b>\$ 49,448,621</b>
<b>Liabilities</b>			
Accounts payable	\$ 3,696,670	\$ -	\$ 3,696,670
Accrued wages	1,485,996	-	1,485,996
Due to other funds	6,814,461	-	6,814,461
Deferred revenues	6,784,408	-	6,784,408
Unearned revenue	110,976	-	110,976
Advance tax collections	2,263,254	-	2,263,254
<b>Total liabilities</b>	<b>21,155,765</b>	<b>-</b>	<b>21,155,765</b>
<b>Fund Balances</b>			
Nonspendable	597,231	-	597,231
Committed	709,030	-	709,030
Assigned	3,347,791	1,498,056	4,845,847
Unassigned	22,140,748	-	22,140,748
<b>Total fund balances</b>	<b>26,794,800</b>	<b>1,498,056</b>	<b>28,292,856</b>
<b>Total liabilities and fund balances</b>	<b>\$ 47,950,565</b>	<b>\$ 1,498,056</b>	<b>\$ 49,448,621</b>

## CITY OF DANBURY, CONNECTICUT

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

	General	Continuing Education	Combined
<b>REVENUES</b>			
Property taxes	\$ 168,088,383	\$ -	\$ 168,088,383
State and federal governments	47,293,595	-	47,293,595
Licenses and permits	3,639,454	-	3,639,454
Charges for services	3,755,762	1,599,121	5,354,883
Fines and penalties	1,385,509	-	1,385,509
Investment income	139,318	-	139,318
<b>Total revenues</b>	<b>224,302,021</b>	<b>1,599,121</b>	<b>225,901,142</b>
<b>EXPENDITURES</b>			
Current:			
General government	8,724,776	-	8,724,776
Public safety	29,704,609	-	29,704,609
Public works	8,765,595	-	8,765,595
Health and welfare	3,645,443	-	3,645,443
Culture and recreation	2,530,195	-	2,530,195
Education	128,013,753	1,936,028	129,949,781
Pension and other employee benefits	26,447,785	-	26,447,785
Debt service:			
Principal retirements	10,181,600	-	10,181,600
Interest and other charges	5,610,243	-	5,610,243
Capital outlay	1,002,754	-	1,002,754
<b>Total expenditures</b>	<b>224,626,753</b>	<b>1,936,028</b>	<b>226,562,781</b>
<b>Revenues over (under) expenditures</b>	<b>(324,732)</b>	<b>(336,907)</b>	<b>(661,639)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	245,814	-	245,814
Transfers out	(1,158,428)	-	(1,158,428)
Issuance of refunding bonds	13,264,000	-	13,264,000
Payment to escrow agent	(15,101,113)	-	(15,101,113)
Premium on bonds	3,510,677	-	3,510,677
<b>Total other financing sources (uses)</b>	<b>760,950</b>	<b>-</b>	<b>760,950</b>
<b>Net change in fund balances</b>	<b>436,218</b>	<b>(336,907)</b>	<b>99,311</b>
<b>FUND BALANCES, beginning</b>	<b>26,358,582</b>	<b>1,834,963</b>	<b>28,193,545</b>
<b>FUND BALANCES, ending</b>	<b>\$ 26,794,800</b>	<b>\$ 1,498,056</b>	<b>\$ 28,292,856</b>

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CITY OF DANBURY, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
GENERAL FUND

For the Year Ended June 30, 2012

Grand List Year	Taxes Receivable July 1, 2011	Current Levy	Lawful Corrections	Transfers to Suspense	Balance to be Collected
2010	\$ -	\$ 169,828,343	\$ (1,557,215)	\$ -	\$ 168,271,128
2009	2,023,921	-	248,807	-	2,272,728
2008	782,375	-	(23,448)	-	758,927
2007	637,345	-	(18,243)	-	619,102
2006	516,195	-	(9,561)	-	506,634
2005	475,202	-	(10,376)	-	464,826
2004	515,849	-	(12,892)	-	502,957
2003	489,650	-	(12,332)	-	477,318
2002	405,038	-	(10,489)	(312,272)	82,277
2001	69,257	-	(7,762)	-	61,495
2000	66,478	-	-	-	66,478
1999	62,145	-	-	-	62,145
1998	37,614	-	-	-	37,614
1997	3,290	-	-	-	3,290
1996	3,250	-	-	-	3,250
1995	52	-	(52)	-	-
	6,087,661	169,828,343	(1,413,563)	(312,272)	174,190,169
Less allowance:	(1,500,000)	-	-	-	(1,500,000)
	<u>\$ 4,587,661</u>	<u>\$ 169,828,343</u>	<u>\$ (1,413,563)</u>	<u>\$ (312,272)</u>	<u>\$ 172,690,169</u>

Taxes	Interest	Lien Fees	Total	Taxes Receivable June 30, 2012
\$ 166,103,116	\$ 670,213	\$ 9,767	\$ 166,783,096	\$ 2,168,012
1,619,163	315,761	9,244	1,944,168	653,565
140,092	55,888	602	196,582	618,835
53,049	31,799	313	85,161	566,053
30,002	31,198	120	61,320	476,632
27,862	23,227	72	51,161	436,964
12,758	15,933	72	28,763	490,199
11,461	16,791	-	28,252	465,857
8,938	14,525	-	23,463	73,339
-	12,706	-	12,706	61,495
119	7,346	-	7,465	66,359
336	12,253	-	12,589	61,809
78	10,537	24	10,639	37,536
-	743	-	743	3,290
-	11,018	-	11,018	3,250
-	-	-	-	-
168,006,974	1,229,938	20,214	169,257,126	6,183,195
-	-	-	-	(1,500,000)
<u>\$ 168,006,974</u>	<u>\$ 1,229,938</u>	<u>\$ 20,214</u>	<u>\$ 169,257,126</u>	<u>\$ 4,683,195</u>

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**Statistical Section**

## ***Statistical Section***

This part of the City of Danbury, 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.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

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CITY OF DANBURY, CONNECTICUT

**Net Assets By Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year (\$ in 000's)			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 103,874	\$ 105,468	\$ 115,002	\$ 136,424
Restricted	1,477	1,477	1,519	1,394
Unrestricted	11,463	6,619	17,675	15,317
<b>Total governmental activities     net assets</b>	<b>\$ 116,814</b>	<b>\$ 113,564</b>	<b>\$ 134,196</b>	<b>\$ 153,135</b>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 95,715	\$ 87,726	\$ 100,416	\$ 101,952
Unrestricted	(1,945)	6,477	(123)	7,619
<b>Total business-type activities     net assets</b>	<b>\$ 93,770</b>	<b>\$ 94,203</b>	<b>\$ 100,293</b>	<b>\$ 109,571</b>
Primary government:				
Invested in capital assets, net of related debt	\$ 199,589	\$ 193,194	\$ 215,418	\$ 238,376
Restricted	1,477	1,477	1,519	1,394
Unrestricted	9,518	13,096	17,552	22,936
<b>Total primary government     net assets</b>	<b>\$ 210,584</b>	<b>\$ 207,767</b>	<b>\$ 234,489</b>	<b>\$ 262,706</b>

Source: City CAFR.

Fiscal Year (\$ in 000's)					
2007	2008	2009	2010	2011	2012
\$ 140,826	\$ 140,361	\$ 139,376	\$ 144,512	\$ 145,411	\$ 147,295
1,399	1,394	1,514	1,531	1,346	791
21,605	13,679	11,197	406	(2,641)	(5,363)
<b>\$ 163,830</b>	<b>\$ 155,434</b>	<b>\$ 152,087</b>	<b>\$ 146,449</b>	<b>\$ 144,116</b>	<b>\$ 142,723</b>
\$ 101,853	\$ 110,836	\$ 115,046	\$ 116,105	\$ 121,771	\$ 123,938
15,525	14,693	13,239	16,469	17,880	19,171
<b>\$ 117,378</b>	<b>\$ 125,529</b>	<b>\$ 128,285</b>	<b>\$ 132,574</b>	<b>\$ 139,651</b>	<b>\$ 143,109</b>
\$ 242,679	\$ 251,197	\$ 254,422	\$ 260,617	\$ 267,182	\$ 271,233
1,399	1,394	1,514	1,531	1,346	791
37,130	28,372	24,436	16,875	15,239	13,808
<b>\$ 281,208</b>	<b>\$ 280,963</b>	<b>\$ 280,372</b>	<b>\$ 279,023</b>	<b>\$ 283,767</b>	<b>\$ 285,832</b>

CITY OF DANBURY, CONNECTICUT

**Changes In Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General Government	\$ 10,942,508	\$ 8,809,222	\$ 12,498,553	\$ 12,816,880	\$ 12,302,755
Public Safety	33,710,512	36,648,212	37,382,960	39,411,913	41,643,491
Public Works	10,178,026	9,290,186	11,246,585	12,292,573	14,733,747
Health and welfare	5,281,532	4,884,608	5,734,941	6,143,955	4,431,065
Culture and Recreation	5,662,056	5,085,626	4,516,159	4,425,455	4,924,517
Education	104,143,757	109,575,356	114,075,223	123,823,970	122,426,721
Other	746,206	1,117,770	1,632,640	1,004,811	39,999
Interest on long-term debt	2,664,230	3,183,369	3,696,603	3,100,300	3,086,056
<b>Total governmental activities expenses</b>	<b>173,328,827</b>	<b>178,594,349</b>	<b>190,783,664</b>	<b>203,019,857</b>	<b>203,588,351</b>
Business-type activities:					
Sewer	7,679,746	7,932,356	8,475,896	8,408,066	8,651,216
Water	5,452,025	5,685,209	5,542,891	5,832,384	6,424,495
Ambulance	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>13,131,771</b>	<b>13,617,565</b>	<b>14,018,787</b>	<b>14,240,450</b>	<b>15,075,711</b>
<b>Total primary government expenses</b>	<b>186,460,598</b>	<b>192,211,914</b>	<b>204,802,451</b>	<b>217,260,307</b>	<b>218,664,062</b>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	7,347,101	7,331,519	8,679,296	10,069,734	9,237,329
Public safety	96,414	169,473	146,526	403,675	358,545
Public works	-	-	-	-	-
Health and welfare	1,283,469	3,358,228	3,610,813	3,619,202	2,295,664
Culture and Recreation	19,580	-	-	-	-
Education	5,108,799	5,153,043	5,281,664	8,950,343	9,250,052
Other	-	49,525	148,575	148,575	148,575
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:					
General Government	1,011,704	1,177,337	1,439,858	747,267	1,040,448
Public safety	290,982	761,254	243,419	492,472	240,056
Public works	283,586	176,203	398,753	4,884,441	3,428,076
Health and welfare	1,062,837	996,196	894,121	671,172	710,770
Culture and Recreation	381,184	192,262	280,916	388,621	384,633
Education	32,904,861	33,106,479	38,480,093	33,844,639	36,347,683
Capital grants and contributions:					
General government	512,983	437,775	528,074	333,950	404,946
Public safety	21,421	60,564	-	-	-
Public works	275,908	1,261,190	1,124,567	-	-
Health and welfare	-	7,563,300	4,440,124	404,713	-
Culture and recreation	-	-	-	-	397,674
Education	1,078,385	1,719,813	-	17,632,102	2,765,187
<b>Total governmental activities program revenue</b>	<b>51,679,214</b>	<b>63,514,161</b>	<b>65,696,799</b>	<b>82,590,906</b>	<b>67,009,638</b>

Source: City CAFR.

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type activities:					
Charges for services:					
Sewer	7,197,995	8,013,875	10,209,355	10,489,592	11,865,132
Water	4,280,950	5,254,670	6,724,942	9,409,315	8,235,807
Ambulance	-	-	-	-	-
Operating grants and contributions:					
Sewer	631,320	-	-	-	-
Water	179,215	-	-	-	-
Ambulance	-	-	-	-	-
Capital grants and contributions:					
Sewer	756,051	200,952	910,945	1,565,618	408,090
Water	1,126,556	184,604	1,768,890	1,336,408	1,676,546
Ambulance	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>14,172,087</b>	<b>13,654,101</b>	<b>19,614,132</b>	<b>22,800,933</b>	<b>22,185,575</b>
<b>Total primary government program revenues</b>	<b>65,851,301</b>	<b>77,168,262</b>	<b>85,310,931</b>	<b>105,391,839</b>	<b>89,195,213</b>
Net (expense) revenue:					
Governmental activities	(121,649,613)	(115,080,188)	(125,086,865)	(120,428,951)	(136,578,713)
Business-type activities	1,040,316	36,536	5,595,345	8,560,483	7,109,864
<b>Total primary government net expense</b>	<b>(120,609,297)</b>	<b>(115,043,652)</b>	<b>(119,491,520)</b>	<b>(111,868,468)</b>	<b>(129,468,849)</b>
General revenues and other changes in net assets:					
Governmental activities:					
Property taxes	115,197,914	119,765,722	127,888,936	129,588,158	136,344,851
Grants and contributions not restricted to specific programs	7,726,595	6,993,752	16,494,459	7,496,197	7,541,729
Investment earnings	249,626	437,402	1,335,962	2,283,695	3,387,158
Transfers and special items	-	-	-	-	-
Gain (loss) on disposal of capital assets	(82,470)	(955,327)	-	-	-
<b>Total governmental activities</b>	<b>123,091,665</b>	<b>126,241,549</b>	<b>145,719,357</b>	<b>139,368,050</b>	<b>147,273,738</b>
Business-type activities:					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	411,795	396,771	494,876	716,765	697,346
Transfers and special items	-	-	-	-	-
<b>Total business-type activities</b>	<b>411,795</b>	<b>396,771</b>	<b>494,876</b>	<b>716,765</b>	<b>697,346</b>
<b>Total primary government</b>	<b>123,503,460</b>	<b>126,638,320</b>	<b>146,214,233</b>	<b>140,084,815</b>	<b>147,971,084</b>
Changes in net assets:					
Governmental activities	1,442,052	11,161,361	20,632,492	18,939,099	10,695,025
Business-type activities	1,452,111	433,307	6,090,221	9,277,248	7,807,210
<b>Total primary government</b>	<b>\$ 2,894,163</b>	<b>\$ 11,594,668</b>	<b>\$ 26,722,713</b>	<b>\$ 28,216,347</b>	<b>\$ 18,502,235</b>

CITY OF DANBURY, CONNECTICUT

Changes In Net Assets, Continued  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses:					
Governmental activities:					
General Government	\$ 13,961,569	\$ 18,306,617	\$ 16,731,874	\$ 15,560,719	\$ 17,961,072
Public Safety	48,028,046	44,778,282	50,989,593	51,277,982	51,989,164
Public Works	21,667,733	15,983,893	15,466,697	12,542,786	18,237,392
Health and welfare	6,179,952	5,058,556	6,134,629	6,673,789	6,085,420
Culture and Recreation	5,490,443	5,090,569	4,543,054	5,265,959	4,559,420
Education	139,538,575	150,405,010	148,223,024	152,260,059	157,904,768
Other	-	-	-	-	-
Interest on long-term debt	5,117,557	4,493,919	4,981,825	4,034,874	5,068,939
<b>Total governmental activities expenses</b>	<b>239,983,875</b>	<b>244,116,846</b>	<b>247,070,696</b>	<b>247,616,168</b>	<b>261,806,175</b>
Business-type activities:					
Sewer	9,792,295	10,133,342	9,804,007	10,217,270	9,576,983
Water	7,158,381	6,936,874	7,256,572	7,227,801	7,547,425
Ambulance	-	-	-	2,160,183	2,405,558
<b>Total business-type activities expenses</b>	<b>16,950,676</b>	<b>17,070,216</b>	<b>17,060,579</b>	<b>19,605,254</b>	<b>19,529,966</b>
<b>Total primary government expenses</b>	<b>256,934,551</b>	<b>261,187,062</b>	<b>264,131,275</b>	<b>267,221,422</b>	<b>281,336,141</b>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	8,119,461	5,921,367	6,924,945	6,305,828	6,758,805
Public safety	387,935	4,098,282	4,984,991	2,155,953	1,662,355
Public works	56,745	6,500	35,493	-	335,333
Health and welfare	2,355,045	21,088	177,406	306,655	262,310
Culture and Recreation	-	-	535,290	587,821	244,814
Education	3,009,421	4,007,877	2,994,188	3,203,327	3,109,961
Other	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:					
General Government	1,900,287	2,848,423	26,357	337,432	344,075
Public safety	589,436	527,560	51,506	24,417	40,829
Public works	4,209,442	5,736,165	4,229,397	2,000,690	814,078
Health and welfare	2,729,216	2,498,581	2,276,254	2,218,365	2,870,990
Culture and Recreation	225,828	320,543	10,315	25,880	77,574
Education	55,236,978	50,652,171	52,317,234	57,893,469	59,948,916
Capital grants and contributions:					
General government	450,010	1,100,972	1,280,153	298,393	-
Public safety	-	-	1,230,962	119,968	37,018
Public works	117,199	13,952	1,070,163	204,477	6,540,027
Health and welfare	-	-	595,157	659,717	884,114
Culture and recreation	-	557	-	-	-
Education	1,039,640	143,125	4,451	-	218,407
<b>Total governmental activities program revenue</b>	<b>80,426,643</b>	<b>77,897,163</b>	<b>78,744,262</b>	<b>76,342,392</b>	<b>84,149,606</b>

Source: City CAFR.

	Fiscal Year				
	2008	2009	2010	2011	2012
Business-type activities:					
Charges for services:					
Sewer	9,888,001	10,493,329	12,113,299	11,352,842	<b>11,692,618</b>
Water	8,344,079	8,104,719	7,757,354	8,842,620	<b>7,795,700</b>
Ambulance	-	-	-	2,839,726	<b>2,761,382</b>
Operating grants and contributions:					
Sewer	-	-	-	-	-
Water	-	-	-	-	-
Ambulance	-	-	-	-	-
Capital grants and contributions:					
Sewer	1,466,330	296,344	476,174	359,239	<b>238,600</b>
Water	4,689,422	338,795	403,578	826,885	<b>246,230</b>
Ambulance	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>24,387,832</b>	<b>19,233,187</b>	<b>20,750,405</b>	<b>24,221,312</b>	<b>22,734,530</b>
<b>Total primary government program revenues</b>	<b>104,814,475</b>	<b>97,130,350</b>	<b>99,494,667</b>	<b>100,563,704</b>	<b>106,884,136</b>
Net (expense) revenue:					
Governmental activities	(159,557,232)	(166,219,683)	(168,326,434)	(171,273,776)	<b>(177,656,569)</b>
Business-type activities	7,437,156	2,162,971	3,689,826	4,616,058	3,204,564
<b>Total primary government net expense</b>	<b>(152,120,076)</b>	<b>(164,056,712)</b>	<b>(164,636,608)</b>	<b>(166,657,718)</b>	<b>(174,452,005)</b>
General revenues and other changes in net assets:					
Governmental activities:					
Property taxes	140,195,658	153,095,763	154,691,223	162,128,659	<b>168,129,234</b>
Grants and contributions not restricted to specific programs	7,205,184	8,498,315	7,597,755	7,425,633	<b>7,477,670</b>
Investment earnings	3,760,101	1,963,063	399,378	199,345	<b>410,250</b>
Transfers and special items	-	-	-	(1,964,339)	<b>245,814</b>
Gain (loss) on disposal of capital assets	-	-	-	1,151,408	-
<b>Total governmental activities</b>	<b>151,160,943</b>	<b>163,557,141</b>	<b>162,688,356</b>	<b>168,940,706</b>	<b>176,262,968</b>
Business-type activities:					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	714,594	592,627	598,687	496,851	<b>500,123</b>
Transfers and special items	-	-	-	1,964,339	<b>(245,814)</b>
<b>Total business-type activities</b>	<b>714,594</b>	<b>592,627</b>	<b>598,687</b>	<b>2,461,190</b>	<b>254,309</b>
<b>Total primary government</b>	<b>151,875,537</b>	<b>164,149,768</b>	<b>163,287,043</b>	<b>171,401,896</b>	<b>176,517,277</b>
Changes in net assets:					
Governmental activities	(8,396,289)	(2,662,542)	(5,638,078)	(2,333,070)	<b>(1,393,601)</b>
Business-type activities	8,151,750	2,755,598	4,288,513	7,077,248	<b>3,458,873</b>
<b>Total primary government</b>	<b>\$ (244,539)</b>	<b>\$ 93,056</b>	<b>\$ (1,349,565)</b>	<b>\$ 4,744,178</b>	<b>\$ 2,065,272</b>

CITY OF DANBURY, CONNECTICUT

**Program Revenues by Function/Program  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

Function / Program	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
General Government	\$ 8,871,788	\$ 8,946,631	\$ 10,647,228	\$ 11,150,951	\$ 10,682,723
Public safety	408,817	991,291	389,945	896,147	598,601
Public works	559,494	1,437,393	1,523,320	4,884,441	3,428,076
Health and welfare	2,346,306	4,354,424	4,504,934	4,290,374	3,006,434
Culture and Recreation	400,764	7,755,562	4,721,040	793,334	782,307
Education	39,092,045	39,979,335	43,761,757	60,427,084	48,362,922
Other	-	49,525	148,575	148,575	148,575
<b>Total governmental activities</b>	<b>51,679,214</b>	<b>63,514,161</b>	<b>65,696,799</b>	<b>82,590,906</b>	<b>67,009,638</b>
Business-type activities:					
Water	5,586,721	5,439,274	8,493,832	10,745,723	9,912,353
Sewer	8,585,366	8,214,827	11,120,300	12,055,210	12,273,222
Ambulance	-	-	-	-	-
<b>Total business-type activities</b>	<b>14,172,087</b>	<b>13,654,101</b>	<b>19,614,132</b>	<b>22,800,933</b>	<b>22,185,575</b>
<b>Total government</b>	<b>\$ 65,851,301</b>	<b>\$ 77,168,262</b>	<b>\$ 85,310,931</b>	<b>\$ 105,391,839</b>	<b>\$ 89,195,213</b>

Source: City CAFR.

		Fiscal Year							
		2008	2009	2010	2011	2012			
\$	10,469,758	\$	11,211,707	\$	8,231,455	\$	6,941,653	\$	<b>7,102,880</b>
	977,371		806,897		6,267,459		2,300,338		<b>1,740,202</b>
	4,383,386		5,756,617		5,335,053		2,205,167		<b>7,689,438</b>
	5,084,261		4,997,669		3,048,817		3,184,737		<b>4,017,414</b>
	225,828		321,100		545,605		613,701		<b>322,388</b>
	59,286,039		54,803,173		55,315,873		61,096,796		<b>63,277,284</b>
	-		-		-		-		-
	80,426,643		77,897,163		78,744,262		76,342,392		<b>84,149,606</b>
	13,033,501		8,443,514		8,160,932		9,669,505		<b>8,041,930</b>
	11,354,331		10,789,673		12,589,473		11,712,081		<b>11,931,218</b>
	-		-		-		2,839,726		<b>2,761,382</b>
	24,387,832		19,233,187		20,750,405		24,221,312		<b>22,734,530</b>
\$	104,814,475	\$	97,130,350	\$	99,494,667	\$	100,563,704	\$	<b>106,884,136</b>

CITY OF DANBURY, CONNECTICUT

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

	Fiscal Year			
	2003	2004	2005	2006
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved/designated	1,576,475	1,080,103	1,697,289	1,348,297
Unreserved/undesignated	11,216,189	11,761,929	18,228,923	22,959,075
<b>Total General Fund</b>	<b>\$ 12,792,664</b>	<b>\$ 12,842,032</b>	<b>\$ 19,926,212</b>	<b>\$ 24,307,372</b>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,220,289	7,967,863	3,041,123	17,235,283
Unreserved, reported in:				
Special revenue funds	1,642,245	1,364,284	2,229,784	1,174,142
Capital projects funds	(4,837,798)	(6,796,180)	(3,958,989)	(19,904,624)
Permanent fund	54,189	20,050	41,834	210,205
<b>Total all other government funds</b>	<b>\$ 1,078,925</b>	<b>\$ 2,556,017</b>	<b>\$ 1,353,752</b>	<b>\$ (1,284,994)</b>

Note: GASB 54 was implemented in fiscal year 2011.

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ -	\$ -	\$ -	\$ -	\$ 77,934	\$ 597,231	
-	-	-	-	-	-	
-	-	-	-	515,990	<b>709,030</b>	
-	-	-	-	6,136,974	<b>4,845,847</b>	
-	-	-	-	21,462,697	<b>22,140,748</b>	
6,915,844	5,205,086	5,390,780	4,153,536	-	-	
21,403,829	21,776,017	20,919,615	21,250,848	-	-	
<b>\$ 28,319,673</b>	<b>\$ 26,981,103</b>	<b>\$ 26,310,395</b>	<b>\$ 25,404,384</b>	<b>\$ 28,193,595</b>	<b>\$ 28,292,856</b>	
\$ -	\$ -	\$ -	\$ -	\$ 1,546,569	\$ 1,545,104	
-	-	-	-	1,346,288	<b>790,706</b>	
-	-	-	-	13,750,780	<b>13,395,650</b>	
-	-	-	-	90,380	<b>108,912</b>	
-	-	-	-	(5,695,230)	<b>(9,626,807)</b>	
50,395,006	26,264,651	9,520,697	6,669,414	-	-	
2,981,388	(1,530,426)	(458,213)	(190,068)	-	-	
(46,859,686)	(32,563,480)	(28,388,175)	(10,391,909)	-	-	
286,374	350,742	253,618	159,187	-	-	
<b>\$ 6,803,082</b>	<b>\$ (7,478,513)</b>	<b>\$ (19,072,073)</b>	<b>\$ (3,753,376)</b>	<b>\$ 11,038,787</b>	<b>\$ 6,213,565</b>	

CITY OF DANBURY, CONNECTICUT

**Changes In Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues:</b>				
Property taxes, interest and liens, net	\$ 114,944,665	\$ 119,645,762	\$ 128,472,290	\$ 128,855,805
Intergovernmental	47,651,256	50,623,295	54,169,459	69,473,699
Licenses and permits	2,563,553	4,060,155	5,409,824	6,119,885
Charges for services	8,767,480	7,716,872	8,406,607	9,130,663
Fines and penalties	1,004,335	1,210,448	984,552	1,222,113
Interest and dividends	274,676	467,277	1,368,920	2,357,383
Contributions	587,040	625,528	497,721	752,385
Installment sale proceeds	-	-	2,625,000	2,625,000
<b>Total revenues</b>	<b>175,793,005</b>	<b>184,349,337</b>	<b>201,934,373</b>	<b>220,536,933</b>
<b>Expenditures:</b>				
General Government	8,409,966	8,780,297	8,796,865	8,772,110
Public safety	23,346,273	23,288,592	23,268,264	26,673,001
Public works	6,200,904	7,411,398	7,698,331	8,139,775
Health and welfare	1,449,139	6,786,471	6,325,270	5,928,717
Culture and Recreation	3,933,541	4,146,224	3,903,134	3,160,072
State & Federal Programs	19,512,783	-	-	-
Education	83,887,723	106,145,585	114,626,317	121,160,848
Pension and Other Employee Benefits	15,529,121	17,506,130	19,073,801	18,596,490
General and administrative	-	-	-	-
Capital outlay	12,932,783	6,318,802	15,122,696	34,966,659
Other	2,248,533	1,560,649	896,108	-
<b>Debt service:</b>				
Principal	5,124,462	5,074,461	6,322,511	5,600,612
Interest and other charges	2,668,995	2,219,285	2,877,558	2,668,668
<b>Total expenditures</b>	<b>185,244,223</b>	<b>189,237,894</b>	<b>208,910,855</b>	<b>235,666,952</b>
<b>Excess of revenues (under) expenditures</b>	<b>(9,451,218)</b>	<b>(4,888,557)</b>	<b>(6,976,482)</b>	<b>(15,130,019)</b>
<b>Other financing sources (uses):</b>				
Transfers in	1,027,836	1,412,879	682,468	713,880
Transfers out	(1,027,836)	(1,412,879)	(682,468)	(713,880)
Issuance of long-term debt	-	-	3,615,000	15,888,000
Issuance of bond anticipation notes	12,320,000	4,220,000	10,202,000	10,202,000
Issuance of refunding bond	-	-	-	-
Repayment of bond anticipation notes	-	-	(3,615,000)	(10,202,000)
Proceeds of refunding bonds	1,190,000	14,048,000	-	-
Payment to refunded bond escrow agent	(1,177,816)	(14,955,050)	-	-
Premium (discount) on long-term debt	50,527	1,188,599	-	745,035
Loan Proceeds	-	-	1,500,000	-
Lease Financing	2,023,824	1,913,468	1,156,397	239,398
Proceeds from sale of property	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>14,406,535</b>	<b>6,415,017</b>	<b>12,858,397</b>	<b>16,872,433</b>
<b>Net changes in fund balance</b>	<b>\$ 4,955,317</b>	<b>\$ 1,526,460</b>	<b>\$ 5,881,915</b>	<b>\$ 1,742,414</b>
<b>Debt service as a percentage of noncapital expenditures</b>				
	<b>4.7%</b>	<b>4.2%</b>	<b>5.0%</b>	<b>4.3%</b>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 133,943,860	\$ 139,210,955	\$ 152,551,430	\$ 154,994,853	\$ 162,068,724	\$ 168,088,383
60,140,780	70,240,583	72,956,073	74,234,415	71,682,473	75,461,328
4,921,896	3,908,131	3,342,587	2,482,279	3,276,294	3,654,189
9,236,606	11,850,608	10,020,317	11,366,970	7,166,540	7,333,880
1,330,121	1,325,037	1,186,314	1,350,435	1,433,856	1,385,509
3,483,454	3,838,758	1,963,063	399,378	199,345	410,250
514,844	842,558	668,610	452,629	682,894	1,080,738
2,625,000	-	-	-	-	-
216,196,561	231,216,630	242,688,394	245,280,959	246,510,126	257,414,277
9,248,019	10,824,635	10,438,371	11,909,178	9,789,978	9,483,182
27,493,478	30,778,325	31,042,636	31,903,678	29,948,769	30,012,488
8,383,455	12,704,006	11,085,499	9,681,536	9,043,532	12,902,841
4,153,905	6,214,422	5,978,317	5,523,773	5,174,304	5,111,086
3,206,707	3,296,714	3,276,915	3,117,477	2,931,754	2,652,403
-	-	-	-	-	-
126,004,516	137,525,529	142,973,626	144,554,555	147,159,602	153,438,299
16,970,377	19,662,590	19,822,162	22,541,813	25,755,047	26,447,785
-	-	-	-	-	-
27,775,383	42,901,902	36,615,116	12,408,898	14,647,171	15,864,404
-	-	-	-	-	-
5,767,350	6,599,850	7,810,350	8,671,800	8,413,350	10,181,600
3,136,734	3,855,922	4,497,286	5,159,630	5,011,122	5,610,243
232,139,924	274,363,895	273,540,278	255,472,338	257,874,629	271,704,331
(15,943,363)	(43,147,265)	(30,851,884)	(10,191,379)	(11,364,503)	(14,290,054)
2,237,551	721,184	744,048	919,361	1,208,452	1,404,242
(2,237,551)	(721,184)	(744,048)	(919,361)	(3,066,904)	(1,158,428)
18,302,000	-	17,599,450	18,393,000	21,705,000	17,552,320
24,357,500	17,026,950	15,963,762	18,370,983	12,407,555	-
-	-	-	32,684,000	-	13,264,000
(15,650,000)	(18,302,000)	(17,026,950)	(15,271,762)	(18,370,983)	(12,407,555)
-	23,480,000	-	-	-	-
-	-	-	(37,696,163)	-	(15,101,113)
313,112	288,200	1,120,847	6,656,563	831,290	3,510,677
-	-	-	-	-	-
721,128	5,033,950	930,507	1,467,444	12,157,717	2,500,000
-	-	-	-	2,073,700	-
28,043,740	27,527,100	18,587,616	24,604,065	28,945,827	9,564,143
\$ 12,100,377	\$ (15,620,165)	\$ (12,264,268)	\$ 14,412,686	\$ 17,581,324	\$ (4,725,911)
4.6%	4.7%	5.5%	6.0%	5.8%	6.6%

**CITY OF DANBURY, CONNECTICUT**

**Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

Fiscal Year	Real Estate	Motor Vehicle	Personal Property	Total
2003	\$ 95,831,867	\$ 10,742,408	\$ 8,551,789	\$ 115,126,064
2004	100,768,923	10,993,511	8,931,597	120,694,031
2005	109,455,785	11,064,635	8,230,210	128,750,630
2006	110,475,760	11,038,162	8,120,338	129,634,260
2007	114,768,625	11,040,846	7,918,381	133,727,852
2008	118,834,061	10,472,507	8,186,224	137,492,792
2009	133,553,703	10,877,428	8,101,765	152,532,896
2010	136,584,472	10,624,865	8,381,956	155,591,293
2011	145,682,176	10,308,334	8,241,554	164,232,064
<b>2012</b>	<b>150,443,539</b>	<b>9,777,151</b>	<b>8,183,228</b>	<b>168,403,918</b>
Change 2003-2012	57%	(9)%	(4)%	46%

**Source:** City records.

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**CITY OF DANBURY, CONNECTICUT**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Tax Exempt Real Property
	Residential	Commercial	Industrial & Land			
2003 (2)	3,590,719,900	1,136,582,300	327,580,400	406,367,200	410,011,140	743,859,000
2004	3,631,180,100	1,138,373,800	324,237,000	405,301,250	403,689,340	749,862,000
2005	3,731,235,000	1,139,387,400	330,922,000	411,673,390	442,169,035	800,270,200
2006	3,858,748,400	1,145,300,700	326,926,100	424,384,450	455,120,050	828,201,900
2007	3,956,466,400	1,160,245,310	339,218,920	453,090,190	450,926,980	871,186,910
2008 (2)	5,493,359,500	1,757,737,900	418,466,900	485,758,650	461,795,235	1,431,396,500
2009	5,575,388,700	1,723,189,090	444,078,300	536,218,350	440,615,700	1,432,149,830
2010	5,657,769,200	1,630,885,530	472,277,200	551,271,380	437,633,299	1,459,079,340
2011	5,597,762,400	1,714,902,920	441,753,900	535,429,920	455,281,381	1,479,813,080
2012	<b>5,622,107,300</b>	<b>1,672,623,980</b>	<b>465,564,800</b>	<b>564,055,800</b>	<b>480,366,418</b>	<b>1,492,203,120</b>

**Source:** City Records

**Note:** The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. There are no overlapping governments that collect property taxes from City residents.

- (1) The General Statutes of Connecticut §12-62a establishes as uniform assessment percentage of 70% of the actual assessed value.
- (2) State Mandated Citywide Property Revaluation required every 5 years, for the Grand List dates 10/1/02, 10/1/07, and 10/1/12 which becomes effective for the following fiscal year.

---

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
5,871,260,940	25.95%	24.29	8,387,515,629	70.00%
5,902,781,490	0.54%	24.86	8,432,544,986	70.00%
6,055,386,825	2.59%	23.03	8,650,552,607	70.00%
6,210,479,700	2.56%	22.05	8,872,113,857	70.00%
6,359,947,800	2.41%	22.20	9,085,639,714	70.00%
8,617,118,185	35.49%	21.35	12,310,168,836	70.00%
8,719,490,140	1.19%	21.66	12,456,414,486	70.00%
8,749,836,609	0.35%	20.96	12,499,766,584	70.00%
8,745,130,521	-0.05%	21.69	12,493,043,601	70.00%
8,804,718,298	<b>0.68%</b>	<b>22.45</b>	12,578,168,997	70.00%

CITY OF DANBURY, CONNECTICUT

Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Danbury Mall Associates	\$ 226,689,880	1	2.89%	\$ 114,173,000	2	2.50%
Boehringer-Ingelheim	65,461,990	2	0.83	27,996,490	4	0.62
Avalonbay Communities, Inc.	56,113,580	3	0.72	25,921,600	7	0.57
Connecticut Light & Power	53,630,530	4	0.68	27,409,400	5	0.60
Gera Danbury LLC	53,545,520	5	0.68	164,018,700	1	3.60
Melvyn, Mary & Seymour Powers						
Danbury Industrial Corp & MMP Realty	44,389,380	6	0.57	27,083,500	6	0.60
Building 45 Eagle LLC	41,426,540	7	0.53	-	N/A	-
Hawley, Ervie, Germantown Plaza Assoc. & Germantown Medical Center	36,276,600	8	0.46	21,874,500	8	0.48
Urstadt Biddle Properties, Inc.	33,842,280	9	0.43	-	N/A	-
83 Wooster Heights, LLC	25,155,850	10	0.32	-	N/A	-
<b>Total</b>	<u>\$ 636,532,150</u>		<u>8.11%</u>	<u>\$ 408,477,190</u>		<u>8.97%</u>

Source: City Records

**CITY OF DANBURY, CONNECTICUT**

**Property Tax Levies And Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2001	\$ 115,150,456	\$ 113,192,898	98.30%	\$ 1,591,905	\$ 114,784,803	99.68%
2004	2002	118,824,972	117,993,198	99.30%	733,792	118,726,990	99.92%
2005	2003	128,446,048	126,519,357	98.50%	1,430,228	127,949,585	99.61%
2006	2004	128,951,428	127,017,517	98.50%	1,394,495	128,412,012	99.58%
2007	2005	134,112,457	132,134,830	98.53%	1,477,246	133,612,076	99.63%
2008	2006	138,522,443	137,492,791	99.26%	480,390	137,973,181	99.60%
2009	2007	152,748,437	150,822,781	98.74%	1,207,232	152,030,013	99.53%
2010	2008	155,630,690	153,187,028	98.43%	1,454,996	154,642,024	99.36%
2011	2009	164,232,064	160,414,022	97.68%	1,370,355	161,784,377	98.51%
<b>2012</b>	<b>2010</b>	<b>168,403,918</b>	<b>166,361,471</b>	<b>98.79%</b>	-	166,361,471	98.79%

**Source:** City of Danbury Tax Records

CITY OF DANBURY, CONNECTICUT

**Ratios of General Bonded Debt Outstanding by Type  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Total Debt Per Capita <sup>(3)</sup>
	Net Bonded Debt	Capital <sup>(1)</sup> Leases	Ratio of Net Bonded Debt to Est. Actual Taxable Value	Debt Per Capita	CWF <sup>(2)</sup> Notes Payable	General Obligation Bonds			
2003	\$ 50,009,500	\$ 3,624,928	0.77%	701	\$ 25,965,223	\$ 23,315,000	\$ 102,914,651	5.49%	1,345
2004	58,126,800	3,496,381	0.83%	796	23,345,842	21,873,200	106,842,223	5.63%	1,380
2005	56,009,450	3,451,078	0.75%	768	20,726,460	21,595,400	101,782,388	5.36%	1,314
2006	60,967,100	2,574,247	0.76%	815	18,107,078	20,452,900	102,101,325	4.28%	1,309
2007	79,652,250	2,097,605	0.91%	1,038	15,487,697	26,027,750	123,265,302	4.63%	1,565
2008	96,532,400	6,063,439	1.08%	1,295	12,868,315	28,807,600	144,271,754	5.38%	1,821
2009	106,321,500	5,608,428	1.04%	1,412	10,248,933	28,868,500	151,047,361	5.67%	1,906
2010	114,147,700	5,473,861	1.12%	1,500	10,294,388	26,772,300	156,688,249	6.07%	1,965
2011	127,439,350	16,682,857	1.14%	1,782	7,583,140	25,790,650	160,813,140	6.00%	1,988
<b>2012</b>	<b>134,136,419</b>	<b>18,225,659</b>	<b>1.20%</b>	<b>1,880</b>	<b>8,190,813</b>	<b>23,608,581</b>	<b>184,161,472</b>	<b>7.07%</b>	<b>2,272</b>

**Note:** The City has no revenue bonds.

**Note:** Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

<sup>1</sup> Capital leases for the City and BOE were not added prior to June 30, 2007

<sup>2</sup> Notes Payable issued under the Clean Water Program thru the State of Connecticut, final maturity date January 31, 2014

<sup>3</sup> See the schedule of Demographic and Economic Statistic on page 141 for personal income and population data.

CITY OF DANBURY, CONNECTICUT

Direct Governmental Activities Debt  
For the Year Ended June 30, 2012  
(Unaudited)

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Governmental Unit	Debt Outstanding
General obligation debt	\$ 134,136,419
Capital leases	168,403,918
Less school construction grants receivable - principal portion only	<u>821,778</u>
<b>Total direct debt</b>	<b><u><u>301,718,559</u></u></b>

\*No overlapping debt.

**Sources:** City Records.

**Note:** The City is not subject to the debt of overlapping governments.

**Note:** School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from Office of Policy and Management, State of Connecticut.

CITY OF DANBURY, CONNECTICUT

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

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	2003	2004	2005	2006
Debt limit	\$ 813,688	\$ 852,713	\$ 900,490	\$ 902,119
Total net debt applicable to limit	61,598	91,110	86,554	77,042
Legal debt margin	752,090	761,603	813,936	825,077
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>8.19%</b>	<b>11.96%</b>	<b>10.63%</b>	<b>9.34%</b>

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	2007	2008	2009	2010	2011	2012
\$	947,064	\$ 984,120	\$ 1,077,930	\$ 1,094,883	\$ 1,144,174	\$ <b>1,184,927</b>
	71,737	73,858	86,346	93,488	109,330	<b>116,046</b>
	875,327	910,262	991,584	1,001,395	1,034,844	<b>1,068,881</b>
	8.20%	8.11%	8.71%	9.34%	10.56%	<b>10.86%</b>

CITY OF DANBURY, CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMITATION

June 30, 2012

(Unaudited)

Total tax collections (including interest and lien fees) for the year ended June 30, 2012 \$ 169,266,131

Reimbursement for revenue loss:  
Tax relief for elderly 9,166

Base \$ 169,275,297

Debt limit \$ 1,184,927,079

Debt Limitation	General Purpose	Schools	Sewer & Water	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 380,869,418	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	761,738,837	-	-	-
3-3/4 times base	-	-	634,782,364	-	-
3-1/4 times base	-	-	-	550,144,715	-
3 times base	-	-	-	-	507,825,891
<b>Total debt limitation</b>	<b>380,869,418</b>	<b>761,738,837</b>	<b>634,782,364</b>	<b>550,144,715</b>	<b>507,825,891</b>
<b>Debt as defined by statute:</b>					
Bonds payable	116,046,473	18,089,946	28,579,707	950,000	-
Bond anticipation notes payable	-	1,575,000	425,000	-	-
Capital leases	3,221,590	15,004,069	-	-	-
Bonds authorized but not issued, issue dates not yet established	14,860,845	12,844,189	8,061,354	-	-
<b>Total indebtedness</b>	<b>134,128,908</b>	<b>47,513,204</b>	<b>37,066,061</b>	<b>950,000</b>	<b>-</b>
Debt Limitation in excess of indebtedness	<u>\$ 246,740,510</u>	<u>\$ 714,225,633</u>	<u>\$ 597,716,303</u>	<u>\$ 549,194,715</u>	<u>\$ 507,825,891</u>

**Note:** Total overall statutory debt limit for the City is equal to seven times annual receipts from taxation.

**CITY OF DANBURY, CONNECTICUT**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

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Fiscal Year Ended June 30	Population (**)	Personal Income (000s)	Personal (1) Income Per Capita	Median Age	School Enrollment	Unemployment(*) Rate
2003	76,499	1,874,226	24,500	35.0	9,561	4.4%
2004	77,431	1,897,060	24,500	35.2	9,587	3.6%
2005	77,449	1,897,501	24,500	35.2	9,668	4.1%
2006	78,008	2,384,080	30,562	35.2	9,721	4.0%
2007	78,760	2,664,766	33,834	35.2	9,983	3.6%
2008	79,226	2,680,532	33,834	39.0	10,119	4.5%
2009	79,256	2,566,468	32,382	37.4	10,279	7.1%
2010	79,743	2,582,238	32,382	38.0	10,497	7.0%
2011	80,893	2,599,901	32,140	38.0	10,727	6.9%
2012	81,056	2,605,140	32,140	35.2	10,825	6.7%

**Sources:** City Records

(\*) Source: Connecticut Department of Labor, By Town, Not Seasonally Adjusted.

(\*\*) Source: U.S Census Bureau estimates

(1) 2006 - 2008 U.S. Census Bureau adjusted for inflation

**CITY OF DANBURY, CONNECTICUT**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Western Ct Health Network - Danbury	2,303	1	5.21%	2,591	1	6.72%
Boehringer-Ingelheim Pharmaceuticals	1,600	2	3.62%	676	7	1.75%
Danbury School Systems	1,542	3	3.49%	1,377	3	3.57%
Cartus (formerly Cendant Mobility)	1,353	4	3.06%	1,388	2	3.60%
GE Commercial Finance (formerly G.E. Capital)	700	5	1.58%	1,153	4	2.99%
Pitney Bowes	650	6	1.47%	750	6	1.95%
B. F. Goodrich	600	7	1.36%	565	9	1.47%
Western CT State University	579	8	1.31%	897	5	2.33%
Barden Corporation	510	9	1.15%	N/A	N/A	N/A
City of Danbury General Government	506	10	1.14%	550	10	1.43%

**Sources:** Greater Danbury Chamber of Commerce

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CITY OF DANBURY, CONNECTICUT

**Full-Time Equivalent City Government Employees By Functions/Programs  
Last Ten Fiscal Years  
(Unaudited)**

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2012	2011	2010	2009	2008
<b>Governmental Services:</b>					
City Council	-	-	-	-	-
Mayor's Office	5	6	5	6	6
Legislative Assistant	1	1	1	1	1
Registrars/Jury Committee	2	2	2	2	2
Finance/Insurance	14	15	15	15	14
Info Technology	4	4	5	5	4
Assessments	8	8	8	8	8
Tax Collector	9	10	10	10	11
Purchasing	3	3	3	3	3
Corporation Counsel (Legal)	3	3	3	3	3
Town Clerk	6	6	6	6	7
Permit Coordination	5	5	5	5	6
Building/ Civil Prep	9	9	9	9	9
Planning	6	6	6	6	6
Public Bldgs (Facilities Management)	14	15	15	15	16
Economic Development	1	-	-	-	1
Human Resources	2	2	2	2	2
<b>Recreation:</b>					
General & Administrative	2	2	2	2	2
Parks	-	-	-	-	-
<b>Police:</b>					
Officers	154	155	156	156	158
Civilians	10	10	10	10	8
<b>Fire:</b>					
Firefighters and Officers	127	128	127	127	127
Civilians	2	2	2	2	2
<b>Public Works:</b>					
Administration	2	2	2	2	6
Equipment Maintenance	7	7	7	7	7
Park Maintenance	17	18	18	18	18
Forestry	4	4	4	4	6
Street Sweeping, Snow Removal	21	21	21	21	22
Street Maintenance & Lighting	21	22	21	21	21
Traffic Control (Engineering)	3	3	3	3	3
Construction Services	3	3	3	3	-
<b>Water:</b>					
Administration	7	7	7	7	7
Transmission	21	21	20	20	21
Purification	10	10	11	11	12
Sewer Maintenance	-	-	-	-	-
Stormwater	-	-	-	-	-
<b>Other Programs/Functions:</b>					
Consumer Protection	1	1	1	1	1
UNIT	3	4	4	4	5
Engineering	10	8	9	9	10
Library	25	26	25	25	27
Health & Human Services	15	17	17	17	11
Social Services	3	3	4	4	11
Airport	5	5	5	5	5
<b>Total</b>	<b>565</b>	<b>574</b>	<b>574</b>	<b>575</b>	<b>589</b>

Source: City Records

Full-Time Equivalent Employees as of June 30					
2007	2006	2005	2004	2003	
-	1	1	1	-	-
6	6	6	6	6	6
1	1	1	1	1	2
2	2	2	2	2	2
15	15	15	14	14	18
4	4	4	4	4	5
11	11	11	10	10	10
11	11	11	11	11	11
3	3	3	3	3	4
4	4	4	4	4	4
7	7	7	7	7	8
6	6	6	4	4	-
9	9	8	10	10	12
6	7	7	7	7	10
14	14	14	14	14	16
1	1	1	-	-	-
2	2	2	3	3	4
2	2	2	4	4	4
-	-	-	22	22	22
155	155	155	154	155	155
8	6	6	6	6	6
108	109	109	108	109	109
2	2	2	2	2	2
7	6	6	5	5	5
7	7	7	7	7	7
19	19	19	-	-	-
4	4	4	-	-	-
23	23	23	23	23	25
16	15	15	15	15	15
3	3	3	3	3	3
-	-	-	-	-	-
6	5	5	5	5	5
16	16	15	16	16	15
11	11	11	12	12	12
-	-	-	-	-	-
-	-	-	-	-	-
1	-	-	-	-	-
4	1	-	-	-	-
11	12	11	11	11	12
27	28	28	28	28	30
11	13	13	13	13	14
11	10	10	10	10	10
5	4	4	4	4	4
<b>559</b>	<b>555</b>	<b>551</b>	<b>549</b>	<b>567</b>	<b>567</b>

**CITY OF DANBURY, CONNECTICUT**

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Calendar Year				
	2003	2004	2005	2006	2007
<b>Police:</b>					
Calls for service	81,354	81,374	77,500	60,970	66,418
Adult arrest	2,292	2,299	2,133	2,097	1,631
Juvenile arrest	375	397	405	426	287
Traffic citations	1,771	2,023	1,687	3,201	6,290
<b>Fire:</b>					
Total fire runs	2,851	2,792	2,753	2,111	2,339
Total rescue runs	2,781	3,068	3,183	2,414	2,730
<b>Building safety:</b>					
Total building permits	1,317	1,620	1,622	1,583	1,446
Total value all permits	\$ 67,853,574	\$ 132,045,142	\$ 166,334,991	\$ 155,415,832	\$ 187,432,339
Library, volumes in collection	113,483	111,950	112,812	114,415	111,828

**Source:** City Records

\*Through December 31, 2012.

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Calendar Year				
2008	2009	2010	2011	2012*
58,248	57,188	57,521	56,154	<b>41,175</b>
1,389	2,316	7,995	1,960	<b>1,172</b>
320	511	263	345	<b>216</b>
2,725	4,112	4,080	4,448	<b>2,868</b>
1,309	3,018	3,454	4,366	<b>2,927</b>
2,740	4,127	4,310	4,894	<b>3,864</b>
1,044	1,125	1,055	1,075	<b>948</b>
\$ 106,019,038	\$ 85,925,535	\$ 83,680,656	\$ 81,017,769	<b>\$ 156,234,998</b>
120,150	121,342	122,366	122,920	<b>121,584</b>

**CITY OF DANBURY, CONNECTICUT**

**Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Calendar Year			
	2003	2004	2005	2006
Police:				
Stations	1	1	1	1
Fire, Fire Stations (Career)	4	4	4	4
Fire Stations (Volunteer)	12	12	12	12
Public Works:				
Buildings	4	4	4	4
Streets (Miles)	235	238	238	238
Street Lights	2,768	2,768	2,768	2,768
Parks & Recreation:				
Acreage	1,326	1,326	1,326	1,326
Parks	15	15	15	15
Golf Course	1	1	1	1
Baseball/Softball Diamonds	11	13	14	13
Ice Skating Pond	1	1	1	-
Soccer/Football/Lacrosse Fields	1	4	4	6
Basketball Courts	3	3	3	2
Tennis Courts	10	10	10	10
Spray Park	-	-	-	-
Swimming pools	2	2	-	-
Volleyball Courts	-	-	-	-
Handball Courts	-	-	-	-
Parks with Playground Equipment	5	5	4	5
Picnic Shelters	1	1	1	1
Recreation Building	1	1	-	-
Banquet Hall	1	1	1	1
Band Shell	1	1	1	1
Public Buildings:				
City Buildings	11	12	12	12
Schools	17	17	17	18
Library:				
Facilities	1	1	1	1
Volumes	113,483	111,950	112,812	114,415
Water:*				
Lakes	-	-	-	-
Storage Capacity (MGPD)	2,933	2,933	2,933	2,933
Average Daily Consumption (MGPD)	7.61	7.52	7.48	7.40
Peak Consumption (MGPD)	93.78	9.57	9.71	9.70
Wastewater:				
Sanitary Sewers (miles)	123.00	124.00	128.80	132.30

**Source:** City Records

Calendar Year						
2007	2008	2009	2010	2011	2012	
1	1	1	1	1	1	1
5	5	5	5	5	5	5
12	12	12	12	12	12	12
6	6	5	5	6	6	
241	241	241	241	242	242	
2,807	2,868	2,869	2,869	2,869	2,873	
1,326	1,381	1,381	1,326	1,573	1,607	
15	15	17	13	15	15	
1	1	1	1	1	1	
13	17	15	15	19	19	
-	-	-	-	-	1	
8	11	8	8	8	8	
2	4	2	23	21	21	
10	16	10	16	16	16	
2	2	2	2	2	2	
-	-	-	-	-	-	
6	6	6	6	6	6	
-	-	2	2	2	2	
7	8	9	8	9	9	
1	1	1	1	1	1	
-	-	-	1	-	-	
1	1	1	1	1	1	
1	1	1	1	1	1	
13	14	14	14	14	14	
18	18	22	22	21	21	
1	1	1	1	1	1	
111,828	120,150	121,342	122,316	123,463	121,584	
-	-	-	-	-	-	
2,933	2,705	2,792	2,484	2,792	2,792	
7.20	6.55	6.52	6.30	6.00	6	
9.50	8.70	8.35	8.40	8.40	8	
140.00	133.95	135.36	164.00	165.00	166.00	

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