July 14, 2010

TO ALL BIDDERS

CITY OF NORWALK, CONNECTICUT

$19,420,000 GENERAL OBLIGATION BONDS, ISSUE 2010, CONSISTING OF:

$13,420,000 GENERAL OBLIGATION BONDS, ISSUE OF 2010, SERIES E*

BOOK-ENTRY-ONLY

DATED: AUGUST 1, 2010 DUE: AUGUST 1, 2013 – 2030

$6,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2010, SERIES F
(TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

BOOK-ENTRY-ONLY

DATED: AUGUST 1, 2010 DUE: AUGUST 1, 2013 – 2030

Enclosed are the City of Norwalk, Connecticut's Notices of Sale for electronic bidding through ***PARITY*®.** As per the official Notices of Sale, bids will be received by City Officials at the Mayor's Conference Room, Room 231, Second Floor, City Hall, 125 East Avenue, Norwalk, Connecticut 06856 until 12:00 Noon (E.D.T.), **WEDNESDAY,**

JULY 21, 2010

If we may be of service in submitting your bid, please note that a representative of *IBIC* will be available until 11:55 A. M. (E.D.T.) on the day of the sale.

**** All of the Series E Bonds will be issued as either tax-exempt obligations or as taxable obligations designated as "Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended, for which the City will elect to receive the credit pursuant to Section 6431 of the Code. Please see Appendix F – "Notice of Sale" herein.***

We trust we may be of service.

Independent Bond & Investment Consultants LLC
Member: National Association of Independent Public Finance Advisors

129 Samson Rock Drive, Suite A, Madison, CT 06443 Phone 203.245.8715 Fax 203.245.7763 Email muniibic@aol.com

OFFICIAL STATEMENT

NEW ISSUE – Book-Entry Only **RATINGS:** (See "Ratings" herein)

For a discussion of certain federal and State of Connecticut income tax matters applicable to the Series E Bonds, see "Tax Matters – Series E Bonds" herein. In the opinion of Bond Counsel, under existing law, interest on the Series F Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). See "Tax Matters – Series F Bonds" herein. In the opinion of Bond Counsel, based on existing statutes, interest on the Series E Bonds and the Series F Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.

CITY OF NORWALK, CONNECTICUT

$19,420,000

GENERAL OBLIGATION BONDS, ISSUE OF 2010, COMPRISED OF:

$13,420,000 GENERAL OBLIGATION BONDS, SERIES E*

AND

$6,000,000 GENERAL OBLIGATION BONDS, SERIES F
(Taxable Recovery Zone Economic Development Bonds – Direct Payment)

Dated: August 1, 2010 **Due: August 1 as shown herein**

The Series E Bonds and the Series F Bonds (herein collectively, the "Bonds") will bear interest payable on August 1, 2011 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

The Bonds will be general obligations of the City of Norwalk, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. (See "Security and Remedies" herein).

The Registrar, Certifying, Transfer, and Paying Agent on the Bonds will be U.S. Bank National Association of Hartford, Connecticut.

The Bonds **ARE** subject to redemption prior to maturity.

The Series E Bonds will be sold by competitive bid pursuant to a Notice of Sale dated July 14, 2010 (the "Notice of Sale"), attached hereto as Appendix F. As further provided in the Notice of Sale, all of the Series E Bonds will be issued as tax-exempt obligations (referred to herein as "Tax-Exempt Bonds") or all of the Series E Bonds will be issued as taxable obligations designated as "build America bonds" (referred to herein as "Taxable Build America Bonds") pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"), for which the City will elect to receive the credit pursuant to Section 6431 of the Code. See "Tax Matters – Series E Bonds" and Appendix F – "Notice of Sale" herein.

The Series F Bonds will be sold by competitive bid pursuant to a Notice of Sale dated July 14, 2010 (the "Notice of Sale"), attached hereto as Appendix G. As further provided in the Notice of Sale, all of the Series F Bonds will be issued as taxable obligations designated as "recovery zone economic development bonds" (referred to herein as "Taxable Recovery Zone Economic Development Bonds") pursuant to Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"), for which the City will elect to receive the credit pursuant to Section 6431 of the Code. See "Tax Matters – Series F Bonds" and Appendix G – "Notice of Sale" herein.

Electronic bids via *PARITY*® for the Bonds will be received until 12:00 Noon, (E.D.T.) on Wednesday, July 21, 2010 at the Mayor's Conference Room, Room 231, Second Floor, City Hall, 125 East Avenue, Norwalk, Connecticut 06856, as described in the official Notices of Sale. See "Appendix F – "Notice of Sale" and Appendix G - "Notice of Sale" herein.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, of Hartford, Connecticut, Bond Counsel. It is expected that delivery of the Bonds in book-entry-only form will be made on or about August 4, 2010.

Dated: July 14, 2010

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* If the Series E Bonds are issued as Taxable Build America Bonds, the City will rename the Series E Bonds as "General Obligation Bonds, Series E (Taxable Build America Bonds – Direct Payment)".

CITY OF NORWALK, CONNECTICUT

$19,420,000

GENERAL OBLIGATION BONDS, ISSUE OF 2010, COMPRISED OF:

$13,420,000 GENERAL OBLIGATION BONDS, SERIES E

Dated: August 1, 2010 **Due: August 1 as shown below**

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP	Maturity	Amount	Interest Rate	Yield	CUSIP
2013	$745,000	%	%	668844***	2022	$745,000	%	%	668844***
2014	745,000			668844***	2023	745,000			668844***
2015	745,000			668844***	2024	745,000			668844***
2016	745,000			668844***	2025	745,000			668844***
2017	745,000			668844***	2026	745,000			668844***
2018	745,000			668844***	2027	745,000			668844***
2019	745,000			668844***	2028	745,000			668844***
2020	745,000			668844***	2029	745,000			668844***
2021	745,000			668844***	2030	755,000			668844***

$6,000,000 GENERAL OBLIGATION BONDS, SERIES F
(Taxable Recovery Zone Economic Development Bonds – Direct Payment)

Dated: August 1, 2010 **Due: August 1 as shown below**

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP	Maturity	Amount	Interest Rate	Yield	CUSIP
2013	$330,000	%	%	668844***	2022	$330,000	%	%	668844***
2014	330,000			668844***	2023	330,000			668844***
2015	330,000			668844***	2024	330,000			668844***
2016	330,000			668844***	2025	330,000			668844***
2017	330,000			668844***	2026	330,000			668844***
2018	330,000			668844***	2027	330,000			668844***
2019	330,000			668844***	2028	330,000			668844***
2020	330,000			668844***	2029	330,000			668844***
2021	330,000			668844***	2030	390,000			668844***

No dealer, broker, salesman or other person has been authorized by the City of Norwalk, Connecticut (the "City"), to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, the independent auditors for the City are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement.

Other than as to matters expressly set forth in Appendices B and C – "Form of Legal Opinion of Bond Counsel" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Independent Bond and Investment Consultants LLC, the City's Financial Advisor, has assisted the City in the preparation of this Official Statement from information supplied by City officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

The City deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) timely notice of an occurrence of certain material events with respect to the Bonds; and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements to be executed in substantially the form of Appendices D and E, respectively, to this Official Statement.

BOND COUNSEL	INDEPENDENT FINANCIAL ADVISOR
ROBINSON & COLE LLP	**INDEPENDENT BOND AND INVESTMENT CONSULTANTS LLC**
Hartford, Connecticut (860) 275-8200	Madison, Connecticut (203) 245-8715

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SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Norwalk, Connecticut (the "City") in connection with the issuance and sale of $19,420,000 General Obligation Bonds, Issue of 2010, comprised of $13,420,000 General Obligation Bonds, Series E (the "Series E Bonds") and $6,000,000 General Obligation Bonds, Series F (Taxable Recovery Zone Economic Development Bonds – Direct Payment) (the "Series F Bonds") of the City. The Series E and Series F Bonds will collectively be referred to herein as the "Bonds".

The Series E Bonds will be sold by competitive bid pursuant to a Notice of Sale dated July 14, 2010 (the "Notice of Sale"), attached hereto as Appendix F. As further provided in the Notice of Sale, all of the Series E Bonds will be issued as tax-exempt obligations (referred to herein as "Tax-Exempt Bonds") or all of the Series E Bonds will be issued as taxable obligations designated as "build America bonds" (referred to herein as "Taxable Build America Bonds") pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"), for which the City will elect to receive the credit pursuant to Section 6431 of the Code. See "Tax Matters – Series E Bonds" and Appendix F – "Notice of Sale" herein.

The Series F Bonds will be sold by competitive bid pursuant to a Notice of Sale dated July 14, 2010 (the "Notice of Sale"), attached hereto as Appendix G. As further provided in the Notice of Sale, all of the Series F Bonds will be issued as taxable obligations designated as "recovery zone economic development bonds" (referred to herein as "Taxable Recovery Zone Economic Development Bonds") pursuant to Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"), for which the City will elect to receive the credit pursuant to Section 6431 of the Code. See "Tax Matters – Series F Bonds" and Appendix G – "Notice of Sale" herein.

All quotations from the summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other areas presented herein as provided by the City.

Description of the Bonds

The Bonds will be dated August 1, 2010 and will mature in annual installments on August 1 in each of the years and in the principal amounts set forth on the cover page hereof. The Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds will be payable on August 1, 2011 and semiannually thereafter on February 1 and August 1 in each year until maturity. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of $5,000 or integral multiples thereof with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar, Certifying, Transfer and Paying Agent on the Bonds will be U.S. Bank National Association of Hartford, Connecticut. The Bonds **ARE** subject to redemption prior to maturity. (See "Optional Redemption" herein).

Optional Redemption

The Bonds maturing on or before August 1, 2018 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2019, and thereafter are subject to redemption prior to maturity, at the option of the City, on or after August 1, 2018, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the City may determine at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

Redemption Date	Redemption Price
August 1, 2018 and thereafter	100%

Notice of Redemption

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at his address as it appears on the registration books for the Bonds kept for such purpose.

So long as a book-entry system is used for the Bonds, the City will send any notice of redemption only to DTC (or a successor securities depository) or its nominee.

Authorization and Purpose

Authorization. The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City of Norwalk and various bond resolutions adopted by the Common Council of the City.

Purpose. Proceeds of the Bonds will be used to finance certain capital projects undertaken by the City as detailed herein (see "Capital Project Financing").

Capital Project Financing

The Common Council adopted various resolutions authorizing the issuance of general obligation bonds and notes to meet appropriations in the City's capital budgets for 2003-04, 2008-09, 2009-10, 2010-2011 and special appropriations for various school and public purpose projects. Proceeds of the Bonds will be used to finance the following capital projects:

Capital Budget	Total Bond Authorization	Previously Bonded	The Bonds
Fiscal Year 2003-04	$ 76,447,000	$71,487,639	$ 429,031
Fiscal Year 2008-09	27,088,500	16,813,500	40,000
Fiscal Year 2009-10	13,693,000	10,945,000	1,848,000
Fiscal Year 2010-11	11,378,969	-	10,602,969
Special Appropriations	50,000,000	-	6,500,000
Total	$178,607,469	$99,246,139	$19,420,000

Ratings

The City has made application to Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's"), and Standard & Poor's ("S&P") for ratings on the Bonds. The City's outstanding bonds are currently rated "Aaa" by Moody's and "AAA" by Fitch and "S&P". Such ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from said agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely, if in the judgment of said agencies, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the City's Bonds.

Tax Matters – Series E Bonds

As further provided in the Notice of Sale set forth in Appendix F, all of the Series E Bonds will be issued as Tax-Exempt Bonds or all of the Series E Bonds will be issued as Taxable Build America Bonds for which the City will elect to receive the credit, as discussed below. The following is a discussion of certain federal and State of Connecticut tax matters applicable to the Series E Bonds if issued as Tax-Exempt Bonds or if issued as Taxable Build America Bonds.

Tax-Exempt Bonds

The following discussion is applicable if the Series E Bonds are issued as Tax-Exempt Bonds.

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Series E Bonds in order that interest on the Series E Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Series E Bonds to be included in gross income retroactive to the date of issuance of the Series E Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Series E Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Series E Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Series E Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Series E Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax and is not taken into account in the calculation of adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on corporations.

Ownership of the Series E Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Series E Bonds. Prospective purchasers of the Series E Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Series E Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Series E Bonds may be less than the principal amount payable on such Series E Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Series E Bonds are sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Series E Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Series E Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Series E Bonds by such owner. Accrued original issue discount on the Series E Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day.

Original Issue Premium

The initial public offering price of certain maturities of the Series E Bonds may be greater than the principal amount payable on such Series E Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series E Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Series E Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Series E Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Series E Bonds by such owner. Amortized original issue premium on the Series E Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method.

State Taxes

In the opinion of Bond Counsel, based on existing statutes, interest on the Series E Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Taxable Build America Bonds

The following discussion is applicable if the Series E Bonds are issued as Taxable Build America Bonds.

Circular 230 Disclosure

Pursuant to federal regulations governing practice before the Internal Revenue Service (Circular 230), prospective owners of the Series E Bonds are hereby notified that any discussion of U.S. federal tax issues contained herein (i) is written in connection with the promotion or marketing of the Series E Bonds and the transactions or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code of 1986, as amended (the "Code"). Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Federal Income Taxes

The City has determined to issue the Series E Bonds as taxable obligations and has irrevocably elected to (i) designate the Series E Bonds as "build America bonds" pursuant to Section 54AA of the Code, and (ii) designate the Series E Bonds as "qualified bonds" pursuant to Subsection 54AA(g) of the Code in order for the City to receive the credit pursuant to Section 6431 of the Code. As a result of such election, owners of, and owners of beneficial interests in, the Series E Bonds will not receive any tax credits with respect to the Series E Bonds. Pursuant to Section 6431 of the Code, the City expects to receive a credit in the amount of 35% of the interest payable on the Series E Bonds on each interest payment date directly from the Secretary of the U.S. Treasury. The Code establishes certain ongoing requirements that must be met at and subsequent to the issuance and delivery of the Series E Bonds in order for the City to continue to receive such credit payments. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure the receipt of the credit payments with respect to the Series E Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Series E Bonds is included in gross income for federal income tax purposes pursuant to the Code.

U.S. Holders

The following discussion applies to U.S. Holders. As used herein, "U.S. Holder" means a beneficial owner of the Series E Bonds that is: (i) an individual that is a citizen or resident of the United States; (ii) a corporation or other entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, of any state thereof or of the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial trust decisions (or if a valid election is in place to treat the trust as a U.S. person).

Interest. In general, for cash method taxpayers (including most individuals), interest on the Series E Bonds is reported in taxable income as ordinary income when actually or constructively received. For accrual method taxpayers, interest on the Series E Bonds is reported in taxable income as ordinary income as it accrues.

Original Issue Discount. Under Section 1273 of the Code, the excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Series E Bonds are sold constitutes original issue discount unless the amount of such excess is less than a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity) in which case the original issue discount shall be treated as zero. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Series E Bonds were ultimately sold to the public. A holder of a Series E Bond having a maturity more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such Series E Bond) the daily portion of original issue discount, as it accrues (generally on a constant yield method) and regardless of the holder's method of accounting. A holder may irrevocably elect to include in gross income all interest that accrues on a Series E Bond using the constant-yield method, subject to certain modifications.

Original Issue Premium. The initial public offering price of certain maturities of the Series E Bonds may be greater than the principal amount payable on such Series E Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series E Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the[Series E Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a bond may elect to treat such excess as "amortizable bond premium," in which case the amount of interest required to be included in the taxpayer's income each year with respect to interest on the bond will be reduced by the amount of amortizable bond premium allocable (based on the bond's yield to maturity) to that year. If such an election is made, the amount of each such reduction in interest income will result in a corresponding reduction in the taxpayer's tax basis in the bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the Internal Revenue Service (the "IRS").

Sale or Other Taxable Disposition of the Taxable Bonds. On the sale, exchange, redemption, retirement or other taxable disposition of the Series E Bonds, taxable gain or loss is recognized equal to the difference between the amount realized upon such disposition (less any portion allocable to accrued and unpaid interest, which will be taxable as ordinary income if not previously included in income) and the adjusted tax basis in the Series E Bonds. In general, the adjusted tax basis in the Series E Bonds is the cost decreased by any principal payments received with respect to the Series E Bonds. Gain or loss will be a long-term capital gain or loss if the Series E Bonds have been held for more than one year. Otherwise, gain or loss will be a short-term capital gain or loss. For certain non-corporate taxpayers (including individuals), long-term capital gains are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations.

Backup Withholding. U.S. Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series E Bonds, if they fail to provide an accurate Form W-9, "Request for Taxpayer Identification Number and Certification," or valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective U.S. Holders should consult their own tax advisors concerning the application of backup withholding rules.

<u>Non-U.S. Holders</u>

The following discussion applies to Non-U.S. Holders. A "Non-U.S. Holder" is a beneficial owner of the Series E Bonds that is not a "U.S. Holder." Special rules may apply to Non-U.S. Holders that are subject to special treatment under the Code, including "controlled foreign corporations" and "passive foreign investment companies." Such Non-U.S. Holders should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Interest. Subject to the discussion below concerning effectively connected income and backup withholding, payments of interest on the[Series E Bonds will not be subject to U.S. federal withholding tax, provided the Non-U.S. Holder satisfies one of two tests. The first test (the "portfolio interest" test) is satisfied if, in general: (i) the Non-U.S. Holder does not own, actually or constructively, a 10% or greater interest (by voting power) in the City, (ii) the Non-U.S. Holder is not a "controlled foreign corporation" (within the meaning of the Code) that is related, directly or indirectly, to the City, (iii) the Non-U.S. Holder is not a bank receiving interest on the Series E Bonds on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, and (iv) the Non-U.S. Holder certifies to the paying agent on IRS Form W-8BEN (or appropriate substitute or successor form) under penalties of perjury, that it is not a U.S. person. If the Series E Bonds are held through a financial institution or other agent acting on behalf of a Non-U.S. Holder, it will be required to provide appropriate documentation to the agent and the agent will then be required to provide certification to the paying agent, either directly or through other intermediaries. The second test is satisfied if the Non-U.S. Holder is otherwise entitled to the benefits of an income tax treaty under which such interest is exempt from U.S. federal withholding tax, and the Non-U.S. Holder or its agent provides a properly executed IRS Form W-8BEN (or an appropriate substitute form evidencing eligibility for the exemption).

Payments of interest on the Series E Bonds to Non-U.S. Holders that do not meet the above-described requirements will be subject to a U.S. federal income tax of 30% (or such lower rate as provided by an applicable income tax treaty) collected by means of withholding.

Sale, or Other Taxable Disposition of the Series E Bonds. Subject to the discussion below concerning effectively connected income and backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized on any sale, exchange or retirement of the Series E Bonds unless the Non-U.S. Holder is an individual, present in the United States for at least 183 days during the taxable year in which the Series E Bonds are disposed of, and other conditions are satisfied. If this exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains derived from sources within the United States (including gains from the sale, exchange, retirement or other disposition of the Series E Bonds) exceed capital losses allocable to sources within the United States.

Effectively Connected Income. The preceding discussion assumes that the interest received and any gain realized is not effectively connected with the conduct of a trade or business in the United States. If a Non-U.S. Holder is engaged in a trade or business in the United States and its investment in the Series E Bonds is effectively connected with such trade or business, the Non-U.S. Holder will be exempt from the 30% withholding tax on the interest (provided a certification requirement, generally on IRS Form W-8ECI, is met) and will instead generally be subject to U.S. federal income tax on interest and any gain with respect to the Series E Bonds in the same manner as a U.S. Holder. Foreign corporations may also be subject to an additional branch profits tax of 30% or such lower rate provided by an applicable income tax treaty.

For Non-U.S. Holders eligible for the benefits of an income tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax in the same manner as a U.S. Holder only if it is also attributable to a permanent establishment maintained in the United States.

Backup Withholding. In general, backup withholding will not apply to a payment of interest on the Series E Bonds, or to proceeds from the disposition of the Series E Bonds, in each case, if the Non-U.S. Holder certifies under penalties of perjury that it is a Non-U.S. Holder and the paying agent does not have actual knowledge to the contrary. Any amounts withheld under the backup withholding rules will be allowed as a credit against U.S. federal income tax liability provided the required information is timely furnished to the IRS. In certain circumstances, if the Series E Bonds are not held through a qualified intermediary, the amount of payments made on the Series E Bonds, the name and address of the beneficial owner, and the amount, if any, of tax withheld may be reported to the IRS. Prospective Non-U.S. Holders should consult their own tax advisors concerning the application of backup withholding rules.

State Tax Matters

In the opinion of Bond Counsel, based on existing statutes, interest on the Series E Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Generally

The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. On the date of delivery of the Series E Bonds, Bond Counsel will deliver their opinion in the form attached hereto as Appendix B.

The above discussion is a summary of the material federal and State of Connecticut income tax consequences relevant to the purchase, ownership and disposition of the Series E Bonds. This discussion does not purport to address all of the tax consequences that may be relevant to a prospective owner of the Series E Bonds, especially those subject to special rules, including but not limited to, rules applicable to certain financial institutions, U.S. expatriates, insurance companies, retirement plans, regulated investment companies, dealers in securities or currencies, traders in securities that have elected to use a mark-to-market method of accounting, U.S. Holders (as defined above) whose functional currency is not the U.S. dollar, tax-exempt organizations and persons holding the Series E Bonds as part of a "straddle," "hedge," "constructive sale," "conversion transaction" or other integrated transaction. The above discussion does not address the tax consequences if the Series E Bonds are held through a partnership, an entity taxable as a partnership or any other pass-through entity. In addition, the above discussion only applies to Series E Bonds purchased for cash at original issuance and deals only with Series E Bonds held as "capital assets" within the meaning of Section 1221 of the Code. Except as specifically indicated, the above discussion does not address any other federal or state tax laws (i.e., estate and gift tax laws), or any applicable local or foreign tax laws.

Prospective purchasers of the Series E Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of ownership and disposition of, and receipt of interest on, the Series E Bonds, including gift and estate tax laws, and tax treaties.

Tax Matters – Series F Bonds

Taxable Recovery Zone Economic Development Bonds

Circular 230 Disclosure

Pursuant to federal regulations governing practice before the Internal Revenue Service (Circular 230), prospective owners of the Series F Bonds are hereby notified that any discussion of U.S. federal tax issues contained herein (i) is written in connection with the promotion or marketing of the Series F Bonds and the transactions or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code of 1986, as amended (the "Code"). Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Federal Income Taxes

The City has determined to issue the Series F Bonds as taxable obligations and has irrevocably elected to (i) designate the Series F Bonds as "recovery zone economic development bonds" pursuant to Section 1400U-2 of the Code, and (ii) designate the Series F Bonds as "qualified bonds" in order for the City to receive the credit pursuant to Section 6431 of the Code. Pursuant to Section 6431 of the Code, the City expects to receive a credit in the amount of 45% of the interest payable on the Series F Bonds on each interest payment date directly from the Secretary of the U.S. Treasury. The Code establishes certain ongoing requirements that must be met at and subsequent to the issuance and delivery of the Series F Bonds in order for the City to continue to receive such credit payments. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure the receipt of the credit payments with respect to the Series F Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Series F Bonds is included in gross income for federal income tax purposes pursuant to the Code.

U.S. Holders

The following discussion applies to U.S. Holders. As used herein, "U.S. Holder" means a beneficial owner of the Series F Bonds that is: (i) an individual that is a citizen or resident of the United States; (ii) a corporation or other entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, of any state thereof or of the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial trust decisions (or if a valid election is in place to treat the trust as a U.S. person).

Interest. In general, for cash method taxpayers (including most individuals), interest on the Series F Bonds is reported in taxable income as ordinary income when actually or constructively received. For accrual method taxpayers, interest on the Series F Bonds is reported in taxable income as ordinary income as it accrues.

Original Issue Discount. Under Section 1273 of the Code, the excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Series F Bonds are sold constitutes original issue discount unless the amount of such excess is less than a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity) in which case the original issue discount shall be treated as zero. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Series F Bonds were ultimately sold to the public. A holder of a Series F Bond having a maturity more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such Series F Bond) the daily portion of original issue discount, as it accrues (generally on a constant yield method) and regardless of the holder's method of accounting. A holder may irrevocably elect to include in gross income all interest that accrues on a Series F Bond using the constant-yield method, subject to certain modifications.

Original Issue Premium. The initial public offering price of certain maturities of the Series F Bonds may be greater than the principal amount payable on such Series F Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series F Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Series F Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a bond may elect to treat such excess as "amortizable bond premium," in which case the amount of interest required to be included in the taxpayer's income each year with respect to interest on the bond will be reduced by the amount of amortizable bond premium allocable (based on the bond's yield to maturity) to that year. If such an election is made, the amount of each such reduction in interest income will result in a corresponding reduction in the taxpayer's tax basis in the bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the Internal Revenue Service (the "IRS").

Sale or Other Taxable Disposition of the Taxable Bonds. On the sale, exchange, redemption, retirement or other taxable disposition of the Series F Bonds, taxable gain or loss is recognized equal to the difference between the amount realized upon such disposition (less any portion allocable to accrued and unpaid interest, which will be taxable as ordinary income if not previously included in income) and the adjusted tax basis in the Series F Bonds. In general, the adjusted tax basis in the Series F Bonds is the cost decreased by any principal payments received with respect to the Series F Bonds. Gain or loss will be a long-term capital gain or loss if the Series F Bonds have been held for more than one year. Otherwise, gain or loss will be a short-term capital gain or loss. For certain non-corporate taxpayers (including individuals), long-term capital gains are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations.

Backup Withholding. U.S. Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series F Bonds, if they fail to provide an accurate Form W-9, "Request for Taxpayer Identification Number and Certification," or valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective U.S. Holders should consult their own tax advisors concerning the application of backup withholding rules.

Non-U.S. Holders

The following discussion applies to Non-U.S. Holders. A "Non-U.S. Holder" is a beneficial owner of the Series F Bonds that is not a "U.S. Holder." Special rules may apply to Non-U.S. Holders that are subject to special treatment under the Code, including "controlled foreign corporations" and "passive foreign investment companies." Such Non-U.S. Holders should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Interest. Subject to the discussion below concerning effectively connected income and backup withholding, payments of interest on the Series F Bonds will not be subject to U.S. federal withholding tax, provided the Non-U.S. Holder satisfies one of two tests. The first test (the "portfolio interest" test) is satisfied if, in general: (i) the Non-U.S. Holder does not own, actually or constructively, a 10% or greater interest (by voting power) in the City, (ii) the Non-U.S. Holder is not a "controlled foreign corporation" (within the meaning of the Code) that is related, directly or indirectly, to the City, (iii) the Non-U.S. Holder is not a bank receiving interest on the Series F Bonds on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, and (iv) the Non-U.S. Holder certifies to the paying agent on IRS Form W-8BEN (or appropriate substitute or successor form) under penalties of perjury, that it is not a U.S. person. If the Series F Bonds are held through a financial institution or other agent acting on behalf of a Non-U.S. Holder, it will be required to provide appropriate documentation to the agent and the agent will then be required to provide certification to the paying agent, either directly or through other intermediaries. The second test is satisfied if the Non-U.S. Holder is otherwise entitled to the benefits of an income tax treaty under which such interest is exempt from U.S. federal withholding tax, and the Non-U.S. Holder or its agent provides a properly executed IRS Form W-8BEN (or an appropriate substitute form evidencing eligibility for the exemption).

Payments of interest on the Series F Bonds to Non-U.S. Holders that do not meet the above-described requirements will be subject to a U.S. federal income tax of 30% (or such lower rate as provided by an applicable income tax treaty) collected by means of withholding.

Sale, or Other Taxable Disposition of the Series F Bonds. Subject to the discussion below concerning effectively connected income and backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized on any sale, exchange or retirement of the Series F Bonds unless the Non-U.S. Holder is an individual, present in the United States for at least 183 days during the taxable year in which the Series F Bonds are disposed of, and other conditions are satisfied. If this exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains derived from sources within the United States (including gains from the sale, exchange, retirement or other disposition of the Series F Bonds) exceed capital losses allocable to sources within the United States.

Effectively Connected Income. The preceding discussion assumes that the interest received and any gain realized is not effectively connected with the conduct of a trade or business in the United States. If a Non-U.S. Holder is engaged in a trade or business in the United States and its investment in the Series F Bonds is effectively connected with such trade or business, the Non-U.S. Holder will be exempt from the 30% withholding tax on the interest (provided a certification requirement, generally on IRS Form W-8ECI, is met) and will instead generally be subject to U.S. federal income tax on interest and any gain with respect to the Series F Bonds in the same manner as a U.S. Holder. Foreign corporations may also be subject to an additional branch profits tax of 30% or such lower rate provided by an applicable income tax treaty.

For Non-U.S. Holders eligible for the benefits of an income tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax in the same manner as a U.S. Holder only if it is also attributable to a permanent establishment maintained in the United States.

Backup Withholding. In general, backup withholding will not apply to a payment of interest on the Series F Bonds, or to proceeds from the disposition of the Series F Bonds, in each case, if the Non-U.S. Holder certifies under penalties of perjury that it is a Non-U.S. Holder and the paying agent does not have actual knowledge to the contrary. Any amounts withheld under the backup withholding rules will be allowed as a credit against U.S. federal income tax liability provided the required information is timely furnished to the IRS. In certain circumstances, if the Series F Bonds are not held through a qualified intermediary, the amount of payments made on the Series F Bonds, the name and address of the beneficial owner, and the amount, if any, of tax withheld may be reported to the IRS. Prospective Non-U.S. Holders should consult their own tax advisors concerning the application of backup withholding rules.

State Tax Matters

In the opinion of Bond Counsel, based on existing statutes, interest on the Series F Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Generally

The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. On the date of delivery of the Series F Bonds, Bond Counsel will deliver their opinion in the form attached hereto as Appendix C.

The above discussion is a summary of the material federal and State of Connecticut income tax consequences relevant to the purchase, ownership and disposition of the Series F Bonds. This discussion does not purport to address all of the tax consequences that may be relevant to a prospective owner of the Series F Bonds, especially those subject to special rules, including but not limited to, rules applicable to certain financial institutions, U.S. expatriates, insurance companies, retirement plans, regulated investment companies, dealers in securities or currencies, traders in securities that have elected to use a mark-to-market method of accounting, U.S. Holders (as defined above) whose functional currency is not the U.S. dollar, tax-exempt organizations and persons holding the Series F Bonds as part of a "straddle," "hedge," "constructive sale," "conversion transaction" or other integrated transaction. The above discussion does not address the tax consequences if the Series F Bonds are held through a partnership, an entity taxable as a partnership or any other pass-through entity. In addition, the above discussion only applies to Bonds purchased for cash at original issuance and deals only with Bonds held as "capital assets" within the meaning of Section 1221 of the Code. Except as specifically indicated, the above discussion does not address any other federal or state tax laws (i.e., estate and gift tax laws), or any applicable local or foreign tax laws.

Prospective purchasers of the Series F Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of ownership and disposition of, and receipt of interest on, the Series F Bonds, including gift and estate tax laws, and tax treaties.

Security and Remedies

The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount, except as to certain classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation bonds and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction have the power in appropriate proceedings to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code or by state law or by a governmental officer or organization empowered by state law to authorized such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor.

THE CITY OF NORWALK, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Qualifications for Financial Institutions

The Bonds shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in each series in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC’s participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor’s highest rating of: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com and www.dtc.org**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC if less than all of the Bonds within an issue are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The City takes no responsibility for the accuracy thereof.

Replacement Bonds

The determination of the City authorizing the Bonds provides for issuance of fully registered bond certificates directly to Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the City fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC Practices

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

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SECTION II - THE ISSUER

Description of the City

Norwalk, first settled in 1640, is Connecticut's sixth largest city by population. In 1913 the former City of Norwalk, the City of South Norwalk, and the East Norwalk Fire District consolidated and incorporated as the City of Norwalk. Rowayton and Silvermine are also sections of the City. Norwalk covers an area of 26.6 square miles located on Long Island Sound between Bridgeport and Stamford. It is bound on the west by Darien and New Canaan, north by Wilton, and east by Westport.

The City is about one hour from New York City by rail or highway transportation. It is on the main line of Metro North Commuter Railroad, Amtrak and Conrail, which provide daily passenger and freight service. It is served by interstate, intrastate, and local bus lines. The Connecticut Turnpike, Interstate 95; the Boston Post Road, U.S. Route 1; U.S. Route 7; and the Merritt Parkway, State Route 15 traverse the City.

Norwalk is a diversified research, development and industrial center with over three hundred manufacturing establishments. It is also an important residential suburb as well as a shopping and service community located in one of the highest per capita income areas of the United States. The U.S. Bureau of Census 2000 Census Report lists Norwalk's per capita income as $31,781 and the median family income as $68,219. Both figures are well above the corresponding state and national figures. A large portion of the City's work force is employed in local industrial, commercial and retail establishments.

Form of Government

The City of Norwalk operates under a Charter adopted in 1913 which was most recently revised November 2005. The most recent charter revision changed the schedule for the adoption of the City's Operating Budget, increasing the time-frame of the process to 15 weeks from 14 weeks. The final budget is now due by the first Monday in May. The Common Council is allowed to establish a cap on expenditures that the Board of Estimate and Taxation may not exceed when setting the budget and the electors to petition for a single binding referendum to reduce the budget.

The chief executive officer of the City is the Mayor, elected for a two-year term of office. The legislative function is performed by an elected fifteen-member Common Council. A Board of Estimate and Taxation, appointed by the Mayor and confirmed by the Common Council, is responsible for fiscal matters. The Director of Finance is appointed by the Mayor. Under the direction of the Mayor, the Director of Finance has supervision over the Department of Finance and is responsible for the administration of the financial affairs of the City.

Municipal Officials

The following provides information about the City's principal officials:

Office	Name	Manner of Selection & Term	Length of Service
Mayor	Richard A. Moccia	Elected - 2 years	4 years
Director of Finance	Thomas S. Hamilton	Appointed - Indefinite	6 years
Superintendent of Schools	William Papallo	Appointed - Indefinite	Interim Superintendent

Biographies of Municipal Officials

Mayor: Richard A. Moccia was elected Mayor in November 2005 to his first term of office. Prior to his election, Mayor Moccia served one term on the Norwalk Common Council and also served on various Commissions/Committees for the City of Norwalk.

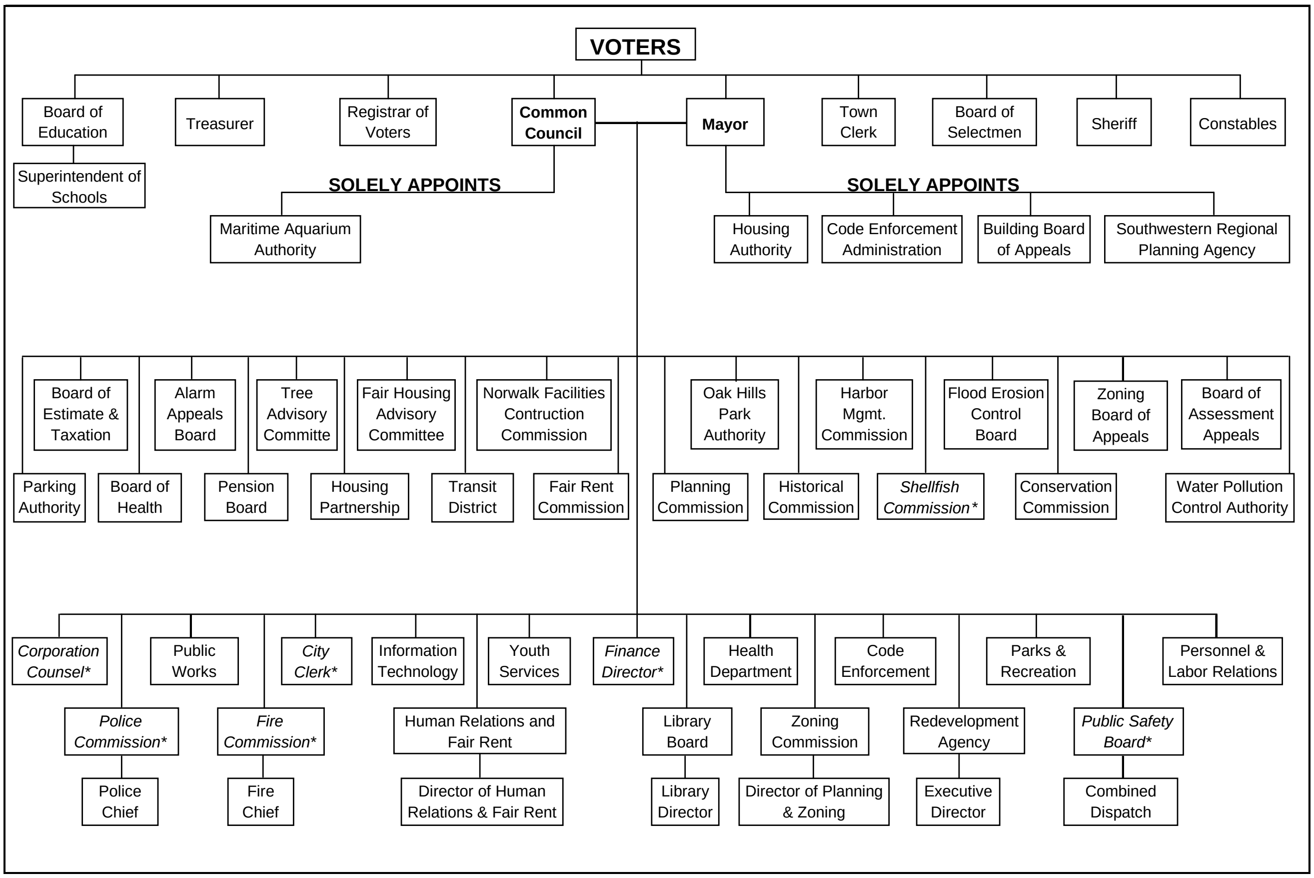
Mayor Moccia has lived in Norwalk since 1972 and was elected as Constable and City Sheriff and served these positions for many years.

Director of Finance: Thomas Hamilton was appointed Director of Finance on September 3, 2003. Mr. Hamilton earned a B.A. in Public Management from the University of Maine and a Master's in Government Administration from the University of Pennsylvania.

Mr. Hamilton has 24 years experience in municipal administration. Prior to becoming Director of Finance for the City of Norwalk, Mr. Hamilton served as the chief financial officer for the City of Stamford, Connecticut from 1996 until 2003, and served as Finance Director in West Haven, Connecticut between 1992 and 1996. Mr. Hamilton also served as Norwalk's Budget Director from 1987 to 1992. Mr. Hamilton is a member of the Government Finance Officers Association of the United States and Canada, and is a past president of the Government Finance Officers Association of Connecticut.

Superintendent of Schools: William Papallo is interim Superintendent of Schools and the Board of Education has established a search committee to fill this position.

City Organization



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

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

Municipal Employees

Fiscal Year Ending	2010	2009	2008	2007	2006
General Government	596	596	626	616	615
Board of Education (full-time)	1,349	1,394	1,388	1,377	1,353
Total	1,945	1,945	2,014	1,993	1,968

Municipal Employees by Category

The following is a breakdown by category of full-time, General Fund supported employees as of June 30, 2009:

Department	Employees
General Government	
General Government	75
Health & Welfare	15
Police	190
Fire	134
Other Protection	42
Public Works	93
Recreation, Arts & Culture	47
Total General Government	596
Board of Education	
Administration and Principals	66
Teachers	843
Other	440
Total Board of Education	1,349
Total City Employees	1,945

Source: City Officials

Municipal Employee Collective Bargaining Representation

Employees	Organization	Number of Employees	Current Contract Expiration Date
	General Government		
Police	Local 1727, Council #15 AFSCME, AFL-CIO	174	June 30, 2010
Fire	Local 830, IAFF	130	June 30, 2010
Engineers, Labor & Maintenance	Local 2405, Council #4 AFSCME, AFL-CIO	109	June 30, 2009 (1)
Clerical & Technical	Norwalk Municipal Employees Association	110	June 30, 2012
Public Heath Nurses	Council #4 AFSCME, AFL-CIO	1	June 30, 2009 (1)
Assistants & Supervisors	Norwalk Assistants & Supervisors Association	50	June 30, 2012
Non-Bargaining Management		22	
	Subtotal	596	
	Board of Education		
Teachers	Norwalk Federation of Teachers Local 1723, AFT, AFL-CIO	843	August 31, 2013
Principals, Assistant Principals and Supervisors	Norwalk Association of School Administrators	50	June 30, 2012
School Nurses	CHCA, District 1199	20	August 31, 2011
Custodians-Maintenance and Monitors	Local 1042, Council #4 AFSCME, AFL-CIO	120	June 30, 2011
Secretaries, Clerks & Teachers Aides	Norwalk Federation of Educational Personnel Local 3793, CSFT, AFL-CIO	292	June 30, 2009 (1)
Technicians	Local 72, Support, AFSA AFL-CIO	8	June 30, 2009 (1)
Executive Support Staff	Executive Support Group	12	June 30, 2012
Cabinet	Non-union	4	N/A
	Subtotal	1,349	
	Grand Total – General Fund Supported Positions	1,945	
Cafeteria Workers	Local 1748, Council #4 AFSCME, AFL-CIO	17 (2)	June 30, 2009 (1)
	Grand Total – All Positions	1,962	

(1) In negotiations.

(2) Cafeteria Workers are not funded by the General Fund, but supported from a self-supporting special enterprise fund. Therefore, Cafeteria Workers are not included in General Fund supported totals.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee's organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teacher's contracts, in assessing the financial capability of a municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Source: City of Norwalk.

Educational Facilities

Norwalk has a nine (9) member Board of Education, with the Mayor serving as an ex-officio member. The Board members are elected to four-year terms, four and five, respectively, every two years. The officers of the Board include a Chairman, a Vice-Chairman and a Secretary. They are elected by the Board members at the organizational meeting held every year in January.

The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget request submissions, policies ensuring that funds for education as appropriated by the City are properly expended, implementation of both state and federal laws, and planning for facilities needed by the system, including construction and renovation.

The City has two high schools, one alternative high school, four middle schools and twelve elementary schools, one of which is a nationally recognized magnet school. The Board has 1,349 employees to fulfill its instructional objective. They comprise two groups: 897 certified personnel and 452 non-certified personnel including secretaries, clerks, nurses, cafeteria workers, custodians, maintenance personnel and teachers' aides.

Public School Enrollment (1)

Fiscal Year	Elementary School K – 5	Middle School 6 – 8	High School 9 – 12	Special Education	Total
2000-2001	5,459	2,412	2,940	188	10,999
2001-2002	5,391	2,501	3,081	190	11,163
2002-2003	5,294	2,570	3,122	207	11,193
2003-2004	5,313	2,596	3,210	N/A	11,119
2004-2005	5,264	2,578	3,238	N/A	11,080
2005-2006	5,112	2,505	3,306	N/A	10,923
2006-2007	5,041	2,392	3,349	N/A	10,782
2007-2008	5,028	2,268	3,320	N/A	10,616
2008-2009	5,077	2,337	3,334	N/A	10,748
2009-2010	5,049	2,339	3,304	N/A	10,692
			Projections		
2010-2011	5,122	2,351	3,284	N/A	10,757
2011-2012	5,208	2,278	3,279	N/A	10,765
2012-2013	5,250	2,298	3,211	N/A	10,759
2013-2014	5,281	2,328	3,224	N/A	10,833

(1) As of October 1.

Source: City of Norwalk Board of Education.

Colleges

Norwalk Community College, the first public two-year liberal arts college in Connecticut, was founded in 1961. It became a part of the State of Connecticut Community College system in 1966. Norwalk Community College provides a broad range of credit and non-credit liberal arts, science, career, and technical programs which offer accessible and affordable learning opportunities to diverse populations. The current enrollment is approximately 6,000.

Norwalk Transit District

The Norwalk Transit District (the "District") provides public transportation services in the communities from Greenwich to Westport. The District's core service is the WHEELS Public Bus System which operates 23 buses, 17 during peak periods on 12 routes throughout Norwalk and Wilton. Service is provided between the hours of 6:00 a.m. and 7:15 p.m. Monday through Friday and 7:00 a.m. to 6:40 p.m. on Saturdays. Evening shuttle service operates from 7 p.m. to 10 p.m. Monday through Fridays and from 6:30 a.m. to 9:30 p.m. on Saturday. Service is within a 5-minute walk of 80% of Norwalk's residents. The District also partners with the Greater Bridgeport and Milford Transit Districts in operating the Coastal Link, a bus service operating 7 days a week between Norwalk and Milford, and Housatonic Area Regional Transit for service between Norwalk and Danbury.

During fiscal year 2009, the Norwalk Transit District’s services carried over 2,000,000 passengers.

For fiscal year 2009, the City contributed $462,187 to the Transit District. The Norwalk Transit District is not a component unit of government of the City under the criteria established by the GASB.

Housing Authority

The Housing Authority of the City of Norwalk consists of five (5) Commissioners appointed by the Mayor. The Commissioners elect housing officials including a Chairman, Vice Chairman, and Treasurer. The Housing Authority also employs an Executive Director, who also acts as the Secretary. The Executive Director hires the staff, which consists of 30 administrative, 22 maintenance and 40 part-time employees.

The Housing Authority owns and manages both federal and state subsidized housing for low income families of Norwalk. The inventory of housing consists of 1,131 apartments of which 823 units are federal low-income public housing and 308 units are state moderate, affordable or elderly rental units. Elderly state housing units are subsidized under the State Rental Assistance Program.

Various Section 8 funded programs provide subsidy for 909 additional families under the following sections:

New Construction	45 Units
Section 8 Voucher	680 Units
Moderate Rehabilitation	166 Units
Single Room Occupancy	8 Units
Shelter Plus Care	10 Units

The Authority provides assistance to 2,043 families or seniors.

The following summary recaps capital improvement funds the City has received from HUD since 2000:

Fiscal Year	Amount
2000	$1,518,439
2001	1,549,355
2002	1,470,154
2003	1,382,466
2004	1,400,869
2005	1,398,905
2006	1,290,574
2007	1,310,423
2008	1,337,635
2009	1,327,502
2009 ARRA (1)	3,750,681

(1) Represents grants received under the American Recovery and Redevelopment Act of 2009 ("ARRA")

Maritime Center Authority

The Maritime Center Authority (the "Authority") is an agency established by state statute and the City code to oversee the development and operations of the Maritime Center (the "Center"). The ordinance creating the Authority provided that the City would be the sole participating municipality, and that the Authority would have a term of existence until the later of (i) the City's abolition of the Authority by subsequent ordinance of the Common Council or (ii) the extinguishment of all obligations of the Authority, including, without limitation, the retirement of all outstanding debt of the Authority. In addition, the ordinance provides that the powers of the Authority shall be exercised by a commission of nine (9) members consisting of the Mayor, two (2) members of the Common Council, two (2) current or former members of the Common Council and four (4) additional members. The Mayor and the current and former members of the Common Council serve for two-year terms coterminous with the term of the office of the Mayor and the Common Council. Four additional members serve for staggered five-year terms from the date of their appointments. Appointments to the Authority (except for the position held by the Mayor) are made by a majority vote of the membership of the Common Council. Vacancies for any reason during the term of office are filled in the same manner as regular appointments. The operations of the Authority are accounted for as a special revenue fund of the City.

The City as lessor, and the Authority as lessee, have entered into a lease of the property in South Norwalk, Connecticut on which the Center was constructed. The Authority has entered into a sublease with The Maritime Center at Norwalk, Inc., a nonprofit organization that operates the site (the "Operator"), pursuant to which the Operator is obligated to develop and operate the Center. Construction was completed and the Center commenced operations in July, 1988.

The Director of Finance of the City is required to submit to the Authority a recommended annual budget for the Authority on or before March 1 in each year. The Authority then adopts its annual budget for the ensuing fiscal year on or before April 1 in each year. The fiscal year of the Authority commences July 1. In October 1985, the City agreed to lend its full faith and credit backing to the development of the Center and guaranteed payment on the bonds and notes issued to finance the Center and is obligated to cover any deficiency in net revenues from the Center's operations to pay debt service. Beginning in fiscal year 1990-91 the City has included in its annual budget the debt service payments for the Maritime Center debt. Because revenue projections for the Center did not materialize as projected, the City deemed it prudent to include the guaranteed debt payments within its budget until the Center generates adequate revenues to cover operations and debt service. The Maritime Center debt payments are still included in the City's annually approved budget.

Norwalk Redevelopment Agency

The Norwalk Redevelopment Agency consists of five (5) commissioners appointed by the Mayor and approved by the Common Council. The Commissioners elect a Chairman, a Vice Chairman, a Secretary and a Treasurer and employ an Executive Director and staff.

The Agency has responsibility for the development and coordination of programs for the growth of Norwalk's seven urban renewal/redevelopment areas: Wall Street/Main Street in Norwalk Center; South Norwalk including the Webster Street/Martin Luther King Boulevard area; Washington Street/South Main area; the Wood Burbank area; the Reed Putnam area; the South Main Corridor; and Norwalk's most recent, the West Avenue Corridor.

These renewal projects, the earliest of which dates from 1959, have been reviewed regularly and amended as necessary to recognize changing development trends and to be responsive to changing market conditions. The seven area programs continue to serve as catalysts for increasing numbers of private development projects. Most recently, in June 2006, the West Avenue Corridor Redevelopment Plan was approved to provide the stimulus to revitalize the City's urban spine. The Plan centers on a retail and housing development to create a restored downtown for the whole Norwalk community. The City has approved conceptual plans to undertake new development which intends to bring under-performing land parcels back to the tax base at a level typical of healthy commercial centers nation-wide. The project anticipates approximate 350 housing units, 567,350SF new and existing retail and 149,000 SF new and existing office to establish a critical mass that will be the link between Wall Street to the north and Reed Putnam/SoNo to the south. Although site plan approvals have been delayed by the market downturn, the developer continues to seek project recapitalization to complete site assembly.

The initiative to redevelop Norwalk's Wall Street area has resulted in an approved development agreement with the City's designated developer-partner for Redevelopment Parcel 2A. Negotiations continue on the development program for Parcel 3. Consistent with the revitalization strategy of the area's master and redevelopment plans, each Redevelopment Parcel will focus on residential development with ancillary retail and associated parking.

Redevelopment Parcel 2A will consist of 378 residential units (half rental, half ownership), 788 parking spaces, and 75,000 s.f. of commercial and retail space scheduled to break ground within 2010. Redevelopment Parcel 3 will consist of 176 residential units (36 rental, and 140 ownership), 359 parking spaces, and 21,000 s.f. of commercial and retail space.

In addition, the Avalon Bay $90 million project to build 312 residential rental units and 7,700 SF retail in the Wall Street area is nearing construction completion and began leasing in May 2010.

The Reed Putnam Plan was originally approved in 1983, and was substantially amended in 1998 to create six waterfront redevelopment parcels and a preservation area. In its amended form the Plan provided for a total of one million square feet of Class A office space, a hotel site, residential as well as retail development. The project also included a 775 car public parking garage for use by new tenants as well as visitors to The Maritime Aquarium. Development on three of the six development parcels has been completed. The first of these, the Lock Art and Technology Center, a 100,000 square foot, $17.5 million, renovated historic factory building, was completed in 2000, and is now fully leased. Construction of the $14.3 million public parking garage on North Water Street was completed in 2004, and in addition to 774 parking spaces, the project also includes 10 residential units (which are fully occupied), 2,880 square feet of office space and 3,750 square feet of retail. The development of structured parking enabled 4 acres of waterfront property (previously used for Maritime Aquarium parking) to be released for the construction of 197 residential units. Construction of Maritime Yards, the $65 million residential project, including 61 ownership units and 136 rental units (of which 10% have been set aside as affordable) was completed in 2007. The project also includes 38,400 square feet commercial space, of which 15,000 square feet is now occupied by the North American headquarters of Virgin Atlantic Airways and 15, 000 SF occupied by Kayak.Com, a travel site search engine.

The remaining 3 development parcels, totaling approximately 12 acres, were assembled for the proposed Reed Putnam office development site adjacent to I-95 between 2002 and 2004. This site was transferred in 2005 from the original developer to 95/7 Ventures LLC, which was approved by the City as the developer for a mixed-use project on the site. The revised development program includes 240 residential units, 125,000SF retail and 600,000SF Class A office and a 145 room hotel. This project has now received all local land use approvals. Design of the associated infrastructure is complete and contracts have been awarded for the construction of significant segments of the infrastructure. The Reed Street Railroad Underpass is complete and improvements to access highways, Interstate on/off ramps and underground utilities, are all under construction. These are partially funded by a $20 million grant from the State of Connecticut Department of Economic & Community Development. Site work and environmental remediation commenced in late 2007. Design review was completed in 2008 and construction of the initial Phase I improvements have been delayed due to the market downturn although site preparation and marketing continue.

Indicative of the latent strength of the South Norwalk real estate market, is the recent application and approval granted to TR SoNo Partners, an affiliate entity of F.D. Rich of Stamford, for a new 121 room "select service" hotel in SoNo. This facility, to be located on South Main Street, is designed to take advantage of proximity to the SoNo Historic District restaurants, arts and entertainment as well as being within walking distance of the South Norwalk railroad station. The hotel will be an iconic structure in SoNo. In addition construction has been completed on a small mixed-use (residential/office) project at 1 West Avenue in SoNo.

Also within the Reed Putnam area, the State Heritage Park, which includes the 13-acre Oyster Shell Park, extends a pedestrian/bike path connection along the Norwalk River between the Maritime Aquarium and Mathews Park. The City has completed a Master Plan design for walkways, lighting and landscape improvements to Oyster Shell Park and is preparing to go out for bid on construction of Phase I in the third quarter of 2010 utilizing State grant funds from the Department of Economic & Community Development and the Department of Environmental Protection.

Stepping Stones Museum for Children, in their tenth year of operation, enjoys an annual attendance of over 200,000 and has a new exhibit educating young children on health and environmental issues that affect them. The Museum will complete construction of a 33,000 SF ($17 million) expansion and substantial renovation of the existing Museum space in November 2010.

The South Norwalk urban renewal areas include the successfully revitalized Washington Street Historic District, within which the Agency has a stewardship role to ensure that additional development reinforces the historic integrity of the District and that building renovation and new construction of adjacent neighborhoods is consistent in quality and design. Recognizing the market value of the Historic District and neighboring properties, new private investment continues to occur with a major new housing, office and retail project under design for the corner of Washington Street and North Main Street utilizing the 19th century façade of the former Avrick building as its architectural theme. Other new projects proposed in the area include the completion of a study of the potential for an inter-modal transit center at the South Norwalk railroad station site and the initiation of a master plan for transit-oriented development at adjacent parcels in the South Norwalk neighborhood.

In anticipation of increasing traffic and infrastructure demands in urban centers of Norwalk as a result of development projects along the West Avenue Corridor and Wall Street, the City has completed a comprehensive analysis which reviews the potential impact on existing infrastructure and recommends mitigating improvements. Public funding for these infrastructure improvements is being pursued at the State and Federal level and has currently received $5 million and $2.3 million respectively to begin this work. In addition, the City is providing local funding for a plan for the connectivity of all of these development projects utilizing alternative circulation options including bicycle, pedestrian and public transit. In support of the connectivity plan, the Redevelopment Agency completed a feasibility study of circulator link along West Avenue between the South Norwalk Railroad Station and Wall Street.

Overlaying parts of the South Norwalk Urban Renewal areas is Norwalk's Enterprise Zone, established in 1982 and one of the nation's first. To date for 2010, 17 projects representing a total public and private investment of $1,486,483 were undertaken within the Zone. In addition, for program year 2010, three companies are scheduled to become certified for State Enterprise Zone/Urban Jobs Benefits creating and/or retaining 46 jobs.

In addition to these economic development programs, the Redevelopment Agency collaborates with other City departments to aggressively promote the City of Norwalk as a business location. In the last year, the City attracted such major corporations as Wüsthof-Trident which located its North American Headquarters in Norwalk. Sanford LP, part of the consumer products giant Newell Rubbermaid, located their office in Norwalk. Two new specialty food product companies, Ola! Foods and Yumnuts, opened production facilities in Norwalk. Technology Marketing Company, an Internet communications systems company, expanded their facilities in Norwalk as did Ventus Networks, a design telecommunications company. The Norwalk Community College broke ground on their new 55,000 SF science and health center. The Norwalk Community Health Center expanded into a new facility on Connecticut Avenue. 770 Connecticut

Avenue completed construction of a new 42,500 SF office/retail building. REI started construction on their new Norwalk facility expecting to be open by the 2010 holiday season. Stew Leonard's completed a total in-store renovation of their flagship Norwalk store.

Planning for its future, 401 Merritt 7 became the first existing building in the state to achieve LEED EB certification.

A number of residential projects made significant gains this year. Summerview Development Group on West Main Street in under construction on a 63 unit residential project. The first phases of "597 Westport" 235 unit development on Westport Avenue were occupied as of May 2010.

In 2006, the Norwalk Redevelopment Agency was the recipient of a $400,000 grant award from the US Environmental Protection Agency to capitalize and implement the Norwalk Brownfields Initiative. The Norwalk Brownfields Initiative (Initiative) is a formal coordinated effort to characterize the extent of environmental impacts generated by potential brownfield sites in the City of Norwalk's urban core areas. This Initiative has relied extensively on community input in order to identify properties for assessment and reuse plans for these sites. The goal of the Initiative is to integrate assessment activities into a comprehensive strategy for revitalization of Norwalk's urban core neighborhoods.

To date the Initiative has resulted in the completion of a comprehensive inventory of 261 documented, or potential, brownfield sites. The Agency, in partnership with its brownfields consultant Vanasse Hangen Brustlin, Inc. (VHB) of Middletown, CT, has initiated or completed environmental assessment on ten (10) such sites. The Agency has focused its efforts on City-held properties located in close proximity to the South Norwalk Train Station. The Agency has chosen this strategy because it recognizes environmental assessment is a vital pre-development activity necessary to foster Transit-Oriented Development (TOD) at Norwalk's primary transportation node.

Additionally, the activities of the Initiative have served to leverage the initial infusion of USEPA funds. In the Fall 2008 the City of Norwalk and Agency received an award of $300,000 from the State of Connecticut's Brownfields Municipal Pilot Program to complete the remediation of the surface parking lot serving the eastside of the South Norwalk Train Station to support the TOD. The Agency has been able to match the State grant with a grant of services from the USEPA that is valued at approximately $75,000.

In order to increase the availability of information regarding sites assessed with USEPA funds and to ensure public input into the redevelopment of these sites, the Agency has worked with VHB to create a Web-based viewer that will allow members of the public to access maps, photos and environmental information regarding those sites assessed with USEPA funds. Agency staff will make this Web-viewer available on its newly created website.

The Norwalk Redevelopment Agency administers a number of programs which provide assistance to area homeowners and encourage improvements to existing housing stock. These programs include residential rehabilitation, technical assistance and financial loans. The Agency has partnered with the Family and Children's Agency for a program to install accessible ramps to households with mobility issues. This pilot program is funded through the Residential Rehabilitation Program in the form of grants and currently has completed three ramps.

The Agency's Homeownership Program has closed 18 loans totaling $800,000 since June 2008. These loans have leveraged over $3,000,000 in private funds. This program offers first time homebuyers loans up to $50,000 at 0%. The loans are forgiven over a 10-15 year period. There remains $200,000 available for new loans. The State of Connecticut Department of Economic and Community Development has re-funded this program with an additional $500,000 allowing at least 10 more first time homebuyers to become homeowners.

The Agency's loan portfolio as of May 2010 includes 161 loans totaling over $6,000,000 of which 553 ($4,235,000) originated with the Residential Rehabilitation Program. Through funding from the Community Development Block Grant Program, the Agency also provides predevelopment funding to area for-profit and non-profit groups to facilitate the development of affordable housing. This equity portfolio includes approximately $175,000 invested in two projects generating 5 affordable units and a new homeless shelter.

To further the development of affordable housing in Norwalk, the Agency recently made a $915,000 construction loan to a private developer. This project involves 8 new affordable condominium units and was recently completed in May of 2010. As part of the Agency's affordable housing strategy, the Agency anticipates it will make construction loans of up to $1,000,000 for- profit and not-for-profit developers each year for the development of affordable units.

Parking Authority

The City enacted an ordinance establishing a Parking Authority as an enterprise fund of the City which was effective July 1, 2002. The Parking Authority is responsible for the acquisition of land for and the construction of new parking facilities as well as the improvement of the existing parking facilities within the City (except for three facilities located along the Metro-North Railroad). The Parking Authority is also responsible for the payment of debt service on bonds used to finance the acquisition, construction and improvements on both the existing and new parking facilities. Revenues from the parking facilities will be used to pay the debt service on any outstanding existing bonds. The City backs the debt with its full faith and credit for these existing bonds.

Solid Waste - Solid Waste Disposal

The City of Norwalk had previously been under contract (Master Service Agreement) with the Connecticut Resources Recovery Authority (CRRA) for the disposal of municipal solid waste (MSW). From July 1, 2008 through December 31, 2008, Norwalk was assessed by CRRA a fixed charge of $18.50 per ton for its Minimum Tonnage Guarantee (67,000 tons per year), and $80.00 per ton of MSW actually delivered to the Bridgeport Resource Recovery Facility. The City's contract with CRRA expired on December 31, 2008, at which time all obligations to CRRA or any of its contractors ceased.

In 2007, the City issued a Request for Proposals (RFP) seeking vendors to operate the Norwalk Transfer Station and to provide transportation and disposal of its MSW for a multi-year period. As a result of this procurement, the City entered into a five-year contract with City Carting, Inc. of Stamford, CT for the transport and disposal of its MSW and the operation of the Norwalk transfer station. For calendar year 2009, the City is charged $74.88 per ton (the tipping fee) for transport and disposal of MSW. Under the contract, the tipping fee increases by four percent (4%) each year. The new contract has also provided for enhancements at the Norwalk Transfer Station, such as improved appearance and cleanliness, the addition of electronics recycling, the expansion of plastics recycling, the addition of managed disposal of oils and batteries, and generally more efficient operation.

Through the fiscal year ending June 30, 2009, the City was under contract with the Southwest Connecticut Environmental Recycling Operating Committee (SWEROC) for disposal of recyclable materials at its Intermediate Processing Center in Stratford, CT. SWEROC contracted the recycling operations to CRRA. Under the CRRA program, only plastics numbered 1 and 2 could be collected, there were limitations on mixed paper and the City did not share in any recycling revenue. On July 1, 2009, the City left SWEROC and implemented a change order with City Carting & Recycling, its curbside recycling collection contractor. The change order reduced the contract costs for curbside collection, expanded eligible plastics to numbers 1 through 7 and provides for revenue sharing on the sale of the recyclable materials. The City now earns $17.50 for every ton of recyclable materials and avoids a solid waste disposal cost (roughly $75) for each of the same tons. Mixed paper has also been expanded to include magazines, junk mail, newspaper, office paper, telephone books, etc. Rigid plastics (those numbered above 7) are now separated at the transfer station and the City anticipates future revenue sharing for these materials; it is also looking to future revenue sharing for recycled electronics components. The City is working diligently to expand recycling separation, thus tonnage, by both residents and the school system.

Water Pollution Control Authority

The City has enacted an ordinance to create a Water Pollution Control Authority and establish it as an enterprise fund of the City. The Water Pollution Control Authority is responsible for constructing, operating and maintaining the sewerage system for the City. The Authority is also responsible for establishing rates and charges sufficient to pay debt service on all bonds of the City issued to finance the acquisition, construction and improvements of both the existing and new sewerage system. Revenues from sewer charges will be used to pay debt service on the bonds. The bonds are secured by the full faith and credit of the City.

Wastewater Treatment Plant

On April 17, 2000, the City entered into a 20-year contract with Operations Management International, Inc., for the operation and maintenance of the City's wastewater treatment facility, its wastewater collection system, and its 22 pumping stations. The City continues to exercise system management and control over its rate setting authority and the City retains full legal title and ownership of the facility. The contract contains additional performance standards which are more stringent than those required by the City's current NPDES operating permit.

Norwalk's wastewater treatment plant is permitted to treat up to 18 MGD in dry weather and 30 MGD in wet weather. When current plant flows exceed 30 MGD, up to 75 MGD of wastewater receives rudimentary treatment through an aged screening system and is disinfected before discharge into the Norwalk River. A planned combined sewer overflow project will maximize flows through the treatment plant up to 90 MGD through screening, grit removal, and disinfection. Additionally, a planned low level nitrogen removal project will reduce the amount of nitrogen discharged into Long Island Sound to reduce the occurrence of hypoxia.

These projects have an enormous impact on the quality of life of Norwalk residents and surrounding communities that rely on Long Island Sound for recreation, tourism, and education. In addition to a positive environmental impact, the projects will favorably impact the regional economy as they support the shell fishing industry, commercial fishing, construction, and redevelopment opportunities. The low level nitrogen removal project will likely increase revenue from the sale of nitrogen trading credits.

The total cost of these projects approaches $140 million. Norwalk has currently secured $60 million in Clean Water loans and grants and intends to seek Clean Water Funds for the balance of the projects.

Economic Factors

As the national economy begins to show signs of recovery, a variety of projects are underway in the City of Norwalk, providing opportunities in all sectors. Due to the diversity of its commercial real estate base, Norwalk maintained its economic growth throughout 2009 and anticipates continued growth in 2010. In fact, the City of Norwalk led the entire State of Connecticut in the number of residential building permits issued in 2009; issuing 434 out of the 2,885 permits issued statewide from January to November 2009.

Norwalk has several large projects currently underway and nearing completion. Leasing at 597 Westport, a newly constructed 235 unit luxury housing development, has already begun. This complex replaced the former Pepperidge Farm manufacturing facility on U. S. Rte 1 at the Westport town line and is located adjacent to Pepperidge Farm's 100,000 square foot corporate headquarters, retaining a valuable employer in the City. AvalonBay Communities is nearing completion of its mixed-use development with 311 units of multifamily housing and 15,000 square feet of new retail space in Norwalk Center, referred to as Avalon Norwalk. This development is located along the Norwalk River and will bring new life to the existing Riverview Plaza shopping center on Belden Avenue, adding new residents and round-the clock activity to downtown Norwalk.

Further south on East Avenue, occupants have moved in at Marquis on the River, a new 36 unit multifamily development with waterfront public access along the Norwalk Harbor. These two new buildings have 5,400 square feet of ground floor office space located across the street from City Hall, attracting office tenant Keller Williams Realty. In addition to the above, the ongoing development of i-Park, the former Perkin Elmer site on Main Avenue by National RE/Sources, continued in 2009. Along with the new 48,000 square foot LA Fitness health club, the existing facility was rehabilitated with Class A medical office space, repositioning this office and warehouse complex into a new mixed use complex with state-of-the-art medical offices. In each instance, the City has expedited permitting while ensuring that the infrastructure improvements needed to accommodate new development and mitigate any adverse impacts are provided.

2010 promises to be an exciting year in Norwalk as several large-scale mixed-use developments will be moving forward. Site improvements are continuing for the District 95/7 project as the extension of Reed Street under the Danbury Line Railroad, connecting North Water Street and the Maritime Aquarium with West Avenue was completed in October. This represents an important first step in implementing the approved plans for District 95/7, a 1.1 million square foot mixed use development with office, retail and restaurant space along the west side of the Norwalk Harbor just south of Interstate 95. Construction is also underway at Summerview Square, a 63 unit multifamily development located at Jefferson and West Main Streets and the first units are expected to be available this summer.

A 2010 groundbreaking is planned for another project known as Wall Street Place by POKO-IWSR Partners; which will redesign the Isaacs Street municipal parking lot into a new mixed-use development with 101 residential units and the City's first automated parking garage. This development was delayed due to an appeal by an adjacent property owner; however the Commission's action was upheld by the court, enabling the project to move forward in the upcoming year. Further south on West Avenue, The Berkeley, a new six-story, 150,000 s.f. mixed use development, approved for 60 new residential units, ground floor retail and state of the art medical office space, will also break ground in 2010. Combined, these projects will bring more than 200 new housing units to downtown Norwalk. The Waypointe project, another mixed-use development by Seligson Properties, continues to move forward with plans for 350 new multifamily units and over 500,000 s.f. of retail, office and restaurants to be submitted for approvals in the near future.

As the economy continues to improve, the use and occupancy of major parcels continues to change to reflect new economic realities. The City works hard to accommodate the repositioning of commercial property to permit new uses. In November, the Zoning Commission approved a zoning amendment to permit multifamily development as a new use in the Restricted

Industrial Zone. The amendment was accompanied by an application to construct a new 240 unit development at 8 Norden Place, the rear parcel at Norden Park. In 2010, this newly approved multifamily development and a new 155,000 s.f. office building at 10 Norden Place are poised to move forward; converting an underutilized manufacturing facility into new uses to ensure the future viability of this important parcel. On the other side of town, P.C. Richards replaced Circuit City at 444 Connecticut Avenue demonstrating the strength of Norwalk's retail market in 2009. In 2010, REI Sports will occupy the former Linen's N'Things property at 189 Connecticut Avenue.

SoNo Hotel is the newest development approved for historic SoNo in 2009. This new 121 room hotel, located on South Main Street just north of the Police Station and South Norwalk Railroad Station, will replace a vacant retail building and parking lot. The SoNo Hotel, a project of TR SoNo Partners, will also include 7,764 s.f. office, a first floor breakfast room and an eighth floor bar with views of Norwalk Harbor; all of which will bring a new vibrancy to South Main Street.

Other projects completed in 2009 include the SoNo Field House, a project by Q Properties, which opened its new 51,000 square foot indoor recreation facility, replacing the former GuardAll chemical site on Ely Avenue, and O'Neill's Restaurant at 93 North Main Street. Wüsthof-Trident of America, Inc, a German knife manufacturer, relocated from Briarcliff, New York to Norwalk earlier this year to occupy a new 45,000 square foot warehouse located at 355 Wilson Avenue. In addition, a new health club and office space recently completed construction on Connecticut Avenue, across from Costco, to establish new uses for this former manufacturing facility. In 2010, the former Norwalk Company property in historic SoNo is scheduled to be transformed into a new mixed-use development reusing manufacturing space for 128 residential units and ground floor retail.

Merritt 7 Corporate Park continues to provide corporate tenants with Class A office space and is home to some of the nation’s largest corporations including FactSet Research Systems, Emcor Group, Arch Chemicals and the Financial Accounting Foundation. The adjacent Towers at Merritt with three Class A office buildings totaling 650,000 s.f., has become home to a number of corporate tenants. Xerox Corporation relocated its corporate headquarters from Stamford to 45 Glover Avenue, where it shares space with Hewitt Associates. Building 801 is fully occupied by the world headquarters of Diageo PLC and Building 901 is home to General Electric Commercial Finance, occupying 87,000 s.f. on the top two floors. In 2010, a new office building is planned to replace an existing parking lot located south of Glover Avenue adjacent to the Merritt Parkway, adding another 82,700 s.f. of prime office space to the property.

The Planning Commission continues to spearhead implementation of the City's newly-adopted Plan of Conservation and Development for Norwalk, which was adopted by the Common Council and signed by the Mayor in 2008. The Plan envisions new transit-oriented green development with active street level uses and upper floor housing located near existing MetroNorth transportation facilities. The plan also recommends the creation of new Village Districts to preserve Norwalk’s historic character while permitting compatible new development. The Zoning Commission approved a new Silvermine Tavern Village District in 2008 to ensure that the historic Silvermine Tavern will continue as a historic landmark into the future and a January 2010 public hearing is planned to establish the new Golden Hill Village District, the City's fourth village district. Planning is underway to prepare a new Bikeway and Pedestrian Transportation Plan in 2010 to implement the Plan's objective to reduce traffic, to create a more walkable community and to provide a connected system of bikeways and walkways throughout the City.

Continued, steady growth is expected in 2010. Although the number of zoning permits issued has slowed slightly over the past two years, development is expected to increase slightly over last year's pace.

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SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

Year	City of Norwalk	Fairfield County	State of Connecticut
1960	67,776	653,589	2,535,234
1970	79,113	792,814	3,032,217
1980	77,767	807,143	3,107,576
1990	78,331	827,542	3,287,116
2000	82,951	882,567	3,405,565
2008	83,185	895,030	3,501,252

Source: U.S. Department of Commerce, Bureau of Census;

Age Characteristics of Population

	City of Norwalk		State of Connecticut	
	Persons	Percent	Persons	Percent
Under 5 years of age	5,689	6.8	223,344	6.5
5 to 9 years of age	5,373	6.5	244,144	7.2
10 to 14 years of age	4,724	5.7	241,587	7.1
15 to 19 years of age	4,028	4.9	216,627	6.4
20 to 24 years of age	4,332	5.2	187,571	5.5
24 to 34 years of age	14,644	17.7	451,640	13.2
35 to 44 years of age	14,809	17.8	581,049	17.2
45 to 54 years of age	11,007	13.3	480,807	14.1
55 to 59 years of age	4,354	5.2	176,961	5.2
60 to 64 years of age	3,390	4.1	131,652	3.9
65 to 74 years of age	5,704	6.9	231,565	6.8
75 to 84 years of age	3,632	4.4	174,345	5.1
Over 85 years of age	1,265	1.5	470,183	1.9
Total	82,951	100.0	3,405,565	100.0

Source: U.S. Department of Commerce, Bureau of Census, Census 2000.

Educational Attainment

	City of Norwalk		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade	3,533	6.0	132,917	5.8
9th to 12th grade	6,617	11.2	234,739	10.2
High School graduate	14,768	25.1	653,300	28.4
Some college - no degree	9,901	16.8	402,741	17.5
Associate degree	3,922	6.7	150,926	6.6
Bachelor's degree	12,402	21.1	416,751	18.2
Graduate or professional degree	7,742	13.1	304,243	13.3
Total	58,885	100.0	2,295,617	100.0
Total high school graduate or higher		82.8%		84.0%
Total bachelor's degree or higher		34.2%		31.4%

Source: U. S. Department of Commerce, Bureau of Census, 2000 Census.

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(1990)	(2000)	(1990)	(2000)
City of Norwalk	$55,269	$68,219	$23,075	$31,781
Fairfield County	57,990	77,690	26,161	38,350
Connecticut	49,199	65,521	20,189	28,766
United States	35,353	49,600	14,617	21,690

Source: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census.

Income Distribution

	City of Norwalk		State of Connecticut	
	Families	Percent	Families	Percent
$ -0- to 9,999	641	3.0	33,423	3.8
10,000 to 14,999	442	2.1	23,593	2.7
15,000 to 24,999	1,517	7.2	63,262	7.1
25,000 to 34,999	1,936	9.2	75,413	8.5
35,000 to 49,999	2,546	12.1	120,134	13.6
50,000 to 74,999	4,552	21.6	198,924	22.5
75,000 to 99,999	3,279	15.5	141,981	16.0
100,000 to 149,999	3,302	15.6	132,177	14.9
150,000 to 199,999	1,386	6.6	42,472	4.8
200,000 or more	1,514	7.2	54,368	6.1
	21,115	100.0	885,747	100.0

Source: U. S. Department of Commerce, Bureau of the Census, Census 2000

Per Capita Personal Income - by Metropolitan Area, 2006-2008

Metro-Area Name	2006	2007	2008	Rank in 2008
Bridgeport-Stamford-Norwalk, CT	$76,511	$79,576	$79,108	1
San Francisco-Oakland-Fremont, CA	59,440	62,634	62,598	2
Naples-Marco Island, FL	61,381	64,251	62,559	3
San Jose-Sunnyvale-Santa Clara, CA	55,827	59,365	58,531	4
Sebastian-Vero Beach, FL	56,323	58,074	57,107	5
Washington-Arlington-Alexandria, DC-VA-MD-WV	53,401	55,737	56,824	6
Boston-Cambridge-Quincy, MA-NH	51,493	54,117	55,187	7
Trenton-Ewing, NJ	50,471	53,156	55,170	8
New York-Northern New Jersey-Long Island, NY-NJ-PA	50,084	53,864	54,914	9
Midland, TX	49,173	49,590	53,968	10
State of Connecticut	52,744	55,629	56,245	
United States	37,698	39,392	40,166	

Source: "Survey of Current Business," U.S. Bureau of Economic Analysis, May 2010.

Employment by Industry

Industry	City of Norwalk Number	City of Norwalk Percent	Fairfield County Number	Fairfield County Percent	State of Connecticut Number	State of Connecticut Percent
Agriculture, forestry, fisheries	61	0.1	1,024	0.2	7,445	0.5
Construction	3,555	7.9	27,627	6.5	99,913	6.0
Manufacturing	5,390	12.0	56,520	13.3	246,607	14.8
Wholesale	1,555	3.5	14,052	3.3	53,231	3.2
Retail trade	5,482	12.3	46,957	11.0	185,633	11.2
Transportation, warehousing, utilities	1,418	3.2	13,636	3.2	64,662	3.9
Information	2,191	4.9	19,367	4.5	55,202	3.3
Finance, insurance, real estate	4,392	9.8	50,701	11.9	163,568	9.8
Professional, scientific, management, administrative	6,978	15.6	61,695	14.5	168,334	10.1
Educational, health, social services	7,535	16.8	78,620	18.4	366,568	22.0
Arts, entertainment, recreation		0.0				
accommodation, food	2,737	6.1	24,357	5.7	111,424	6.7
Other professional services	2,471	5.5	21,097	4.9	74,499	4.5
Public Administration	966	2.2	10,985	2.6	67,354	4.0
Total	44,731	100.0	426,638	100.0	1,664,440	100.0

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Unemployment Rate Statistics
(Not Seasonally Adjusted)

Yearly Average	City of Norwalk	Bridgeport/Stamford Labor Market (1)	State of Connecticut	United States
2002	3.3%	2.8%	3.9%	5.8%
2003	4.1	3.3	5.0	6.0
2004	4.3	2.9	4.7	5.5
2005	4.2	4.7	5.1	5.1
2006	3.6	3.9	4.3	4.6
2007	3.7	4.1	4.5	4.6
2008	4.8	5.3	5.8	5.8
2009	7.2	7.6	8.0	9.3
		2010 Monthly		
January	8.7	9.0	9.8	10.6
February	8.7	9.0	9.8	10.4
March	8.2	8.5	9.3	10.2
April	7.2	7.9	8.5	9.5
May	7.3	8.1	8.8	9.3

(1) Beginning in January 2005, the State of Connecticut Department of Labor combined the Stamford and Bridgeport Labor Market Areas.

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

Major Employers

Name	Nature of Business	Employees
Norwalk Health Services Corporation	Hospital/Health Services	1,900
Stew Leonard's	Retail Dairy Store/Grocery	800
MBI	Direct Mail Marketing	800
Diageo	Premium Beverage Manufacturer	700
Hewitt Associates	Management Consultants	600
Covidien	Automatic Suture Instruments	500
Northrup Grumman Norden Systems	Electronic & Radar Systems	500
Beiersdorf, Inc. (1)	Personal Care Products	450
Reed Exhibition Company	Trade Show/Publisher	450
FactSet Research	Research Systems	356
Act Media, Inc.	In-Store Advertising	350
Xerox	Office equipment	320
Modem Media	Internet Advertising	300
Priceline.com	Internet Marketing	300
Vertrue	Internet Marketing	300
G.E. Capital Corporation	Financial Services	250
G.E. Commercial Finance	Financial Services	250
Information Resources	Consumer Products Manufacturing	250
Virgin Atlantic Airways	Airline & Leisure Company	250
Combustion Engineering	Engineering Services	200
Cablevision of Connecticut	TV/DSL Cable Line Installation	200
R.T. Vanderbilt	Chemical Manufacturing	175
Carlson Marketing Group	Marketing Consultant	175
Tauck World Discovery	Travel Services	175
King Industries, Inc.	Chemical Manufacturing	170
Klaff's	Lighting & Plumbing Supplies	150
Kodak Polychrome Graphics	Graphic Arts Supply	125
Marsh USA Inc	Insurance	120
Webloyalty.com	Membership Services	120
Callanen International	Watches	105
Integrated Marketing Services	Marketing Consultant	100
Muelstein International Ltd.	Plastic Resins Distribution	100

(1) On December 9, 2009 Beiersdorf announced plans to close the Norwalk facility sometime in early 2010. At that time, Beiersdorf stated its intention to transfer approximately 50 jobs to its corporate headquarters in Wilton, CT.

Source: City of Norwalk Redevelopment Authority.

Norwalk Area Corporate/Regional Headquarters

The following companies located in the City are either regional or corporate headquarters.

Company	Business
Act Media, Inc.	In-store Promotional Advertising
Arch Chemical, Inc.	Chemical Manufacturing
Beiersdorf (1)	Personal Care Products
Bolt Technology Corporation	Oil & Gas Exploration Technologies
Cablevision of Connecticut	Cable/DSL System Operator
Carlson Marketing Group	Marketing Consultants
Cartesis	Financial & Management Software
Charkit Chemicals	Chemical Manufacturing
Combustion Engineering	Engineering Services
Diageo	Premium Beverage Manufacturing
Dooney & Burke	Leather Good Manufacturing
Emcor	Mechanical Contractor
FactSet Research	Research Systems
Financial Accounting Standards Board	Accounting Standards Regulation
Fitlinxx	Computerized System for Fitness Equipment
HEI Hospitality	Hotel/Hospitality Management
Hewitt Associates	Management Consulting
Hitachi Credit America	Financial Credit
IMS Health Inc	Market Data for Pharmaceutical Industry
Information Resources	Consumer Research
King Industries	Chemical Manufacturing
Kodak Polychrome	Graphic Arts Supplier
MBI, Inc.	Direct Mail Marketing/Collectibles
Modem Media	Internet Advertising
mPhase Technologies, Inc	Telecommunications Technologies
Muehlstein International, Inc.	Plastic Resin Distributor
Northrup Grumman Norden Systems	Electronic & Radar Systems
Pepperidge Farm, Inc.	Baked Goods
Priceline, Inc.	Internet Marketing/Shopping
Reed Exhibition Companies	Trade Show Management
Stew Leonard's	Retail Dairy & Grocery
Stolt-Nielson	Shipping
Tauck World Discovery	Travel Services
R.T Vanderbilt Company, Inc.	Industrial Minerals & Chemicals
Virgin Atlantic Airways	Airline/Leisure Travel
Webloyalty.com	Customer Rewards Programs
Wusthof	Cutlery Manufacturer
Xerox Corporation	Documentation Management

(1) On December 9, 2009 Beiersdorf announced plans to close the Norwalk facility sometime in early 2010. At that time, Beiersdorf stated its intention to transfer approximately 50 jobs to its corporate headquarters in Wilton, CT.

Source: City of Norwalk Redevelopment Authority.

Value of Building Permits

Fiscal Year Ended 6/30	Building	Miscellaneous	Total
2010 (1)	$ 87,024,280	$30,194,755	$117,219,035
2009	116,019,539	32,150,652	148,170,191
2008	122,167,830	41,837,356	164,005,186
2007	168,993,472	53,186,067	222,179,539
2006	173,785,844	17,841,057	191,626,901
2005	154,889,408	21,528,397	176,417,805
2004	226,461,685	20,401,098	246,862,783
2003	122,793,362	9,204,130	131,997,492
2002	88,316,351	7,490,071	95,806,422
2001	168,863,786	15,718,061	184,581,847
2000	112,671,283	7,790,459	120,461,742

(1) As of February, 2010.

Source: City of Norwalk, Building Department.

Number of Dwelling Units

2000	1990	1980	% Increase 1990-2000	% Increase 1980-1990
33,753	32,224	28,309	4.7%	13.8%

Source: U.S. Department of Commerce, Bureau of the Census.

Characteristics of Housing Units

	City of Norwalk		Fairfield County		State of Connecticut	
Value of Owner Occupied Units	Number	Percent	Number	Percent	Number	Percent
$ 0 to $ 50,000	62	0.4	1,435	0.8	5,996	0.8
50,000 to 99,999	253	1.6	6,193	3.4	85,221	11.7
100,000 to 149,999	891	5.7	17,969	9.7	212,010	29.1
150,000 to 199,999	2,335	14.8	26,310	14.3	156,397	21.5
200,000 to 299,999	6,024	38.3	44,679	24.3	137,499	18.9
300,000 to 499,999	4,606	29.3	44,583	24.2	79,047	10.9
500,000 to 999,999	1,359	8.6	30,388	16.5	38,168	5.2
1,000,000 and over	206	1.3	12,635	6.8	13,906	1.9
Total	15,736	100.0	184,192	100.0	728,244	100.0
Median Value	270,100	-	288,900	-	166,900	-

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Age Distribution of Housing

	City of Norwalk		Fairfield County		State of Connecticut	
Year Structure Built	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	7,136	21.1	71,784	21.1	15,993	1.2
1940 to 1959	10,607	31.4	98,706	29.1	47,028	3.4
1960 to 1969	5,317	15.8	55,332	16.3	56,058	4.0
1970 to 1979	4,522	13.4	47,414	14.0	183,405	13.2
1980 to 1989	4,032	11.9	39,334	11.6	203,377	14.7
1990 to 1994	1,069	3.2	11,303	3.3	212,176	15.3
1995 to 1998	869	2.6	11,587	3.4	359,042	25.9
1999 to March 2000	201	0.6	4,006	1.2	308,896	22.3
Total housing units, 2000	33,753	100.0	339,466	100.0	1,385,975	100.0

Source: U.S. Department of Commerce, Bureau of Census, Census 2000.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit
As of August 4, 2010 (Pro Forma)

Total Fiscal Year 2009 tax collections (including interest and lien fees)	$236,015,476
State Reimbursement for Revenue Loss on:	
Tax Relief for the Elderly	37,166
Base for Establishing Debt Limit	$236,052,642

Debt Limit

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Past Pension	Total Debt
(2.25 times base)	$531,118,445					
(4.50 times base)		$1,062,236,889				
(3.75 times base)			$885,197,408			
(3.25 times base)				$767,171,087		
(3.00 times base)					$708.157,927	
(7.00 times base)						$1,652,368,494

Indebtedness (Including the Bonds and Maritime Center Debt)

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Past Pension	Total Debt
Bonds Payable	$ 66,125,119 (1)	$ 112,868,646	$ -	$ 11,239,177	$ -	$ 190,232,942
The Bonds - *This Issue*	11,143,969	1,264,031	650,000	6,362,000	-	19,420,000
Parking Authority (2)	10,035,716	-	-	-	-	10,035,716
Water Pollution Control Authority (WPCA)	-	-	58,386,622 (3)	-	-	- 58,386,622
Authorized but Unissued Debt	1,976,000	4,530,330	30,358,219	5,800,000	-	- 42,664,549
Overlapping Indebtedness	23,655,996 (4)	-	-	-	-	23,655,996
Total Bonded Indebtedness	112,936,800	118,663,007	89,394,841	23,401,177	-	344,395,824
School Grants Receivable (5)	-	(92,278)	-	-	-	(92,278)
Net Bonded Indebtedness	112,936,800	118,570,729	89,394,841	23,401,177	-	344,303,546
Excess of Limit Over Outstanding and Authorized Debt	$418,181,645	$ 943,666,160	$795,802,567	$743,769,910	$708,157,926	$1,308,064,948

(1) Includes $852,071 Maritime Center Authority bonds guaranteed by the full faith and credit of the City. (See "Maritime Center Authority" herein)
(2) All Parking Authority bonds are guaranteed by the full faith and credit of the City but will be repaid from parking revenues. (See "Parking Authority" herein).
(3) Includes $9,822,744 of general obligation bonds and $27,187,097 of State of Connecticut Clean Water Fund ("CWF") Program Project Loan Obligations and a $21,376,781 CWF Interim Funding Obligation. (See "Water Pollution Control Authority" and "Clean Water Fund" herein).
(4) The Second Taxing District currently has $600,000 in bonds outstanding which qualify as overlapping indebtedness of the City. Additionally, on April 30, 2009 the Second Taxing District issued a PLO through the State of Connecticut's Drinking Water Loan program in the amount of $24,715,165, of which $23,055,996 is currently outstanding. Any loans undertaken will be supported by the full faith and credit of the Second Taxing District and not the City. (See "Overlapping and Underlying Indebtedness" and "Tax Districts" herein).
(5) Includes outstanding State of Connecticut school building grants receivable on the eligible principal portion of outstanding school bonds. (See "School Projects" herein).

Calculation of Net Direct Debt
As of August 4, 2010 (Pro Forma)

Indebtedness (1)	
Bonded Debt	
The Bonds – *This Issue*	$ 19,420,000
General Purpose (2)	66,125,119
Schools	112,868,646
Urban Renewal	11,239,177
Parking Authority (3)	10,035,716
Water Pollution Control Authority (4)	37,009,841
Total Bonded Indebtedness	256,698,499
Short Term Debt	
Water Pollution Control Authority CWF IFO	21,376,781
Total Direct Debt	278,075,280
Exclusions (School Construction Grants) (5)	(92,278)
Net Direct Debt	277,983,002
Overlapping Debt (6)	23,655,996
Net Direct and Overlapping Debt	$301,638,998

(1) Does not include authorized but unissued debt of $42,664,549.
(2) Includes $852,071 Maritime Center Authority bonds guaranteed by the full faith and credit of the City. (See "Maritime Center Authority" herein)
(3) All Parking Authority bonds are guaranteed by the full faith and credit of the City but will be repaid from parking revenues. (See "Parking Authority" herein).
(4) Includes $9,822,744 of general obligation bonds and $27,187,097 of State of Connecticut Clean Water Fund ("CWF") Program Project Loan Obligations. (See "Water Pollution Control Authority" and "Clean Water Fund" herein).
(5) Includes outstanding State of Connecticut school building grants receivable on the eligible principal portion of outstanding school bonds. (See "School Projects" herein).
(6) The Second Taxing District currently has $600,000 in bonds outstanding which qualify as overlapping indebtedness of the City. Additionally, on April 30, 2009 the Second Taxing District issued a PLO through the State of Connecticut's Drinking Water Loan program in the amount of $24,715,165, of which $23,055,996 is currently outstanding. Any loans undertaken will be supported by the full faith and credit of the Second Taxing District and not the City. (See "Overlapping and Underlying Indebtedness" and "Tax Districts" herein).

Current Debt Ratios
As of August 4, 2010 (Pro Forma)

Total Direct Debt	$278,075,280
Net Direct Debt	$277,983,002
Net Direct and Overlapping Debt	$301,638,998
Population (1)	83,456
Net Taxable Grand List (10/1/09)	$12,646,134,104
Estimated Full Value	$18,065,905,863
Equalized Net Taxable Grand List (2008) (2)	$18,035,743,033
Per Capita Income (1999) (3)	38,783

	Total Direct Debt	**Net Direct Debt**	**Net Direct and Overlapping Debt**
Per Capita	$3,332.00	$3,331.00	$3,614.00
To Net Taxable Grand List	2.20%	2.20%	2.39%
To Estimated Full Value	1.54%	1.54%	1.67%
To Equalized Net Taxable Grand List	1.54%	1.54%	1.67%
Per Capita to Per Capita Income	8.59%	8.59%	9.32%

(1) State of Connecticut, Department of Public Health estimate.
(2) Office of Policy and Management, State of Connecticut
(3) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Statement

	2009-10 (1)	2008-09	2007-08	2006-07	2005–06
Population (2)	83,185	83,185	83,456	83,564	83,636
Net taxable grand list	$12,639,374,669	$10,673,889,000	$10,527,527,000	$9,468,305,000	$8,268,992,000
Estimated full value	$18,056,249,527	$15,248,412,857	$15,039,324,286	$13,526,150,000	$11,812,845,714
Equalized net taxable grand list (3)	$18,035,743,033	$20,990,084,209	$20,898,752,371	$18,873,044,733	$15,734,794,000
Per capita income (4)	$31,781	$ 31,781	$31,781	$31,781	$31,781
Short-term debt	$ 21,376,781	$ -	$ -	$ -	$ -
Long-term debt	252,398,359	257,410,475	237,743,423	236,743,268	218,567,149
Total Direct debt	$273,775,140	$257,410,475	$237,743,423	$236,743,268	$218,567,149
Net Direct debt	$273,682,862	$257,266,948	$237,513,351	$236,066,324	$217,390,745
Net Direct and Overlapping debt	$297,338,858	$282,882,113	$238,943,423	$238,243,268	$219,190,745

(1) Unaudited estimate.

(2) State of Connecticut, Department of Public Health estimates.

(3) Office off Policy and Management, State of Connecticut

(4) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Ratios

	2009-10 (1)	2008–09	2007–08	2006–07	2005–06
Total Direct debt:					
Per capita	$3,291.00	$3,094.00	$2,849.00	$2,833.00	$2,613.00
To net taxable grand list	2.17%	2.41%	2.26%	2.50%	2.64%
To estimated full value	2.56%	2.45%	2.51%	1.75%	1.85%
To equalized net taxable grand list	1.52%	1.23%	1.14%	1.25%	1.39%
Debt per capita to per capita income	10.36%	9.74%	8.96%	8.91%	8.22%
Net direct debt:					
Per capita	$3,290.00	$3,094.00	$2,846.00	$2,825.00	$2,599.00
To net taxable grand list	2.17%	2.41%	2.26%	2.49%	2.63%
To estimated full value	2.56%	2.45%	2.51%	1.75%	1.84%
To equalized net taxable grand list	1.52%	1.23%	1.14%	1.25%	1.38%
Debt per capita to per capita income	10.35%	9.74%	8.95%	8.89%	8.18%
Net direct and overlapping debt:					
Per capita	$3,574.00	$3,402.00	$2,863.00	$2,851.00	$2,621.00
To net taxable grand list	2.35%	2.65%	2.27%	2.52%	2.65%
To estimated full value	2.79%	2.69%	2.52%	1.76%	1.86%
To equalized net taxable grand list	1.65%	1.35%	1.14%	1.26%	1.39%
Debt per capita to per capita income	11.25%	10.71%	9.01%	8.97%	8.25%

(1) Unaudited estimate.

Clean Water Fund Program

The City has financed the renovations to its Sewer Treatment Plant through the State of Connecticut Clean Water Fund Program (General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs, with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and de-nitrification projects which are financed with a 30% grant and a 70% loan. Loans to participating municipalities are made pursuant to a Project Grant and Project Loan Agreement. Participating municipalities are obligated to repay only that amount which it draws down for the payment of project costs. Participating municipalities must permanently finance draws under the Interim Funding Obligations ("IFO") through the issuance of a Project Loan Obligation ("PLO"). Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the earlier of the project completion date specified in the PLO, or the actual completion date. Principal and payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing, 1/20 of total principal not later than one year from the project completion date specified in the PLO, the first years' date, and thereafter in monthly installments. Municipalities may prepay their loans at any time prior to maturity without penalty. The loans are secured by the full faith and credit, and/or a dedicated source of revenue of the participating municipalities. Although the loans are issued with the guarantee of the full faith and credit of the City, the loans are to be repaid by the Water Pollution Control Authority through user charges. (See "Water Pollution Control Authority" herein).

The City has the following Clean Water Fund loans outstanding:

Loan Number	Date of Issue	Original 2% Loan Amount	Amounts Outstanding As of August 4, 2010
CWF 190	7/1/1996	$ 4,550,1 61	$ 1,280,409
CWF 301-C	12/30/1997	1,934,212	699,969
CWF 397-C	1/31/2000	673,270	316,048
CWF 190-DC	9/29/2000	41,294,122	20,784,580
CWF 190-L1	12/21/2001	4,930,815	1,199,993
CWF 190-CD1	12/30/2004	1,830,187	2,906,099
CWF IFO 612-C	1/11/2010	21,376,781	21,376,781
Total		$76,589,548	$48,563,879

Temporary Financing

When general obligation bonds have been authorized by a municipality, temporary notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of any bonds issued is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitments exist, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Legal Requirements for Approval of Borrowing

The City has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the City Charter for the authorization of indebtedness.

Overlapping and Underlying Indebtedness

The Second Taxing District (the “District”) of the City currently has $600,000 in bonds outstanding. The bonds were originally issued on March 15, 1997 in the amount of $4,600,000 to finance the acquisition of the New Canaan Reservoir and the installation and extension of transmission lines from the New Canaan Reservoir to the District’s City Lake Reservoir. Although the security of the bonds is the full faith and credit of the District, the debt constitutes overlapping indebtedness of the City. (See “Tax Districts” herein).

On May 16, 2006, the Board of District Commissioners of the District adopted a resolution appropriating and authorizing bonds in the amount of $24,715,165 for the design and construction of improvements to and the expansion of the Water Filtration Plan of the District, which resolution was approved at a Special Meeting of the District in June, 2006. The District is financing the project through the State of Connecticut Drinking Water Loan Program (General Statute 22a-475 et.seq.)

which provides financial assistance through loans bearing interest at a rate of 2% per annum. On April 30, 2009 the Second Taxing District issued a PLO in the amount of $24,715,165, of which $23,055,996 is currently outstanding.

Authorized but Unissued Debt

	Authorized but Unissued Debt				Remaining
	General/Urban Purpose	School Purpose	Sewer Purpose	*This Issue*	Authorized but Unissued Debt
Capital Budget 2002-03					
Redevelopment Agency					
Norwalk Center Development Project	$ 4,100,000	$ -	$ -	$ -	$ 4,100,000
Subtotal Capital Budget 2002-03	4,100,000	-	-	-	4,100,000
Capital Budget 2003-04					
Schools					
Board of Education Construction Projects	-	4,959,361	-	429,031	4,530,330
Subtotal Capital Budget 2003-04	-	4,959,361	-	429,031	4,530,330
Capital Budget 2008-09					
Public Works					
Fairfield Avenue Construction Match	40,000	-	-	40,000	-
Water Pollution Control Authority					
CSO/Treatment System Fac. Upgrade Ph. I	-	-	3,500,000	-	3,500,000
Low Level Nitrogen Removal	-	-	5,500,000	-	5,500,000
CSO/Treatment System Fac. Upgrade Ph. II	-	-	390,000	-	390,000
Alternative Disinfection	-	-	845,000	-	845,000
Subtotal Capital Budget 2008-09	40,000	-	10,235,000	40,000	10,235,000
Capital Budget 2009-10					
Fire					
Apparatus Replacement	723,000	-	-	723,000	-
Public Works					
Energy Conservation - Various Locations	25,000	-	-	25,000	-
Old Police Facility	500,000	-	-	500,000	-
Fairfield Avenue Construction Match	1,500,000	-	-	600,000	900,000
Subtotal Capital Budget 2009-10	2,748,000	-	-	1,848,000	900,000
Capital Budget 2010-11					
Police					
Refurbish Police Patrol Vessel	160,000	-	-	160,000	-
Fire					
New Fire Headquarters	1,500,000	-	-	1,500,000	-
Various Stations: Repairs & Replacements	30,000	-	-	30,000	-
SCBA Replacement Cylinders	25,000	-	-	25,000	-
LDH (5 inch) Hose Replacement	40,000	-	-	40,000	-
Planning & Zoning					
Citywide Traffic Study	100,000	-	-	50,000	50,000
Waterfront Public Access	200,000	-	-	200,000	-
Sidewalk Study	50,000	-	-	50,000	-

	Authorized but Unissued Debt				Remaining
	General/Urban Purpose	School Purpose	Sewer Purpose	*This Issue*	Authorized but Unissued Debt
Public Works					
City Hall Repairs & Improvements	250,000	-	-	250,000	-
Old Police Facility	1,300,000	-	-	1,300,000	-
Various Ciy Buildings - Repairs	50,000	-	-	50,000	-
Public Works Center–Repairs/Improvements	24,000	-	-	24,000	-
Rossevelt Senior Center	188,000	-	-	188,000	-
Energy Conservation Various Locations	25,000	-	-	25,000	-
Ben Franklin	15,000	-	-	15,000	-
East Avenue Roadway / Bridge	218,000	-	-	218,000	-
Rowayton Avenue Widening	87,000	-	-	87,000	-
Tokeneke Bridge Removal	140,000	-	-	140,000	-
Crescent Street Wall Rehab	150,000	-	-	150,000	-
Perry Avenue Bridge Over Norwalk River	50,000	-	-	50,000	-
Fleet Replacement	695,000	-	-	695,000	-
Pavement Management Program	-	-	-	-	-
Sidewalks and Curbing	-	-	-	-	-
Sidewalks and Curbing - Walter Avenue	3,469	-	-	3,469	-
General Drainage	250,000	-	-	250,000	-
Storm-water Management Plan	100,000	-	-	100,000	-
Watercourse Management	175,000	-	-	175,000	-
West Main Street Drainage	300,000	-	-	300,000	-
Cedar Street Drainage	175,000	-	-	175,000	-
Tree Planting General	30,000	-	-	30,000	-
Parking Authority					
Structural Repairs - SoNo Railroad	952,000	-	-	726,000	226,000
Parking Analysis	50,000	-	-	50,000	-
Water Pollution Control Authority					
Pump Station Upgrade / Replacement	-	-	250,000	-	250,000
Collection System Rehabilitation	-	-	650,000	650,000	-
Board of Education					
Technology Implementation	-	835,000	-	835,000	-
Recreation and Parks					
Vehicles	61,000	-	-	61,000	-
Parks Garage Roof Repairs	100,000	-	-	100,000	-
Testa Field	80,000	-	-	80,000	-
Nathan Hale Fields	250,000	-	-	250,000	-
Hungarian Monument	15,000	-	-	15,000	-
Cranbury Park	200,000	-	-	200,000	-
Fodor Farm	90,000	-	-	90,000	-
School & Park Playgrounds	170,000	-	-	170,000	-
Basketball & Tennis Courts	50,000	-	-	50,000	-
Backstop & Fencing Improvements	40,000	-	-	40,000	-
Tree Planting	25,000	-	-	25,000	-
Veteran's Memorial Park	50,000	-	-	50,000	-
Open Space Fund	50,000	-	-	50,000	-
Library					
Security / Video Camera System	13,500	-	-	13,500	-
Carpet, Ceiling, Lights Replacement	35,000	-	-	35,000	-
Children's Bathroom Renovation	5,000	-	-	5,000	-

	Authorized but Unissued Debt				Remaining
	General/Urban Purpose	School Purpose	Sewer Purpose	*This Issue*	Authorized but Unissued Debt
Historical Commission					
Norwalk Museum Electrical	13,000	-	-	13,000	-
Mill Hill Buildings	10,000	-	-	10,000	-
Redevelopment Agency					
Affordable Housing	250,000	-	-	-	250,000-
West Avenue Lighting	202,000	-	-	202,000	-
South Norwalk TOD Development Initiative	100,000	-	-	100,000	-
Wall Street Development	60,000	-	-	60,000	-
Health					
Building Repairs and Improvement	10,000	-	-	10,000	-
Information Technology					
City Technology Projects	432,000	-	-	432,000	-
Subtotal Capital Budget 2010-11	9,643,969	835,000	900,000	10,602,969	776,000
Supplemental Capital Appropriations					
Wall Street Development Project	1,700,000	-	-	-	1,700,000
Oak Hills Golf Course Improvements	300,000	-	-	-	300,000
Reed-Putnam Redevelopment Area	6,000,000	-	-	6,000,000	-
Clean Water Funds	-	-	20,123,219	-	20,123,219
Webster Street Parking Lot	500,000	-	-	500,000	-
Subtotal Special Appropriations	8,500,000	-	20,123,219	6,500,000	22,123,219
Total	$25,031,969	$5,794,361	$31,258,219	$19,420,000	$42,664,549

School Construction Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs.

Debt service reimbursement will continue under the old reimbursement program for all projects approved prior to July 1, 1996. Under the old program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the municipality for principal and interest costs for eligible school construction expenses over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the project.

Capital Improvement Program

The City annually approves a Five Year Capital Improvement Plan (the "Plan"). The Plan for the five year period beginning fiscal year 2010-11 includes total spending of approximately $157,297,731,000 for redevelopment, public works, public safety, education, recreation and other City improvement projects. Funding is proposed from a variety of sources including state and federal grants, user fees and up to $137,798,000 of bonded debt. A copy of the Plan is available from the Director of Finance.

Combined Schedule of Long Term Debt through Maturity

As of August 4, 2010 (Pro Forma)

	Existing Debt (1, 2)						
Fiscal Year	City Principal	Maritime Center Principal Payments	City Interest	Maritime Center Interest Payments	Total Debt Service	*The Issue* Principal Payments	Total Principal All Issues
2010-11 (3)	$ 19,995,484	$304,328	$ 9,052,523	$1,380,672	$ 30,733,007	$ -	$ 20,299,812
2011-12	19,207,615	283,552	8,554,260	1,401,448	29,446,875	-	19,491,167
2012-13	19,890,899	264,191	7,887,737	1,420,809	29,463,636	-	20,155,090
2013-14	21,140,362	-	7,240,688	-	28,381,050	1,075,000	22,215,362
2014-15	19,776,023	-	6,549,934	-	26,325,957	1,075,000	20,851,023
2015-16	18,579,959	-	5,865,175	-	24,445,134	1,075,000	19,654,959
2016-17	16,831,355	-	5,155,391	-	21,986,746	1,075,000	17,906,355
2017-18	15,229,917	-	4,503,349	-	19,733,266	1,075,000	16,304,917
2018-19	15,380,523	-	3,908,069	-	19,288,592	1,075,000	16,455,523
2019-20	12,541,610	-	3,366,596	-	15,908,206	1,075,000	13,616,610
2020-21	10,937,870	-	2,889,481	-	13,827,351	1,075,000	12,012,870
2021-22	10,504,671	-	2,427,309	-	12,931,980	1,075,000	11,579,671
2022-23	10,515,000	-	1,985,261	-	12,500,261	1,075,000	11,590,000
2023-24	10,550,000	-	1,543,399	-	12,093,399	1,075,000	11,625,000
2024-25	8,700,000	-	1,121,455	-	9,821,455	1,075,000	9,775,000
2025-26	7,190,000	-	793,753	-	7,983,753	1,075,000	8,265,000
2026-27	6,250,000	-	512,063	-	6,762,063	1,075,000	7,325,000
2027-28	4,375,000	-	268,594	-	4,643,594	1,075,000	5,450,000
2028-29	2,925,000	-	108,094	-	3,033,094	1,075,000	4,000,000
2029-30	1,025,000	-	21,781	-	1,046,781	1,075,000	2,100,000
2030-31	-	-	-	-	-	1,145,000	1,145,000
Total	$251,546,288	$852,071	$73,754,912	$4,202,929	$330,356,200	$19,420,000	$271,818,359

(1) Includes Maritime Center debt. Beginning in fiscal year 1990-91 the City included in its budget the debt service payments for the Maritime Center debt. Prior to fiscal year 1990-91 such debt was not included in the City's budget, but guaranteed by full faith and credit of the City. Because revenue projections for the Center did not materialize as projected, the City deemed it prudent to include the guaranteed debt payments within its budget until the Center generates adequate revenues to cover operations and debt service. The Maritime Center debt payments are still included in the City's annually approved budget. (See "Maritime Center Authority" herein).

(2) Includes obligations of the Water Pollution Control Authority and the Parking Authority which will be paid from sewer charges and parking revenues. These obligations are also backed by the full faith and credit of the City of Norwalk. (See "Parking Authority" and "Water Pollution Control Authority" herein).

(3) Does not reflect principal payments of $15,119,861 made as of August 4, 2010.

Source: City of Norwalk

Combined Schedule of City Bonded Debt (1, 2)
As of August 4, 2010 (Pro Forma)

Fiscal Year	General Principal Payments (3)	General Interest Payments (3)	School Principal Payments	School Interest Payments
2010-11 (4)	$7,383,323	$ 4,052,398	$ 8,201,428	$ 4,558,926
2011-12	6,171,595	3,877,096	8,663,691	4,441,830
2012-13	6,221,961	3,704,618	8,976,826	4,113,576
2013-14	6,227,802	2,090,526	9,712,018	3,803,615
2014-15	5,535,983	1,868,787	9,098,617	3,466,319
2015-16	5,204,393	1,654,845	8,555,028	3,125,085
2016-17	4,138,675	1,444,160	8,140,636	2,751,975
2017-18	3,317,566	1,280,243	7,482,011	2,379,301
2018-19	3,347,781	1,140,212	7,543,199	2,040,506
2019-20	3,615,210	1,002,393	6,195,920	1,746,663
2020-21	3,062,630	839,295	5,858,500	1,500,706
2021-22	3,017,073	691,220	5,718,100	1,240,041
2022-23	3,016,069	568,716	5,728,900	993,762
2023-24	2,652,083	452,018	6,060,600	744,207
2024-25	2,409,683	343,336	4,601,200	507,740
2025-26	1,720,848	259,103	3,857,000	334,335
2026-27	1,732,748	188,365	2,889,500	195,245
2027-28	1,506,195	115,972	1,922,500	82,883
2028-29	1,297,133	54,876	893,000	20,093
2029-30	556,133	11,734	-	-
Total	$72,134,884	$25,639,909	$120,098,674	$38,046,809

(1) Does not include this issue.

(2) Excludes obligations of the Water Pollution Control Authority which were issued with the guarantee of the full faith and credit of the City but will be paid from sewer charges. Excludes obligations of the Parking Authority which were issued with the guaranty of the full faith and credit of the City but will be paid from parking revenues. (See "Water Pollution Control Authority" and "Parking Authority" herein).

(3) Includes obligations of the Maritime Center Authority. (See "Maritime Center Authority" herein).

(4) Includes principal payments of $13,601,016 made as of August 4, 2010.

Source: City of Norwalk

Urban Renewal Principal Payments	Urban Renewal Interest Payments	Total Debt Service
$ 453,473	$ 477,354	$ 25,126,902
609,503	422,592	24,186,307
740,399	399,359	24,156,738
846,204	373,530	23,053,696
800,305	345,239	21,115,250
615,678	319,541	19,474,569
539,588	296,854	17,311,888
487,521	277,578	15,224,220
489,379	259,723	14,820,800
707,100	237,777	13,505,063
649,550	204,805	12,115,486
645,950	179,314	11,491,698
645,350	153,906	11,106,703
609,000	128,964	10,646,873
571,400	104,791	8,538,149
524,000	83,351	6,778,637
523,500	61,696	5,591,054
498,500	38,849	4,164,899
455,000	18,034	2,738,135
189,000	4,016	760,883
$11,600,400	$4,387,273	$271,907,949

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Combined Schedule of Bonded Debt for Parking Authority and Water Pollution Control Authority (1, 2)
As of August 4, 2010 (Pro Forma)

Fiscal Year	Parking Authority Principal Payments	Parking Authority Interest Payments	Parking Authority Total Debt Service	WPCA Principal Payments	WPCA Interest Payments	WPCA Total Debt Service
2010-11 (3)	$ 608,265	$ 376,856	$ 985,121	$ 3,653,322	$ 967,660	$ 4,620,983
2011-12	523,111	370,970	894,081	3,523,267	843,212	4,366,479
2012-13	566,343	356,066	922,409	3,649,562	734,929	4,384,490
2013-14	587,506	340,799	928,305	3,766,832	632,216	4,399,048
2014-15	590,901	325,420	916,321	3,750,217	544,169	4,294,386
2015-16	557,707	310,342	868,049	3,647,153	455,363	4,102,516
2016-17	567,707	293,685	861,392	3,444,749	368,717	3,813,466
2017-18	577,708	274,857	852,565	3,365,111	291,370	3,656,481
2018-19	592,708	253,443	846,151	3,407,456	214,185	3,621,641
2019-20	559,608	230,656	790,264	1,463,772	149,107	1,612,879
2020-21	574,608	208,464	783,072	792,582	136,211	928,793
2021-22	589,608	185,560	775,168	533,940	131,174	665,114
2022-23	614,608	159,403	774,011	510,073	109,474	619,547
2023-24	641,773	129,990	771,763	586,544	88,219	674,763
2024-25	661,773	98,965	760,738	455,944	66,624	522,568
2025-26	692,152	67,226	759,378	396,000	49,737	445,737
2026-27	717,158	32,861	750,019	387,094	33,896	420,990
2027-28	149,003	12,107	161,110	298,802	18,783	317,585
2028-29	135,867	5,912	141,779	144,000	9,180	153,180
2029-30	135,867	2,971	138,838	144,000	3,060	147,060
Total	$10,643,981	$4,036,553	$14,680,534	$37,920,420	$5,847,288	$43,767,708

(1) Does not include this issue.

(2) Debt of the Parking Authority is guaranteed by the full faith and credit of the City but is self-supporting from parking revenues. (See "Parking Authority" herein).

(3) WPCA debt is guaranteed by the full faith and credit of the City but is self-supporting from sewer user fees. (See "Water Pollution Control Authority" herein).

(4) Includes principal payments of $1,518,844 made as of August 4, 2010.

Source: City of Norwalk.

SECTION V - FINANCIAL DATA

Accounting Policies

The City's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to General Purpose Financial Statements. (Attached as Appendix A)

Basis of Accounting

See Note 1 of "Notes to General Purpose Financial Statements". (Attached as Appendix A).

Audit

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the City of Norwalk Charter, the City is obligated to undergo an annual examination by an independent certified public accountant. The City's current auditors, McGladrey & Pullen LLP, were appointed by the Common Council and are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said Audit Report when completed.

The most recent audited report covers the fiscal year ended June 30, 2009, included in this Official Statement and made a part hereof as Appendix "A" are the "Financial Statements of the City of Norwalk, Connecticut," as of June 30, 2009, together with the opinion thereon rendered by McGladrey & Pullen, LLP, independent certified public accountants.

Certificate of Achievement for Excellence in Financial Reporting: The City of Norwalk has received a Certificate of Achievement for Excellence in Financial Reporting for the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial report for fiscal years ending June 30, 1991 through June 30, 2008. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program.

Budgetary Procedures

The City of Norwalk conforms to the following budgetary sequences and time schedules:	By
Each Board, Commission, Committee, Officer and Department of the City shall submit to the Director of Finance a copy of its proposed annual operating budget.	January 15
Capital Budget requests must be submitted to the Planning and Zoning Commission and Director of Finance.	December 31
Finance Director shall submit to the Board of Estimate and Taxation and to the Common Council the proposed annual operating budget for the city by the 2nd Monday and the 2nd Tuesday, respectively.	February
Common Council adopts cap on total appropriations for the operating budget by the 4th Tuesday.	February
Finance Director shall submit to the Board of Estimate & Taxation, the Common Council and the Planning Commission the proposed capital budget along with his comments.	February 1
The Planning & Zoning Commission shall hold hearings on the proposed capital budget.	February 15
Proposed capital budget transmitted to the Mayor for his review and recommendation.	March 5
Mayor's proposed capital budget transmitted to the Board of Estimate and Taxation.	March 15
Board of Estimate and Taxation considers all operating budget requests and recommendations and submits a proposed budget and tax levy to the Common Council – 2nd Monday February to 1st Monday in April	April
Common Council may amend the cap on the operating budget not later than the 3rd Tuesday.	April
Board of Estimate adjusts operating budget if a new cap is set not later than the 4th Monday.	April
Board of Estimate and Taxation forwards Mayor's proposed capital budget to Common Council. Board may transfer those capital items that it believes should have been included in the operating budget for the ensuing year	April 1
Common Council may approve, reject, reinstate, or reduce any capital budget item by a majority vote of its members present and voting.	April 15
Board of Estimate and Taxation must set final budget and tax levy, 1st Monday.	May

Tax Districts

The City of Norwalk is divided into a number of districts for taxing purposes. Four of these districts originated with the former independent municipal areas and retain a degree of autonomous government. These districts own certain properties and supply various services to households within, and in some instances, outside the district. By contrast, other taxing districts are essentially taxing units designed to calculate and collect taxes for specific services; they have no autonomous government and they own no properties. The Districts are described below in "Autonomous Districts" and "Service Districts", respectively.

The Autonomous Districts

The First and Second Districts are the former independent cities of Norwalk and South Norwalk, respectively; the Third District is the former East Norwalk Fire District. The districts were consolidated into the City of Norwalk under the Charter of 1913. The Charter created a federation rather than a union form of government, whereby each district retained certain assets. To administer the assets, each District retains a degree of self-government. The Town of Rowayton was incorporated into the City of Norwalk in 1921 and thus became the Sixth Taxing District, and it, too, retained some of its own autonomous features. The four Districts are self-governing within the areas of their responsibilities but the City of Norwalk, as provided by the Charter, is required to levy and collect taxes for each District from the District residents.

The First District owns and operates a water department, maintains streetlights and a number of small parks.

The Second District owns and operates a water department, an electric plant and distribution system, maintains streetlights and numerous small public land areas.

The Third District owns an electric distribution system, a library building, a graveyard, a firehouse, and as with other Districts, various parcels of land.

The Sixth District of Rowayton has its own library, a beach, and two parks for District residents, maintains the street lights, operates a volunteer fire department and collects garbage for those residing within the Sixth District.

The Service Districts

The creation of the City in 1913 included not only the City of Norwalk, South Norwalk and East Norwalk, but also the peripheral territory. As the population increased into this area, the City was obligated to provide residents with essential municipal services. To defray the cost, some taxing system had to be devised and thus, the Fourth District was created, enabling the existing Districts to maintain their distinctive identities. As the City grew and the demand for municipal services increased, an umbrella agency, the Fifth Taxing District, encompassing the entire City of Norwalk, was created. The Fourth District was relegated to those areas of Norwalk with sewers and concomitant garbage collection. This District expands periodically as sewers are extended. However, the incursion of sewers into parts of Rowayton, the Sixth District, in recent years created the need for yet another taxing arrangement inasmuch as the Fourth Taxing District would charge the sewered Sixth District for garbage collections which they already receive. As a result, the Seventh Taxing District was created.

In addition to the aforementioned Taxing Districts, there are separate tax levies for specific services. In 1970 the amended City Charter extended the jurisdiction of the Norwalk Fire Department to the entire City, excluding Rowayton which still has its own firehouse and volunteer fire company. Accordingly, a separate mill rate is computed and applied to all other districts.

Streetlights also receive special revenues. The First, Second, Third and Sixth Districts have a special street-lighting tax imposed.

In 1981 two new districts were established. The Eighth District is that part of the Third District that is un-sewered and receives no sewer service. The Ninth District is one street in the First District comprising five homes that do not receive sewer service. For Fiscal Year 2003-2004, the Seventh, Eight and Ninth District were removed. These Districts were used for sewered residential and commercial within a non-sewered district. These districts are not needed because sewer charges will be billed directly by the Water Pollution Control Authority.

In 1987 the Common Council adopted an ordinance establishing a uniform automobile tax rate.

Tax Rates (Mills)

Grand List Date	Fiscal Year	Dist.1	Dist.2	Dist.3	Dist.4	Dist.5	Dist.6	Dist.7	Dist.8	Dist.9	Motor Vehicle Rate
October 1, 2009	2010-11	20.52	20.52	20.52	20.58	20.08	18.85	(1)	(1)	(1)	25.17
October 1, 2008	2009-10	19.78	19.78	19.78	19.84	19.37	18.23	(1)	(1)	(1)	24.36
October 1, 2007	2008-09	22.48	22.48	22.48	22.55	21.98	21.06	(1)	(1)	(1)	23.57
October 1, 2006	2007-08	21.66	21.66	21.66	21.72	21.15	20.20	(1)	(1)	(1)	23.28
October 1, 2005	2006-07	23.16	23.16	23.16	23.24	22.63	21.45	(1)	(1)	(1)	23.24
October 1, 2004	2005-06	25.10	25.10	25.10	25.21	24.56	23.47	(1)	(1)	(1)	25.21
October 1, 2003	2004-05	27.12	27.12	27.12	27.23	26.51	25.41	(1)	(1)	(1)	27.23
October 1, 2002	2003-04	28.97	28.97	28.97	29.08	28.33	27.10	(1)	(1)	(1)	25.00
October 1, 2001	2002-03	31.87	31.87	31.87	31.98	31.14	29.63	29.63	31.87	31.87	20.00
October 1, 2000	2001-02	36.53	36.53	36.53	36.67	33.36	32.00	34.38	34.15	34.15	20.00

(1) These Districts were established for sewered residential and commercial within a non-sewered district. These districts are no longer required as of the October 1, 2002 Grand List because sewer charges are billed directly by the Water Pollution Control Authority.

Employee Pension Systems

The City's pension plans cover all employees of the City, except teachers who are covered by the State Teachers Retirement Fund. There are four separate plans: Municipal Employees Pension Plan, Police Benefit Plan, Firemen's Benefit Plan and Food Services Plan. As of the July 1, 2009 actuarial valuation, pension assets exceed pension obligations by $10,028,497 for the Municipal Employees' Pension Fund; $(9,462,992) for the Police Benefit Fund; $12,499,108 for the Firemen's Benefit Fund and $(7,943,416) for the Food Service Fund or $8,191,619 for the all funds.

The following is a schedule of contributions by the City to the pension funds:

City's Contribution

Fiscal Year	Municipal Employees' Pension Fund	Police Benefit Fund	Firemen's Benefit Fund	Food Service Employee' Pension Fund	Total
2009-10 (1)	$ 891,003	$1,197,083	$ -0-	$ 89,102	$2,177,188
2008-09	863,067	1,267,867	62,744	74,182	2,267,860
2007-08	1,506,611	1,605,475	391,779	67,085	3,570,950
2006-07	1,339,608	1,599,000	307,920	88,755	2,135,013
2005-06	689,596	1,240,090	-0-	203,189 (2)	2,135,013
2004-05	911,816	868,054	-0-	-0-	1,779,870
2003-04	1,066,428	896,104	-0-	130,655	2,093,187
2002-03 (3)	-0-	-0-	-0-	130,611	130,611
2001-02	-0-	-0-	-0-	65,194	65,194
2000-01	-0-	-0-	-0-	63,886	63,886
1999-00	1,124,042	405,000	40,000	44,153	1,613,195

(1) Unaudited estimate
(2) Includes Fiscal Year 2004-05 and 2005-06 required contributions.
(3) During Fiscal Year 2002-03, the City's actuary at the time, The Segal Company, completed the actuarial valuation of the City's pension plans well after the Fiscal Year 2002-2003 Budget was approved. The City contributed the actuarially recommended contribution of $1,962,532 for Fiscal Year 2002-2003 to the pension funds in Fiscal Year 2003-2004. The City is over funded in two of its four pension funds and will continue to fund the recommended amount in the future. City policy requires updated valuations every year.

Other Post Employment Benefits

Fiscal Year	Annual OPEB Cost	Contribution	Percentage Contributed	Net OPEB Obligation, end of year
2009-10 (1)	$16,278,000	$15,546,028	95.5%	$5,711,143
2008-09	$15,378,023	$12,945,139	84.2%	$6,538,514
2007-08	$15,573,000	$11,467,370	73.6%	$4,105,630

(1) Adopted budget

The City's actuarial consultant, Milliman, performed a valuation of the City's Other Post Employment Benefits ("OPEB") as required under Government Accounting Standards Board Statement (GASB) Statement #45 at July 1, 2007. The valuation included the City and Board of Education employees. As part of that valuation, Milliman determined an implicit rate subsidy where applicable, and employed an 8.25% discount rate. Based upon the valuation by Milliman, the City's accrued liability is $187.9 million. The City has created an Internal Revenue Code 115 trust effective July 1, 2007 to pay for these benefits. The OPEB valuation determined for the fiscal year ending June 30, 2009 that the normal and past service cost would be $15.3 million, assuming a 30 year amortization of the unfunded liability. The City's administration has notified its various boards that implementation of GASB Statement #45 will effect how much the City budgets for post employments benefits and how information is presented in the Financial Statements. The City has elected to annually review its contribution until it reaches the actuarial required contribution level. The phase-in of the actuarial required contribution began in fiscal year 2007-2008 and is on going.

Self -Insurance Program

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for property losses in excess of $50,000 and third party liability insurance up to $12 million per occurrence for claims above a $1,000,000 self-insured retention. The City, including the Board of Education, is self-insured for its medical, dental, workers' compensation and heart and hypertension exposures.

As of June 30, 2009 the City's, including the Board of Education, maximum loss potential was approximately $13,279,333, including accounts payable accruals for claims incurred but not reported and estimates of the costs of settlement for other losses. The City had accumulated total assets of $14,528,419 in the Internal Service Fund. Thus, on an accrual basis, in accordance with GASB Statement 10, the Internal Service Fund has retained earnings of $1,249,086. The Internal Service Fund is adequately funded to meet the City's immediate requirements.

Investment Policies and Practices

The City Charter and Connecticut General Statutes Sections 7-400, 7-401 and 7-402 govern the investments the City is permitted to acquire. Generally, the City may invest in certificates of deposit, repurchase agreements, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, certain mutual funds and money market mutual funds.

The City's investment practices have been to invest only in certificates of deposit, repurchase agreements, the State of Connecticut Short-Term Investment Fund (STIF), United States Federal Agency Paper, MBIA Class Investment Fund, the State of Connecticut Tax-Exempt Proceeds Fund and United States Treasury Bills. The City has followed these investment practices and the City's operating funds, capital funds, and enterprise funds are currently invested in Federal Agency Paper having an average maturity of approximately 3.7 years and in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) STIF; (3) the State of Connecticut Tax-Exempt Proceeds fund; (4) United States Treasury Bills; (5) Obligations of agencies of the United States Government and (6) MBIA Class (an investment fund managed by MBIA Municipal Bond Investors Service Corporation, which, according to MBIA Class, invests only in (i) high-grade short-term federal securities and variable rate obligations backed by federal agencies having monthly or quarterly resets based on indices like the prime rate, LIBOR, or a combination of the two, and (ii) 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 benefit of the Plan's participants).

Assessment Practices

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real and personal property located within the City on October 1, in accordance with Section 12-62a of the Connecticut General Statutes. The Board of Assessment Appeals determines whether any adjustments to the Assessor's list of assessments under appeal are warranted. Assessments are computed at 70 percent of the estimated market value as of the assessment date. The assessment date for real property is the last general revaluation date.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure is classified and priced from a schedule developed at the time of the revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

Connecticut General Statutes Section 12-62 requires each municipality to revalue real property at least every five years by and fully inspect real estate every ten years.

The City completed a real property revaluation with a full inspection on October 1, 2008.

Real Property Tax Collection Procedure

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent.

According to the provisions of Public Act No. 82-141, effective July 1, 1982, and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.5% per month.

Real Property Tax Levies

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, tax bills are payable in installments - July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes, with a minimum charge of $2. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Real estate accounts and other accounts are transferred to suspense 15 years after the due date in accordance with state statutes.

Tax Collections

Fiscal Year Ended 6/30	Taxable Grand List	Total Tax Rate (Mills)	Adjusted Tax Levy	Uncollected Taxes End of Fiscal Year (1)	%	As of 5/31/2010 (2)	%
2011 (3)	$12,646,134,000	20.58	$258,062,887	N/A	N/A	N/A	N/A
2010 (2,4)	12,639,375,000	19.84	248,641,899	N/A	N/A	$3,922,620	N/A
2009	10,673,889,000	22.55	236,583,751	$4,352,629	1.8	1,370,129	0.6
2008	10,527,527,000	21.72	226,597,402	3,431,799	1.5	503,853	0.2
2007	9,468,305,000	22.63	216,241,703	3,603,142	1.7	74,851	0.0
2006	8,268,992,000	24.56	208,336,045	3,089,519	1.5	(307,259)	(0.2)
2005	7,380,516,000	26.51	198,474,780	2,597,162	1.3	(285,133)	(0.1)
2004	6,526,297,000	28.33	186,498,884	2,805,264	1.5	(211,321)	(0.1)
2003	5,794,438,000	31.14	176,659,067	2,861,564	1.6	(215,807)	(0.1)
2002	4,961,132,000	33.36	170,449,270	3,290,354	1.9	(172,866)	(0.1)

(1) The amount collected to the end of each fiscal year represents collections of twelve months. Taxes for the fiscal year are laid on the Grand List of October 1, and are due and payable in two installments, one-half July 1 and one-half January 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent. Effective July 1, 1982 (P.A. 82-141 of the 1982 Connecticut General Assembly), if the installment is not paid by August 1, the tax becomes delinquent and a penalty of 1 ½% per month (18% per annum) is charged from the due date on the tax. Real Estate is liened for delinquent taxes within one year after the due date.

(2) Unaudited estimate.

(3) Adopted budget.

(4) The City’s most recent revaluation was completed on October 1, 2008. Please see “Assessment Practices” herein for more information.

Source: City of Norwalk, Tax Collector’s Office.

Taxable Grand List

The following table sets forth the City's taxable grand lists by component:

($ in Thousands)

Grand List As of 10/1	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
2009 (1)	$11,510,668	$728,378	$534,482	$12,773,529	$127,395	$12,646,134
2008	11,489,791	754,470	537,966	12,782,228	142,853	12,639,375
2007	9,707,999	555,366	560,747	10,823,912	150,023	10,673,889
2006	9,601,705	552,823	542,373	10,696,901	169,374	10,527,527
2005	8,587,523	516,510	539,399	9,643,432	175,127	9,468,305
2004	7,434,325	408,120	521,445	8,363,890	94,897	8,268,992
2003	6,590,135	410,122	481,571	7,481,828	101,312	7,380,516
2002	5,703,118	421,287	503,046	6,627,451	101,154	6,526,297
2001	4,968,198	417,185	481,815	5,867,198	72,760	5,794,438
2000	5,537,973	432,201	466,691	6,436,865	1,475,733 (2)	4,961,132

(1) The City’s most recent revaluation was completed on October 1, 2008. Please see “Assessment Practices” herein for more information.

(2) Included in exemptions are the phased in values from revaluation effective October 1, 1999.

The following table sets forth the Real Property portion of the City's taxable grand lists by component:

($ in Thousands)

Grand List As of 10/1	Residential Real Property	Commercial & Industrial Real Property	Vacant Land	Total Real Property
2009	$8,627,768	$2,756,925	$125,976	$11,510,668
2008 (1)	8,646,066	2,684,598	130,830	11,489,791
2007	7,305,104	2,310,099	92,796	9,707,999
2006	7,225,029	2,289,632	87,044	9,601,705
2005	6,455,428	2,038,024	94,071	8,587,523
2004	5,634,018	1,711,745	88,562	7,434,325
2003	4,845,240	1,684,477	60,418	6,590,135
2002	4,161,708	1,495,689	45,721	5,703,118
2001	4,125,244	1,502,898	50,144	5,678,286
2000	4,092,740	1,399,316	45,917	5,537,973

(1) The City’s most recent revaluation was completed on October 1, 2008. Please see “Assessment Practices” herein for more information.

Largest Taxpayers

The following table sets forth the twenty-five largest taxpayers in the City per the Grand List dated October 1, 2009:

Business-Name	Nature Of Business	Total Estimated Gross Assessment
Connecticut Light & Power	Electrical Distribution	$ 287,787,429
Merritt 7 Venture LLC	6 Office Bldg Complex	217,662,760
River Park Property Owner LLC	Office Bldgs	67,826,074
Thirty Five Glover Partners LLC	Office Bldgs	53,339,297
Twenty Fiver Glover Partners LLC	Office Bldgs	50,372,560
45 Glover Partners LLC	Office Bldgs	48,055,420
Norwalk Center LLC	Office, Ind. Complex	47,107,480
399 Main Ave. Apartments Investors LLC	Office Complex	35,233,310
Fairfield Merrittview	Office Bldgs	34,325,760
Merritt River Partners LLC	Office Bldgs	33,481,980
Fairfield Norwalk Limited Partnership	Apartment Complex	32,838,960
Yankee Gas Co.	Utility Lines	30,286,782
Beiersdorf	Manufacturer	29,736,314
Transwestern 535 Connecticut LLC	Office Bldgs	29,122,730
Norwalk Power LLC	Power Plant	29,045,590
Townsend Norwalk LLC	Office, R&D complex	26,915,770
HD-Main Avenue LP	Retail Stores	25,168,150
I Park Norwalk LLC	Office, Ind. Complex	21,278,840
One Ninety Seven Conn.	Retail Stores	23,282,210
Graham Capital Management	Financial Services	24,871,377
Home Depot USA	Big Box Retail	22,580,180
COSTCO Wholesale Corporation	Big Box Retail	22,504,580
Passero Rudolph A Jr	Shopping Center	21,770,280
Factset Research System, Inc.	Data Research	20,181,844
Graham Realty LLC	Office Bldgs	20,160,770
Total		$1,254,936,447 (1)

(1) Represents 9.92% of the net taxable grand list of $12,646,134,000 dated October 1, 2009..

Source: City of Norwalk, Assessor's Office.

Revenues

The City derives its revenues from a direct tax levy on property, state and federal aid, various fees and charges, and other miscellaneous sources. City revenues are summarized for fiscal years ended 2005-2009 in "Statements of General Fund Revenues, Expenditures and Changes in Fund Balance-General Fund" herein.

Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax Revenues as a Percentage of General Fund Revenues
2010-11 (1)	$280,660,289	$250,767,755	89.3%
2009-10 (1)	278,654,619	242,362,814	87.0
2008-09	278,839,115	236,316,680	84.8
2007-08	274,289,005	229,072,804	83.5
2006-07	263,386,839	215,669,320	81.9
2005-06	251,641,490	206,567,186	82.1
2004-05	238,741,612	200,532,788	84.0
2003-04	218,675,179	185,043,538	84.6
2002-03	207,814,103	178,735,767	86.0
2001-02	201,888,028	167,997,983	83.2

(1) Adopted Budget

Source: Annual audited financial statements (GAAP) and Fiscal Years 2009-10 and 2010-11 Adopted Budgets.

Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Federal and State Aid	Total Aid As a Percentage Of General Fund Revenue
2010-11 (1)	$280,660,289	$14,597,234	5.2%
2009-10 (1)	278,654,619	15,959,161	5.7
2008-09	278,839,115	30,386,367	10.9
2007-08	274,289,005	28,626,555	10.4
2006-07	263,386,839	28,182,974	10.7
2005-06	251,641,490	27,086,112	10.8
2004-05	238,741,612	22,370,645	9.4
2003-04	218,675,179	21,948,831	10.0
2002-03	207,814,103	21,339,077	10.3
2001-02	201,888,028	24,440,382	12.1

(1) Adopted Budget. Budgetary basis, excludes Teacher's Pension on-behalf payments.

Source: Annual audited financial statements (GAAP) and Fiscal Years 2009-10 and 2010-11 Adopted Budgets.

Expenditures

Fiscal Year	Education	Public Safety	Employee Benefits	Public Works	Debt Service
2010-11 (1)	53.4%	13.8%	10.5%	5.9%	9.0%
2009-10 (1)	54.3	13.7	9.0	5.8	9.7
2008-09	55.8	13.0	8.2	6.2	9.0
2007-08	56.0	13.3	8.5	6.0	8.6
2006-07	56.3	13.1	8.6	5.9	8.0
2005-06	56.8	14.6	7.6	6.1	7.0
2004-05	57.5	13.6	7.7	6.4	6.3
2003-04	57.6	14.0	7.9	6.6	5.3
2002-03	56.7	13.2	6.6	7.1	8.6
2001-02	55.0	14.0	5.6	9.7	7.6

(1) Adopted Budget

Source: Annual audited financial statements (GAAP) and Fiscal Years 2009-10 and 2010-11 Adopted Budgets.

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Comparative General Fund Operating Statement
(Budget and Actual (Budgetary Basis))

	Fiscal Year 2008-2009			Fiscal Year 2009-10	Fiscal Year 2010-11
	Revised Budget	Actual Operations	Variance Favorable (Unfavorable)	Adopted Budget	Adopted Budget
REVENUES					
Property Taxes	$237,984,036	$236,316,680	$(1,667,356)	$248,363,014	$256,583,655
Intergovernmental	16,981,014	17,041,367	60,353	15,959,161	14,597,234
Licenses, permits, fees and other	12,728,964	9,192,812	(3,536,152)	9,132,444	7,779,400
Interest on investments	2,675,000	2,943,256	268,256	1,700,000	1,700,000
TOTAL REVENUES	$270,369,014	265,494,115	(4,874,899)	$275,154,619	$280,660,289
EXPENDITURES					
General government	$ 8,611,647	7,483,034	1,128,613	$ 7,370,515	$ 7,415,093
Education	148,380,220	148,078,159	302,0612	151,183,303	149,743,081
Public Safety	37,637,664	37,390,695	246,969	38,090,309	38,719,748
Health and Welfare	2,306,417	2,239,340	67,077	2,010,942	1,966,605
Public works	18,056,767	17,325,903	730,864	16,153,259	16,542,592
Community Grants	2,938,144	2,938,144	-	2,996,285	3,015,266
Employee Benefits	23,563,730	23,451,245	112,485	24,941,728	29,432,328
Recreation, Arts & Cultural	7,692,736	7,648,759	43,978	7,023,156	7,013,632
Organizational memberships	84,052	84,052	-	129,662	129,662
Contingency	513,775	-	513,775	1,624,325	1,530,751
Debt Service	25,697,411	25,697,411	-	27,131,135	25,151,531
TOTAL EXPENDITURES	275,482,563	272,336,741	3,145,822	278,654,619	280,660,289
Excess (Deficiency) of Revenues Over Expenditures	(5,113,549)	(6,842,626)	(1,729,077)	(3,500,000)	-
Other Financing Sources (Uses) Appropriated Fund Balance	3,500,000	-	(3,500,000)	3,500,000	-
Excess (Def.) of Rev. & Other Financing Sources over Expenditures & Other Financing Uses	$(1,613,549)	(6,842,626)	$(5,229,077)	$ -	$ -
Beginning Fund Balance		36,231,225			
Ending Fund Balance Before Reserves		29,388,599			
Less: Designated for Board of Education Future Appropriations		(168,239)			
Less: Designated for City Future Appropriations		(4,181,253)			
Ending Balance after Reserves		$25,039,107			

Comparative Balance Sheets - General Fund

Fiscal Years Ended:	2005	2006	2007	2008	2009
ASSETS					
Cash and cash equivalents	$25,666,724	$35,328,337	$31,819,679	$20,999,490	$28,478,273
Investments	19,844,121	17,553,076	28,153,186	34,185,383	27,401,885
Net receivables:					
Property taxes	5,158,533	4,536,274	4,065,169	4,415,121	6,015,372
Accounts receivables	1,100,043	1,301,823	1,386,351	1,353,569	818,121
Intergovernmental	284,388	1,444,885	614,420	390,615	304,528
Due from other funds	6,953,187	612,261	-	-	-
TOTAL ASSETS	$59,006,996	$60,776,656	$66,038,805	$61,344,178	$63,018,179
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 5,016,286	$ 5,181,303	$ 6,836,487	$16,309,638	$18,192,287
Accrued wages	8,181,273	8,002,335	8,548,321	-	
Unearned revenues	14,391,602	8,904,209	7,892,022	3,446,359	9,647,322
Deferred revenue	-	6,040,828	5,482,104	4,199,844	5,678,251
TOTAL LIABILITIES	27,589,161	28,128,675	28,758,934	23,955,841	33,517,860
FUND BALANCES					
Reserved	554,777	289,062	1,634,117	1,157,112	111,720
Unreserved:					
Designated for subsequent years expenditures	5,113,067	3,860,429	4,424,988	4,367,312	4,181,253
Undesignated	25,749,990	28,498,490	31,220,766	31,863,913	25,207,346
TOTAL FUND BALANCES	31,417,835	32,647,981	37,279,871	37,388,337	29,500,319
TOTAL LIABILITIES AND FUND BALANCES	$59,006,996	$60,776,656	$66,038,805	$61,344,178	$63,018,179

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

Fiscal Years Ended:	2005	2006	2007	2008	2009
REVENUES					
Property taxes, interest and liens	$200,532,788	$206,567,186	$215,669,320	$229,072,804	$236,316,680
Intergovernmental	22,370,645	27,086,112	28,182,974	28,626,555	30,386,367
Licenses, permits, fees and other	13,067,122	14,481,507	14,138,573	12,068,672	9,192,812
Interest on investments	2,771,057	3,506,685	5,395,972	4,520,974	2,943,256
TOTAL REVENUES	238,741,612	251,641,490	263,386,839	274,289,005	278,839,115
EXPENDITURES					
Current:					
General government	6,581,024	6,740,889	6,752,487	7,808,214	8,068,509
Health and welfare	3,692,368	3,737,937	3,891,397	2,624,410	3,583,342
Education	130,808,409	142,256,785	145,969,257	153,675,894	160,083,564
Employee benefits	17,558,536	19,080,858	22,272,134	23,407,173	23,535,296
Public safety	30,906,902	36,475,806	33,930,127	36,593,372	37,407,452
Community grants	2,696,242	2,513,665	2,784,099	2,825,889	2,938,144
Public works	14,584,221	15,368,566	15,351,014	16,409,156	17,741,621
Recreation, arts and cultural	6,371,540	6,812,027	7,076,333	7,371,934	7,671,794
Capital Outlay	-	-	655,082	-	-
Debt service	14,395,614	17,424,811	20,728,101	23,464,497	25,697,411
TOTAL EXPENDITURES	227,594,856	250,411,344	259,410,031	274,180,539	286,727,133
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,146,756	1,230,146	3,976,808	108,466	(7,888,018)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	15,780,000	72,143,962
Premium on bond issuance	-	-	-	785,957	6,802,158
Payment to escrow	-	-	-	(16,565,957)	(78,946,120)
Net Transfers	-	-	655,082	-	-
EXTRAORDINARY ITEMS					
State teachers on-behalf payments	-	-	-	(44,531,000)	-
State teachers on-behalf revenue	-	-	-	44,531,000	-
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-
NET CHANGE IN FUND BALANCES	11,146,756	1,230,146	4,631,890	108,466	(7,888,018)
Fund balance, July 1	20,271,079	31,417,835	32,647,981	37,279,871	37,388,337
Fund balance, June 30	$ 31,417,835	$ 32,647,981	$ 37,279,871	$ 37,388,337	$ 29,500,319

Source: Annual audited financial statements.

Comparative Balance Sheets - Capital Project Fund

Fiscal Years Ended:	2005	2006	2007	2008	2009
ASSETS					
Cash and cash equivalents	$22,006,185	$17,449,656	$ 8,454,703	$ 3,414,089	$ 8,702,424
Investments	7,764,418	6,291,080	7,347,059	3,558,421	7,309,061
Net receivables:					
Property taxes	281,229	193,682	248,699	161,272	108,725
Intergovernmental	5,493,237	3,134,479	1,647,789	878,364	825,000
Other receivables	-	46,776	-	-	-
TOTAL ASSETS	$35,545,069	$27,115,673	$17,698,250	$ 8,012,146	$16,945,210
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 6,481,592	$ 5,707,801	$ 9,275,707	$ 7,679,441	$ 3,678,377
Accrued wages	2,673	3,271	2,945	-	-
Unearned revenue	695,538	1,178,113	301,281	323,213	188,869
TOTAL LIABILITIES	7,179,803	6,889,185	9,579,933	8,002,654	3,867,246
FUND BALANCES					
Unreserved	28,365,266	20,226,488	8,118,317	9,492	13,077,964
TOTAL FUND BALANCES	28,365,266	20,226,488	8,118,317	9,492	13,077,964
TOTAL LIABILITIES AND FUND BALANCES	$35,545,069	$27,115,673	$17,698,250	$ 8,012,146	$16,945,210

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Project Fund

Fiscal Year Ended:	2005	2006	2007	2008	2009
REVENUES					
Property taxes and assessments	$ -	$ -	$ -	$ 86,665	$ 52,547
Intergovernmental	22,269,364	13,143,863	8,750,147	9,610,781	9,387,239
Licenses, permits, fees and other	309,163	1,945,043	10,541	68,895	79,000
Interest on investments	1,505,370	1,123,639	1,462,292	708,438	647,854
TOTAL REVENUES	24,083,897	16,212,545	10,222,980	10,474,779	10,166,640
EXPENDITURES					
Capital Outlay	57,192,774	45,555,432	45,596,501	42,495,571	30,016,408
Debt service	-	120,891	-	213,033	287,608
TOTAL EXPENDITURES	57,192,774	45,676,323	45,596,501	42,708,604	30,304,016
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(33,098,877)	(29,463,778)	(35,373,521)	(32,233,825)	(20,137,376)
OTHER FINANCING SOURCES					
Issuance of debt	38,657,509	21,325,000	23,260,000	24,125,000	33,205,848
Premium on bond issuance	-	-	5,350	-	-
TOTAL OTHER FINANCING SOURCES (USES)	38,657,509	21,325,000	23,265,350	24,125,000	33,205,848
NET CHANGES IN FUND BALANCES	5,558,632	(8,138,778)	(12,108,171)	(8,108,825)	13,068,472
Fund balance, July 1	22,816,634	28,365,266	20,226,488	8,118,317	9,492
Fund balance, June 30	$ 28,365,266	$20,226,488	$ 8,118,317	$ 9,492	$13,077,964

Source: Annual audited financial statements.

Comparative Statement of Net Assets – Water Pollution Control Authority

Fiscal Year Ended:	2005	2006	2007	2008	2009
ASSETS					
Current Assets					
Cash and cash equivalents	$ 3,945,662	$ 6,126,822	$ 5,727,348	$ 6,192,008	$ 3,864,853
Charges receivable, net	207,967	243,150	338,233	440,266	328,778
Other receivables	6,300	82,933	21,680	62,360	1,938
Investments	1,602,378	2,318,558	4,189,889	6,979,413	3,479,605
Total current assets	5,762,307	8,771,463	10,277,150	13,674,047	7,675,174
CAPITAL ASSETS					
Net of accumulated depreciation	80,874,681	79,113,381	78,169,401	77,691,903	82,191,752
Total assets	86,636,988	87,884,844	88,446,551	91,365,950	89,866,926
LIABILITIES					
Current liabilities					
Current maturities of bonds payable	3,109,570	3,314,260	3,390,394	3,448,872	3,572,238
Accounts payable and accrued liabilities	490,834	1,343,348	1,195,621	1,011,778	795,547
Unearned revenue	195,577	199,244	102,142	48,731	224,721
Total current liabilities	3,795,981	4,856,852	4,688,157	4,509,381	4,592,506
Long-term liabilities					
Bonds and notes payable	43,667,392	41,703,132	39,912,738	39,113,866	35,382,736
Total long-term liabilities	43,667,392	41,703,132	39,912,738	39,113,866	35,382,736
Total liabilities	47,463,373	46,559,984	44,600,895	43,623,247	39,975,242
NET ASSETS					
Investments in capital assets net of Related debt	34,097,719	34,095,989	34,866,269	39,593,825	45,932,725
Unrestricted	5,075,896	7,228,871	8,979,387	8,148,878	3,958,959
TOTAL NET ASSETS	$39,173,615	$41,324,860	$43,845,656	$47,742,703	$49,891,684

Source: Annual audited financial statements.

Statement of Revenues, Expenses and Changes in Net Assets –Water Pollution Control Authority

Fiscal Year Ended:	2005	2006	2007	2008	2009
OPERATING REVENUES					
Charges for services	$10,034,271	$10,268,317	$10,878,270	$12,201,319	$12,071,044
Total operating revenues	10,034,271	10,268,317	10,878,270	12,201,319	12,071,044
OPERATING EXPENSES					
Administration and operation	5,173,952	5,778,414	6,029,165	6,041,298	6,626,725
Depreciation	1,982,074	1,943,720	1,962,279	1,986,399	2,014,489
Salaries, benefits and claims	119,628	-	173,847	311,266	605,364
Total operating expenses	7,275,654	7,722,134	8,165,291	8,338,963	9,246,578
Operating income (loss)	2,758,617	2,546,183	2,712,979	3,862,356	2,824,466
NON-OPERATING REVENUE (EXPENSE)					
Investment income	212,690	382,899	658,111	707,700	531,750
Interest expense on long-term debt	(1,189,602)	(1,076,736)	(1,034,360)	(1,031,658)	(1,207,235)
Intergovernmental	-	298,899	-	-	-
Total non-operating revenue (expense)	(976,912)	(394,938)	(376,249)	(323,958)	(675,485)
CONTRIBUTED CAPITAL	347,500	-	184,066	358,649	-
Change in net assets	2,129,205	2,151,245	2,520,796	3,897,047	2,148,981
FUND NET ASSETS, Beginning	37,044,410	39,173,615	41,324,860	43,845,656	47,742,703
FUND NET ASSETS, Ending	$39,173,615	$41,324,860	$43,845,656	$47,742,703	$49,891,684

Source: Annual audited financial statements.

Comparative Statement of Net Assets – Parking Authority

Fiscal Year Ended:	2005	2006	2007	2008	2009
ASSETS					
Current Assets					
Cash and cash equivalents	$ -	$ 160,794	$ 470,784	$ 607,423	$ 562,325
Restricted cash	675,777	705,074	745,613	781,113	794,569
Other receivables	19,095	39,035	2,223	1,639	1,639
Investments	-	60,144	324,569	677,327	505,866
Total current assets	694,872	965,047	1,543,189	2,067,502	1,864,399
CAPITAL ASSETS					
Net of accumulated depreciation	30,010,170	29,300,319	28,700,725	28,316,430	29,319,418
Total assets	30,705,042	30,265,366	30,243,914	30,383,932	31,183,817
LIABILITIES					
Current liabilities					
Current maturities of bonds payable	367,882	380,517	420,956	514,540	573,521
Accounts payable and accrued liabilities	266,378	74,605	133,362	83,570	154,489
Due to other funds	6,544,477	-	-	-	-
Unearned revenue	-	63,895	113,053	183,897	169,959
Total current liabilities	7,178,737	519,017	667,371	782,007	897,969
Long-term liabilities					
Bonds and notes payable	9,999,780	9,944,263	9,663,307	9,373,766	9,954,261
Total long-term liabilities	9,999,780	9,944,263	9,663,307	9,373,766	9,954,261
Total liabilities	17,178,517	10,463,280	10,330,678	10,155,773	10,852,230
NET ASSETS					
Investments in capital assets net of Related debt	19,642,508	18,975,539	18,616,462	18,428,125	19,303,467
Restricted for debt service	675,777	705,074	745,613	781,113	794,569
Unrestricted	(6,791,760)	121,275	551,161	1,018,921	233,551
TOTAL NET ASSETS	$13,526,525	$19,801,888	$19,913,236	$20,228,159	$20,331,587

Source: Annual audited financial statements.

Statement of Revenues, Expenses and Changes in Net Assets –Parking Authority

Fiscal Year Ended:	2005	2006	2007	2008	2009
OPERATING REVENUES					
Charges for services	$ 3,010,050	$ 3,571,713	$ 4,311,469	$ 4,935,847	$ 5,145,637
Total operating revenues	3,010,050	3,571,713	4,311,469	4,935,847	5,145,637
OPERATING EXPENSES					
Administration and operation	2,035,809	3,009,807	2,623,068	3,113,215	3,497,762
Depreciation	763,702	804,324	813,770	831,776	844,955
Salaries, benefits and claims	369,718	-	348,501	319,758	310,676
Total operating expenses	3,169,229	3,814,131	3,785,339	4,264,749	4,653,393
Operating income (loss)	(159,179)	(242,418)	526,130	671,098	492,244
NON-OPERATING REVENUE (EXPENSE)					
Investment income	-	-	82,197	92,149	94,682
Interest expense on long-term debt	(773,211)	(413,104)	(481,124)	(448,324)	(483,498)
Intergovernmental	-	1,541,985	-	-	-
Loss on sale of asset	-	-	(15,855)	-	-
Total non-operating revenue (expense)	(773,211)	1,128,881	(414,782)	(356,175)	(388,816)
CONTRIBUTED CAPITAL	-	5,388,900	-	-	-
Change in net assets	(932,390)	6,275,363	111,348	314,923	103,428
FUND NET ASSETS, Beginning	14,458,915	13,526,525	19,801,888	19,913,236	20,228,159
FUND NET ASSETS, Ending	$13,526,525	$19,801,888	$19,913,236	$20,228,159	$20,331,587

Source: Annual audited financial statements.

SECTION VI - ADDITIONAL INFORMATION

Litigation

In the opinion of the City's Corporation Counsel, as of the date of this Official Statement, there are no claims or litigation pending or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the City which would have a material adverse affect on the finances of the City or which would impact the validity of the Bonds or the power of the City to levy and collect taxes to pay them.

Availability of Continuing Disclosure Information

The City of Norwalk prepares, in accordance with state law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The City provides to Moody's Investors Service, Standard and Poor's Corporation and Fitch Ratings ongoing disclosure in the form of the Comprehensive Annual Financial Report, Recommended and Adopted Budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) timely notices of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements to be executed by the City in substantially the forms attached as Appendices D and E to this Official Statement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). To date the City has not failed to meet any of its undertakings under such agreements.

Financial Advisor

The City has retained Independent Bond and Investment Consultants LLC, of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although Independent Bond and Investment Consultants LLC has assisted in the preparation of the Official Statement, Independent Bond and Investment Consultants LLC is not obligated to undertake, and has not undertaken to make, an independent verification of, nor do they assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Independent Bond and Investment Consultants LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Legal Matters

Robinson & Cole LLP, Hartford, Connecticut is serving as bond counsel with respect to the authorization, issuance and sale of the Bonds and will render its opinions with respect to the Bonds in substantially the forms attached as Appendices B and C to this Official Statement.

Documents Accompanying Delivery of the Bonds

Upon delivery of the Bonds, the winning bidder(s) will be furnished with the following documents:

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened effecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. Certificates on behalf of the City, signed by the Mayor and Director of Finance, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that at the time that the bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the City of Norwalk and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement;
3. Receipts for the purchase price of the Bonds;

4. The approving opinions of Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut;
5. Executed continuing disclosure agreements for the Bonds in substantially the form attached to the Official Statement as Appendices D and E.

The City of Norwalk has prepared an Official Statement for the Bonds which is dated July 14, 2010. The City deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. Within seven business days of the bid opening, the City will furnish the purchaser(s) of the Bonds 100 copies of the Official Statement, as prepared for this issue at the City's expense. Additional copies may be obtained by the winning bidder(s) at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City in authorizing the Bonds will be kept on file at the office of U.S. Bank National Association, Hartford, Connecticut and will be available for examination upon reasonable request.

Concluding Statement

Additional information may be obtained upon request from the Director of Finance, City of Norwalk, 125 East Avenue, Norwalk, Connecticut 06856 at (203) 854-7870 or from Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06442 at (203) 245-8715.

Independent Bond and Investment Consultants LLC, the City's financial advisor, has assisted the City in the preparation of this Official Statement from documents supplied by City officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of statements made herein and makes no representation that it has independently verified the accuracy of supporting documents supplied by the City.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly authorized and approved by the City and duly executed and delivered on its behalf by the City.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds.

CITY OF NORWALK

By: ____
RICHARD A. MOCCIA
MAYOR

By: ____
THOMAS S. HAMILTON
DIRECTOR OF FINANCE

Dated: July 14, 2010

APPENDIX A - AUDITED FINANCIAL STATEMENTS

CITY OF NORWALK, CONNECTICUT

TABLE OF CONTENTS

JUNE 30, 2009

Appendix A - Financial Statements - is taken from the Annual Report of the City of Norwalk, Connecticut for the Fiscal Year ending June 30, 2009 as presented by the Auditors at that time and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, City of Norwalk, Connecticut.

McGladrey & Pullen
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut (the "City"), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Norwalk, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 4, the financial statements include investments valued at $73,679,000 (25% of pension net assets), whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or general partners.

In accordance with "Government Auditing Standards," we have also issued our report dated December 18, 2009 on our consideration of the City of Norwalk, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management's discussion and analysis and the schedules of funding progress for pensions and other post-employment benefits are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements, capital asset schedules, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 18, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The City's net assets increased by $5.9 million or 1.8%. The governmental net assets increased by $3.7 million or 1.5% and the business-type net assets increased by $2.3 million or 3.3%.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reports an decrease of $7.9 million or 21.1%.

USING THIS ANNUAL REPORT

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Infrastructure Assets

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

GOVERNMENT-WIDE STATEMENT

Summary of Net Assets

Table 1
Summary of Net Assets (In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 101,527	$ 94,527	$ 9,540	$ 15,741	$ 111,067	$ 110,268
Capital assets	448,632	430,335	111,511	106,009	560,143	536,344
Total assets	**550,159**	**524,862**	**121,051**	**121,750**	**671,210**	**646,612**
Current and other liabilities	40,912	37,002	1,345	1,328	42,257	38,330
Noncurrent liabilities	251,128	233,432	49,483	52,451	300,611	285,883
Total liabilities	**292,040**	**270,434**	**50,828**	**53,779**	**342,868**	**324,213**
Net assets:						
Invested in capital assets, net of debt	250,536	236,918	65,236	58,022	315,772	294,940
Restricted	-	-	794	781	794	781
Unrestricted (deficit)	7,583	17,510	4,193	9,168	11,776	26,678
Total net assets	**$ 258,119**	**$ 254,428**	**$ 70,223**	**$ 67,971**	**$ 328,342**	**$ 322,399**

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

Normal Impacts

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

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

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

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

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

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

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

Current Impacts

The major impacts to Net Assets in governmental activities was the issuance of $33.0 million of new debt and the construction on major capital projects this year: School Construction Projects, $11.7 million. The other major impacts were $15.4 million of principal on debt paid this year and $8.1 million of depreciation on fixed assets. The major impacts to Net Assets in business-type activities was the issuance of $1.2 million of new debt, $4.0 principal paid on debt this year and $2.9 million of depreciation on fixed assets.

Summary of Changes in Net Assets

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

Table 2
Changes in Net Assets (In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
REVENUES	2009	2008	2009	2008	2009	2008
Program Revenues:						
Charge for services	$ 21,029	$ 23,711	$ 17,217	$ 17,137	$ 38,246	$ 40,848
Operating grants and contributions	44,291	44,278	-	-	44,291	44,278
Capital grants and contributions	9,404	7,605	-	359	9,404	7,964
General Revenues:						
General property, taxes and assessments	237,745	228,023	-	-	237,745	228,023
Interest income	3,591	6,473	626	800	4,217	7,273
Other general revenues	5,997	5,229	-	-	5,997	5,229
Total revenues	322,057	315,319	17,843	18,296	339,900	333,615
EXPENSES						
Program Activities Primary Government:						
Governmental Activities:						
General government	15,809	18,093	-	-	15,809	18,093
Education	201,190	192,383	-	-	201,190	192,383
Public safety	43,292	45,115	-	-	43,292	45,115
Health and welfare	5,155	2,210	-	-	5,155	2,210
Public Works	33,208	31,020	-	-	33,208	31,020
Recreation, arts and cultural	9,922	9,387	-	-	9,922	9,387
Debt service	9,790	9,291	-	-	9,790	9,291
	318,366	307,499	-	-	318,366	307,499
Business-Type Activities:						
Parking Authority	-	-	5,137	4,713	5,137	4,713
Water Pollution Control Authority	-	-	10,454	9,371	10,454	9,371
	-	-	15,591	14,084	15,591	14,084
Total expenses	318,366	307,499	15,591	14,084	333,957	321,583
Increase in net assets	3,691	7,820	2,252	4,212	5,943	12,032
Net Assets, beginning	254,428	246,608	67,971	63,759	322,399	310,367
Net Assets, ending	$ 258,119	$ 254,428	$ 70,223	$ 67,971	$ 328,342	$ 322,399

Normal Impacts

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

Revenues:

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

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

Market Impacts on Investment Income – the City's investment portfolio includes Federal Agency paper which is affected by market conditions.

Expenses:

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

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

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

Current Impacts

Major revenue impacts in governmental activities were an increase in property tax revenue of $9.7 million due to an increase in the tax levy and continued aggressive measures in collecting delinquent taxes offset by a reduction in the collection rate due to the downturn in the economy. There was also a decrease in revenue in the Town Clerk's Office due to less Real Estate Conveyance tax which was caused by less real estate transfer activity. The major impact on expenses was an increase in expenses in education due to salary increases and the State of Connecticut on-behalf payments. Major impacts in revenue and expenses in business-type activities included both the Water Pollution Control Authority and Parking Authority being able to collect revenues and control expenses.

THE CITY FUNDS

General Fund

Comparing Fiscal Year 2009 to Fiscal Year 2008

As of the year-end, the General Fund (as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds on page 14) reported a fund balance of $29.5 million which is $7.9 million less that at the beginning of the year. Major impacts were a decrease in investment income due to a decline in interest rates. There was also a decrease in revenue in the Town Clerk's Office due to less Real Estate Conveyance tax which was caused by less real estate transfer activity. Debt Service increased mainly due to the first principal payment on the Fiscal Year 2007 $27 million General Obligation bonds sold primarily for school construction.

Comparing Original Budget to Final Budget

As of year-end, in the General Fund (as presented on the Statement of Revenues, Expenditures, Encumbrances, Transfers and Changes in Fund Balances – Budgetary Basis – Budget and Actual – General Fund on page 16) there were no significant changes in budgeted revenues. Expenses were impacted by an increase in snow and ice removal during winter storms, solid waste disposal due to costs associated with ending and starting a new disposal contractor relationship and increases in storm and drainage remediation due to needs that arose after budget passage.

Comparing Final Budget to Actual Results

As of the year-end, the General Fund (as presented on the Statement of Revenues, Expenditures, Encumbrances, Transfers and Changes in Fund Balances – Budgetary Basis – Budget and Actual – General Fund on page 16), actual Taxes, interest and liens increased from the final budget due to aggressive measures in collecting Property Taxes. There was a variance in Licenses, permits, fees and other which was caused by a decreased active real estate market for residential and major commercial properties. The major variance for expenditures was certain expenditures were deferred and included in designated for future appropriations in Non-Education.

Capital Projects Fund

Comparing Fiscal Year 2009 to Fiscal Year 2008

As of the year-end, the Capital Projects Fund (as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds on page 14) reported a fund balance of $13.1 million, which is $13.1 million more than the beginning of the year. Major impacts were Intergovernmental Revenues for school construction from state, issuance of bonds and expenditures mainly for school construction.

Water Pollution Control Authority

Comparing Fiscal Year 2009 to Fiscal Year 2008

As of the year-end, the Water Pollution Control Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds on page 18) reported fund net assets of $49.9 million which is 4.5% more than the beginning of the year ($47.7 million). Major impacts were a successful year of collecting sewer charges as well as controlling costs.

Parking Authority

Comparing Fiscal Year 2009 to Fiscal Year 2008

As of the year-end, the Parking Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds on page 18) reported fund net assets of $20.3 million which is 0.5% more than the beginning of the year ($20.2 million). Major impacts were a successful year of collecting parking revenues as well as controlling costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had $560.1 million invested in a variety of capital assets, as reflected in the following schedule:

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

	Governmental Activities	Business-Type Activities	Total
Land	$ 21,905	$ 4,839	$ 26,744
Construction in Progress	15,584	-	15,584
Land Improvements	4,952	105	5,057
Machinery and Equipment	8,581	1,121	9,702
Buildings and Improvements	261,216	89,704	350,920
Infrastructure	136,393	15,742	152,135
Total	$ 448,631	$ 111,511	$ 560,142

Table 4
Change in Capital Assets
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Beginning balance	$ 430,335	$ 106,008	$ 536,343
Additions/transfers	26,405	8,362	34,767
Disposals/transfers	(378)	-	(378)
Depreciation	(7,731)	(2,859)	(10,590)
Total	$ 448,631	$ 111,511	$ 560,142

Major capital activity during the year were for school improvements.

Debt Outstanding

As of year-end, the City had $257.4 million in debt (bonds, notes, etc.) outstanding compared to the $245.9 million last year, a 4.7% net increase (considering new borrowing and debt retirement). The following summarizes Outstanding Debt which is presented in more detail in Note 7.

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

	2009	2008
Governmental:		
General obligation bonds	$ 207,928	$ 193,417
	207,928	193,417
Business-Type:		
Parking Authority-general obligation bonds	10,527	9,888
Water Pollution Control Authority - general obligation bonds and Clean Water Fund notes	38,955	42,563
	49,482	52,451
Total	$ 257,410	$ 245,868

During the year the City issued $34.2 million in new General Obligation Bonds to finance school and infrastructure improvements. In addition, the City issued $76.8 million in refunding bonds. The City has a AAA rating from Fitch Investors Service and Standard and Poors. The Moody's Investors Services rating is Aaa.

ECONOMIC FACTORS

The unemployment rate for Norwalk was 7.1%, up from 5.2% a year ago.

Real estate conveyance tax went down in Fiscal Year 2009 and has continued to be low due to the sluggish real estate market. The City property tax collection rate is lower caused by the current recession in the economy. We are constantly monitoring the stock market and its effect on future pension contributions.

REQUEST FOR INFORMATION

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

Basic Financial Statements

CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Type Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 43,867,847	$ 4,427,178	$ 48,295,025
Restricted cash	-	794,569	794,569
Investments	47,192,831	3,985,471	51,178,302
Receivables, net of allowances for collection losses:			
Property taxes, net	6,124,097	-	6,124,097
Charges, net	-	328,778	328,778
Accounts, net	1,433,662	3,577	1,437,239
Federal and state governments	1,926,844	-	1,926,844
Inventories	20,701	-	20,701
Deferred charges	886,967	-	886,967
Net pension asset	74,212	-	74,212
Capital assets, not being depreciated	37,489,807	4,838,762	42,328,569
Capital assets, net of accumulated depreciation	411,141,670	106,672,408	517,814,078
Total assets	550,158,638	121,050,743	671,209,381
Liabilities			
Accounts payable and accruals	29,803,276	950,036	30,753,312
Unearned revenue	11,109,195	394,680	11,503,875
Noncurrent liabilities:			
Due within one year	25,680,189	4,145,759	29,825,948
Due in more than one year	225,447,367	45,336,997	270,784,364
Total liabilities	292,040,027	50,827,472	342,867,499
Net Assets			
Investment in capital assets, net of related debt	250,535,992	65,236,192	315,772,184
Restricted for debt service	-	794,569	794,569
Unrestricted	7,582,619	4,192,510	11,775,129
Total net assets	$ 258,118,611	$ 70,223,271	$ 328,341,882

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ (15,809,325)	$ 5,192,541	$ 847,462	$ -	$ (9,769,322)	$ -	$ (9,769,322)
Education	(201,189,893)	1,890,535	40,164,328	2,496,434	(156,638,596)	-	(156,638,596)
Public Safety	(43,292,239)	428,860	507,060	-	(42,356,319)	-	(42,356,319)
Health & welfare	(5,154,839)	569,306	2,772,503	-	(1,813,030)	-	(1,813,030)
Public Works	(33,208,370)	11,668,852	-	6,857,998	(14,681,520)	-	(14,681,520)
Recreation, arts and cultural	(9,921,768)	1,278,809	-	50,000	(8,592,959)	-	(8,592,959)
Interest on debt	(9,790,458)	-	-	-	(9,790,458)	-	(9,790,458)
Total governmental activities	(318,366,892)	21,028,903	44,291,353	9,404,432	(243,642,204)	-	(243,642,204)
Business-type activities:							
Parking Authority	(5,136,891)	5,145,637	-	-	-	8,746	8,746
Water Pollution Control Authority	(10,453,813)	12,071,044	-	-	-	1,617,231	1,617,231
Total business-type activities	(15,590,704)	17,216,681	-	-	-	1,625,977	1,625,977
Total primary government	$ (333,957,596)	$ 38,245,584	$ 44,291,353	$ 9,404,432	(243,642,204)	1,625,977	(242,016,227)
		General revenues:					
		Property taxes			237,744,438	-	237,744,438
		Grants and contributions not restricted to specific programs			5,996,806	-	5,996,806
		Unrestricted investment earnings			3,591,110	626,432	4,217,542
		Total general revenues			247,332,354	626,432	247,958,786
		Change in net assets			3,690,150	2,252,409	5,942,559
		Net assets - beginning			254,428,461	67,970,862	322,399,323
		Net assets - ending			$ 258,118,611	$ 70,223,271	$ 328,341,882

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

CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	Major Funds			
	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 28,478,273	$ 8,702,424	$ 2,675,677	$ 39,856,374
Investments	27,401,885	7,309,061	1,971,461	36,682,407
Receivables (net of allowances for collection losses):				
Property taxes	6,015,372	108,725	-	6,124,097
Accounts receivable	818,121	-	441,409	1,259,530
State and federal governments	304,528	825,000	797,316	1,926,844
Inventories	-	-	20,701	20,701
Total assets	$ 63,018,179	$ 16,945,210	$ 5,906,564	$ 85,869,953
Liabilities				
Accounts payable	$ 18,192,287	$ 3,678,377	$ 3,405,751	$ 25,276,415
Unearned revenues	9,647,322	188,869	1,273,004	11,109,195
Deferred revenues	5,678,251	-	-	5,678,251
Total liabilities	33,517,860	3,867,246	4,678,755	42,063,861
Fund balances				
Reserved for:				
Encumbrances	111,720	-	-	111,720
Unreserved, reported in:				
General fund	29,388,599	-	-	29,388,599
Special revenue funds	-	-	1,227,809	1,227,809
Capital projects funds	-	13,077,964	-	13,077,964
Total fund balances	29,500,319	13,077,964	1,227,809	43,806,092
Total liabilities and fund balances	$ 63,018,179	$ 16,945,210	$ 5,906,564	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole.	448,631,477
Deferred charges	886,967
Net pension asset	74,212
Deferred revenues are not available and therefore not recognized in the funds.	5,678,251
Accrued interest	(4,047,172)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,255,975
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(238,167,191)
Net assets of governmental activities	$ 258,118,611

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Major Funds			
	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes, interest and liens	$ 236,316,680	$ 52,547	$ -	$ 236,369,227
Intergovernmental	17,041,367	9,387,239	19,815,539	46,244,145
State on-behalf payments	13,345,000	-	-	13,345,000
Licenses, permits, fees and other	9,192,812	79,000	11,757,341	21,029,153
Interest	2,943,256	647,854	-	3,591,110
Total revenues	278,839,115	10,166,640	31,572,880	320,578,635
EXPENDITURES				
Current:				
General government	8,068,509	-	122,560	8,191,069
Health and welfare	3,583,342	-	1,269,844	4,853,186
Education	160,083,564	-	19,512,430	179,595,994
Employee benefits	23,535,296	-	-	23,535,296
Public safety	37,407,452	-	11,007	37,418,459
Community grants	2,938,144	-	790,109	3,728,253
Public works	17,741,621	-	617,223	18,358,844
Recreation, arts and culture	7,671,794	-	329,613	8,001,407
Maritime Center Subsidy	-	-	8,652,687	8,652,687
Capital outlay	-	30,016,408	-	30,016,408
Debt service:				
Principal	15,386,155	-	-	15,386,155
Interest	10,311,256	287,608	-	10,598,864
Total expenditures	286,727,133	30,304,016	31,305,473	348,336,622
Excess (deficiency) of revenues over expenditures	(7,888,018)	(20,137,376)	267,407	(27,757,987)
OTHER FINANCING SOURCES				
Issuance of debt	72,143,962	33,205,848	-	105,349,810
Premium on bond issuance	6,802,158	-	-	6,802,158
Payment to escrow	(78,946,120)	-	-	(78,946,120)
Total other financing sources	-	33,205,848	-	33,205,848
Net change in fund balances	(7,888,018)	13,068,472	267,407	5,447,861
FUND BALANCES, beginning	37,388,337	9,492	960,402	38,358,231
FUND BALANCES, ending	$ 29,500,319	$ 13,077,964	$ 1,227,809	$ 43,806,092

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

CITY OF NORWALK, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

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

Net change in fund balances – total governmental funds	$ 5,447,861
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.	18,316,886
Net effect of various miscellaneous transactions involving capital assets is to decrease net assets	(20,687)
Net pension asset	571
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,478,407
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.	(17,617,163)
Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds at the time the liability is incurred.	747,447
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	(4,663,172)
Change in net assets of governmental activities	$ 3,690,150

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

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, TRANSFERS AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2009

	General Fund			
	Budgeted Amounts		Actual Budgetary	Variance With Final Budget
	Original	Final	Basis	Positive (Negative)
REVENUES				
Taxes, interest and lien fees	$ 237,984,036	$ 237,984,036	$ 236,316,680	$ (1,667,356)
Intergovernmental	16,971,370	16,981,014	17,041,367	60,353
Licenses, permits, fees and other	12,554,228	12,728,964	9,192,812	(3,536,152)
Interest	2,675,000	2,675,000	2,943,256	268,256
Total revenues	270,184,634	270,369,014	265,494,115	(4,874,899)
EXPENDITURES				
Current:				
General government	7,698,545	8,611,647	7,483,034	1,128,613
Education	148,218,925	148,380,220	148,078,159	302,061
Public safety	37,310,025	37,637,664	37,390,695	246,969
Health and welfare	2,227,682	2,306,417	2,239,340	67,077
Public works	16,672,063	18,056,767	17,325,903	730,864
Community grants	2,937,294	2,938,144	2,938,144	-
Employee benefits	23,436,561	23,563,730	23,451,245	112,485
Recreation, arts and cultural	7,708,271	7,692,736	7,648,758	43,978
Organizational memberships	83,051	84,052	84,052	-
Contingency	1,694,806	513,775	-	513,775
Debt service	25,697,411	25,697,411	25,697,411	-
Total expenditures and encumbrances	273,684,634	275,482,563	272,336,741	3,145,822
Net change in fund balance	$ (3,500,000)	$ (5,113,549)	(6,842,626)	$ (1,729,077)
UNRESERVED AND UNDESIGNATED FUND BALANCES, beginning			36,231,225	
Less: Designated for Board of Education			(168,239)	
Less: Designated for City Future Appropriations			(4,181,253)	
UNRESERVED AND UNDESIGNATED FUND BALANCES, ending			$ 25,039,107	

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 3,864,853	$ 562,325	$ 4,427,178	$ 4,011,473
Restricted cash	-	794,569	794,569	-
Charges receivable, net	328,778	-	328,778	-
Other receivables	1,938	1,639	3,577	174,132
Investments	3,479,605	505,866	3,985,471	10,510,424
Total current assets	7,675,174	1,864,399	9,539,573	14,696,029
CAPITAL ASSETS, NET	82,191,752	29,319,418	111,511,170	-
Total assets	89,866,926	31,183,817	121,050,743	14,696,029
LIABILITIES				
CURRENT LIABILITIES				
Current maturities of bonds and notes payable	3,572,238	573,521	4,145,759	-
Accounts payable and accrued liabilities	795,547	154,489	950,036	479,689
Claims payable	-	-	-	5,701,553
Unearned revenue	224,721	169,959	394,680	-
Total current liabilities	4,592,506	897,969	5,490,475	6,181,242
LONG-TERM LIABILITIES				
Bonds and notes payable	35,382,736	9,954,261	45,336,997	-
Claims payable	-	-	-	7,258,812
Total long-term liabilities	35,382,736	9,954,261	45,336,997	7,258,812
Total liabilities	39,975,242	10,852,230	50,827,472	13,440,054
NET ASSETS				
Invested in capital assets (net of related debt)	45,932,725	19,303,467	65,236,192	-
Restricted for debt service	-	794,569	794,569	-
Unrestricted	3,958,959	233,551	4,192,510	1,255,975
Total net assets	$ 49,891,684	$ 20,331,587	$ 70,223,271	$ 1,255,975

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
OPERATING REVENUES				
City and member's contributions	$ -	$ -	$ -	$ 40,432,299
Charges for services	12,071,044	5,145,637	17,216,681	-
Total operating revenues	12,071,044	5,145,637	17,216,681	40,432,299
OPERATING EXPENSES				
Administrative and operations	6,626,725	3,497,762	10,124,487	1,123,154
Depreciation	2,014,489	844,955	2,859,444	-
Salaries, benefits and claims	605,364	310,676	916,040	43,697,318
Total operating expenses	9,246,578	4,653,393	13,899,971	44,820,472
Operating income (loss)	2,824,466	492,244	3,316,710	(4,388,173)
NONOPERATING INCOME (EXPENSE)				
Investment income (loss)	531,750	94,682	626,432	(274,999)
Interest expense	(1,207,235)	(483,498)	(1,690,733)	-
Total nonoperating income (expense)	(675,485)	(388,816)	(1,064,301)	(274,999)
Change in net assets	2,148,981	103,428	2,252,409	(4,663,172)
FUND NET ASSETS, beginning	47,742,703	20,228,159	67,970,862	5,919,147
FUND NET ASSETS, ending	$ 49,891,684	$ 20,331,587	$ 70,223,271	$ 1,255,975

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	$ 12,418,944	$ 5,131,697	$ 17,550,641	$ 40,284,413
Payments to suppliers	(6,876,338)	(3,448,687)	(10,325,025)	-
Payments to employees/claims paid	(605,364)	(310,676)	(916,040)	(44,803,947)
Net cash provided by (used in) operating activities	4,937,242	1,372,334	6,309,576	(4,519,534)
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	(3,448,895)	(514,540)	(3,963,435)	-
Payment to escrow	(3,755,902)	(865,140)	(4,621,042)	-
Interest paid on debt	(1,173,853)	(460,654)	(1,634,507)	-
Proceeds from notes payable	3,597,033	2,018,158	5,615,191	-
Purchase of property and equipment	(6,514,338)	(1,847,943)	(8,362,281)	-
Net cash used in capital and related financing activities	(11,295,955)	(1,670,119)	(12,966,074)	-
Cash Flows From Investing Activities				
Sale (purchase) of investments	3,499,808	171,461	3,671,269	(3,367,676)
Investment income	531,750	94,682	626,432	172,503
Net cash provided by (used in) investing activities	4,031,558	266,143	4,297,701	(3,195,173)
Net decrease in cash and cash equivalents	(2,327,155)	(31,642)	(2,358,797)	(7,714,707)
Cash and Cash Equivalents				
Beginning	6,192,008	1,388,536	7,580,544	11,726,180
Ending	$ 3,864,853	$ 1,356,894	$ 5,221,747	$ 4,011,473
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities				
Operating income (loss)	$ 2,824,466	$ 492,244	$ 3,316,710	$ (4,388,173)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,014,489	844,955	2,859,444	-
Changes in assets and liabilities:				
Decrease in charges receivable	111,488	-	111,488	-
(Increase) decrease in other receivables	60,422	-	60,422	(147,887)
(Decrease) increase in accounts payable and accrued expenses	(249,613)	49,073	(200,540)	-
Decrease in claims and judgments payable	-	-	-	16,526
Increase (decrease) in unearned income	175,990	(13,938)	162,052	-
Net cash provided by (used in) operating activities	$ 4,937,242	$ 1,372,334	$ 6,309,576	$ (4,519,534)
Noncash Investment Activities				
Net increase (decrease) in fair value of investments	$ 20,457	$ 2,974	$ 23,431	$ (447,502)

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30, 2009

	Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 27,115,095	$ 91,703	$ 1,776,705
Investments:			
U.S. Government Agency	4,704,879	-	-
U.S. Government Securities	11,673,037	-	-
Corporate bonds	4,027,999	-	-
Common stock	56,371,962	-	-
Hedge/alternative investments	73,679,004	-	-
Index Funds	10,784,366	-	-
Commingled funds	55,115,992	-	-
Mutual Funds	47,517,615	-	-
Total investments	263,874,854	-	-
Secured lending transactions	11,139,022	-	-
Accrued income	2,034,112	-	-
Total assets	304,163,083	91,703	1,776,705
LIABILITIES			
Secured lending transactions	11,139,022	-	-
Other liabilities	992,303	-	1,776,705
Total liabilities	12,131,325	-	1,776,705
Net Assets Held in Trust for Pension Benefits and Other Purposes	$ 292,031,758	$ 91,703	$ -

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Trust Funds	Private Purpose Trust Fund
Additions		
Contributions:		
Employer	$ 15,212,999	$ -
Plan members	2,509,698	-
Other	-	26,676
Total contributions	17,722,697	26,676
Investment Income:		
Interest and dividends	9,258,875	1,339
Net depreciation in fair value of investments	(82,091,158)	-
Investment expense	(895,057)	-
Net investment income (loss)	(73,727,340)	1,339
Securities lending transactions income	196,264	-
Securities lending transactions expense	(142,377)	-
Net investment income - securities lending	53,887	-
Deductions		
Benefits paid	28,046,141	-
General and administrative	343,239	35,600
Total deductions	28,389,380	35,600
Net decrease	(84,340,136)	(7,585)
Net Assets Held in Trust for Pension Benefits and Other Purposes		
Beginning of year	376,371,894	99,288
End of year	$ 292,031,758	$ 91,703

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

Note 1. Summary of Significant Accounting Policies

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

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

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

Reporting entity

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

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

Blended Component Unit - The Maritime Center Authority (the “Authority”) is an agency established by state statute and City Code to oversee the development and operations of the Maritime Center (the “Center”). The ordinance provides that the powers of the Authority shall be exercised by a commission of nine members consisting of the Mayor, two members of the Common Council, two current or former members of the Common Council and four additional members.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The agency funds are reported using the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

Accounting estimates

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

Property taxes

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

Cash equivalents

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

Investments

Investments are stated at fair value, based on quoted market prices, except as discussed below.

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

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

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

Allowance for Doubtful Accounts

Accounts receivable for the primary government are reported net of an allowance for doubtful accounts, totaling $11,569,000 which relates to property taxes. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 ($1,000 for the Parking Authority) and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

Compensated absences

Vacation earned during the City's fiscal year ending June 30 may be taken through the following June of each year. In addition, certain employee groups may accumulate between 55 and 60 days of unused vested sick leave throughout their employment. Certain employee groups are also entitled to severance and longevity benefits. In governmental funds, a liability is recognized when amounts are due as a result of retirement or termination, whereas a liability is recognized as benefits are earned in the government-wide and proprietary fund financial statements. Obligations for accrued compensated absences have typically been liquidated from the general fund in the past.

Long-term obligations

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

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

Risks and uncertainties

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

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

Fund equity and net assets

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

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

***Restricted Net Assets* –** This category presents external restriction imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved fund balance - indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved-Designated fund balance - indicates that portion of fund equity for which the City has made tentative plans.

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

Pension accounting

Pension Trust Funds:

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

Government-Wide Funds/Activities:

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

Funding Policy:

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

Other Post Employment Obligations (OPEB) accounting

OPEB Trust:

Employer contributions are recognized in the period in which the contributions are due, and the City has made a formal commitment to provide the contributions. Employees begin contributing on July 1, 2007.

Government-Wide Funds/Activities:

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

Funding Policy:

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

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

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

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

Bonds payable	$ 207,927,719
Premiums and gains/losses on refunding, net of accumulated amortization	3,777,859
Pension liability	1,452,024
Early retirement	1,480,000
Capital lease	467,151
Other post-employment obligation	6,538,514
Pollution remediation	282,000
Compensated absences	16,241,924
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	$ 238,167,191

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

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

Capital outlay	$ 26,404,801
Depreciation expense	(8,087,915)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$ 18,316,886

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

Long-term liabilities issued or incurred:	
Issuance of general obligation bonds and notes payable	$ (105,349,810)
Premiums and gain/loss on refunding	(7,038,898)
Principal repayments:	
General obligation debt	15,740,512
Capital lease payments	84,913
Payment to escrow	78,946,120
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$ (17,617,163)

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

Compensated absences	$ 2,175,252
Accrued interest	379,711
Pension liability	19,763
Early Retirement	459,000
Other post-employment obligation	(2,432,884)
Pollution remediation	(282,000)
Deferred charges	428,605
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$ 747,447

Note 3. Budgets and Budgetary Accounting

The City's general budget policies are as follows:

A. Prior to the commencement of a fiscal year, an operating budget (a plan of financial operation embodying an estimate of proposed expenditures and the proposed means of financing them) for that year for the General Fund is to be submitted to the Board of Estimate and Taxation. On the first Monday of May, the Board of Estimate and Taxation by legal resolution must adopt an Operating Budget for the ensuing fiscal year.

B. The expenditure portion of the operating budget (appropriations) is given legal effect through resolution of the Board of Estimate and Taxation. Appropriations made by the Board of Estimate and Taxation shall not exceed estimated revenues. The budget is adopted on a department level. Departments, agencies, or other entities may not legally exceed their appropriations.

C. By resolution of the Board of Estimate and Taxation, the Finance Director may amend the budget by authorizing a transfer within each expenditure item (i.e., the Mayor's office within general government expenditures) of the budget for amounts up to $5,000. The Board of Estimate and Taxation's authorization is required for transfers of amounts in excess of the Finance Director's authority.

D. Supplemental appropriations in excess of the adopted budget, together with the means of financing them, must be authorized by the Board of Estimate and Taxation and ratified by a resolution of two-thirds of the Common Council.

E. Although budgeted revenues usually are not changed, the ultimate source of revenues for supplemental appropriations (adjustments) are identified when such adjustments are approved. Thus, while the final budget presented in the financial statements reflects a deficit, the budgetary amendment process includes procedures requiring that funding sources, including, if necessary, appropriations of fund balance, be identified.

F. Expenditures of funds for long-term capital improvements are budgeted by Capital Projects each year. Appropriations for Capital Projects are continued until completion of applicable projects, even when projects extend over more than one fiscal year.

   Appropriations from the General Fund lapse at year-end.

G. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.

H. Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

For the year ended June 30, 2009, supplemental appropriations totaled approximately $1,411,000.

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

Expenditures, encumbrances and transfers out, budgetary basis	$ 272,336,741
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	12,001,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	1,344,000
Encumbrances and continued appropriations:	
June 30, 2008	1,157,112
June 30, 2009	(111,720)
Expenditures, GAAP basis	$ 286,727,133

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

Revenues and transfers in, budgetary basis	$ 265,494,115
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	12,001,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	1,344,000
Revenues, GAAP basis	$ 278,839,115

Special revenue funds

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

Capital projects funds

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

Note 4. Cash and Investments

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

Investments: The City does not have a custodial credit risk policy for investments. The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Pension Plans set asset allocation parameters, as follows:

Equities	45%
Fixed Income	25%
Inflation Hedge Fund	3%
Hedge	16%
Cash	1%
Private Investments	10%

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

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

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009, approximately $43,696,000 of the entity's bank balance of $52,535,000 was uninsured and uncollateralized.

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

Cash and investments of the City consist of the following at June 30, 2009:

Cash and Cash Equivalents	
Deposits with financial institutions	$ 65,074,386
State of Connecticut Short-Term Investment fund	441,863
Municipal Backed Investment Fund	12,556,848
Total cash and cash equivalents	78,073,097

Investments		
General Fund		
U.S. Government Securities	23,757,435	*
Mutual Funds	3,644,450	
Total general fund	27,401,885	
Non-Major Funds		
U.S. Government Securities	1,709,256	*
Mutual Funds	262,205	
Total non-major funds	1,971,461	
Capital Projects Fund		
U.S. Government Securities	6,336,956	*
Mutual Funds	972,105	
Total capital projects fund	7,309,061	
Internal Service Fund		
Common Stock	1,511,309	*
U.S. Government Securities	6,049,109	*
U.S. Government Agencies	264,233	*
Mutual Funds	1,208,733	
Corporate bonds	1,477,040	*
Total internal service fund	10,510,424	
WPCA:		
U.S. Government Securities	3,016,817	*
Mutual Funds	462,788	
Total WPCA	3,479,605	
Parking Authority:		
U.S. Government Securities	438,586	*
Mutual Funds	67,280	
Total parking authority	505,866	
Pension Trust Funds:		
U.S. Government Agencies	4,704,879	*
U.S. Government Securities	11,673,037	*
Corporate Bonds	4,027,999	*
Common stock	56,371,962	*
Mutual Funds	47,517,615	
Index Funds	10,784,366	
Hedge/alternative investments	73,679,004	
Commingled funds	55,115,992	
Total pension trust funds	263,874,854	
Total investments	315,053,156	
Total cash and investments	$ 393,126,253	

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

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

Statement of Net Assets		
Cash and cash equivalents	$	48,295,025
Restricted cash		794,569
Investments		51,178,302
Total statement of net assets		100,267,896
Fiduciary Funds:		
Cash and cash equivalents		28,983,503
Investments		263,874,854
		292,858,357
Total cash and investments	$	393,126,253

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

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years): Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
U.S. Government Securities	$ 52,981,193	$ -	$ 44,378,999	$ 1,842,249	$ 6,759,945
U.S. Government Agencies	4,969,112	-	1,973,830	2,995,282	-
Pooled fixed income	12,998,711	12,998,711	-	-	-
Corporate Bonds	5,505,039	-	1,889,561	2,403,242	1,212,236
TOTAL	$ 76,454,055	$ 12,998,711	$ 48,242,390	$ 7,240,773	$ 7,972,181

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

Average Rating	Corporate Bonds	U.S. Government Agencies	Pooled Fixed Income	U.S. Government Securities
AAA	$ 25,241	$ 4,969,112	$ 12,556,848	$ 52,981,193
AAA/M	-	-	441,863	-
AA-	397,707	-	-	-
A	2,849,127	-	-	-
AA	566,653	-	-	-
BBB	1,292,467	-	-	-
BB	20,576	-	-	-
B	353,268	-	-	-
	$ 5,505,039	$ 4,969,112	$ 12,998,711	$ 52,981,193

Note 5. Unearned Revenue/Deferred Revenue

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

	Unearned Revenue	Deferred Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	$ -	$ 5,210,313
Advanced tax collections	7,285,101	-
Tax overpayments	2,362,221	-
School construction receivable	-	248,219
Grants	-	219,719
Capital Projects:		
Grants	188,869	-
Nonmajor Funds:		
Grants	1,273,004	-
Total	$ 11,109,195	$ 5,678,251

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 21,905,400	$ -	$ -	$ 21,905,400
Construction in progress	42,521,447	13,104,564	(40,041,604)	15,584,407
Total capital assets, not being depreciated	64,426,847	13,104,564	(40,041,604)	37,489,807
Capital assets, being depreciated:				
Land improvements	9,960,254	1,280,524	-	11,240,778
Machinery and equipment	33,549,560	1,402,260	(377,557)	34,574,263
Buildings and improvements	280,986,645	7,531,177	40,041,604	328,559,426
Infrastructure	156,817,898	3,086,276	-	159,904,174
Total capital assets being depreciated	481,314,357	13,300,237	39,664,047	534,278,641
Less accumulated depreciation for:				
Land improvements	5,914,987	373,681	-	6,288,668
Machinery and equipment	25,011,151	1,339,427	(356,870)	25,993,708
Buildings and improvements	61,995,747	5,347,801	-	67,343,548
Infrastructure	22,484,041	1,027,006	-	23,511,047
Total accumulated depreciation	115,405,926	8,087,915	(356,870)	123,136,971
Total capital assets, being depreciated, net	365,908,431	5,212,322	40,020,917	411,141,670
Governmental activities capital assets, net	$ 430,335,278	$ 18,316,886	$ (20,687)	$ 448,631,477

	Beginning Balance	Additions/ Transfers	Disposal/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 4,838,762	$ -	$ -	$ 4,838,762
Total capital assets, not being depreciated	4,838,762	-	-	4,838,762
Capital assets, being depreciated:				
Land improvements	509,288	-	-	509,288
Machinery and equipment	13,012,795	157,419	-	13,170,214
Buildings and improvements	114,034,213	8,204,862	-	122,239,075
Infrastructure	28,677,753	-	-	28,677,753
Total capital assets, being depreciated	156,234,049	8,362,281	-	164,596,330
Less accumulated depreciation for:				
Land improvements	379,702	24,655	-	404,357
Machinery and equipment	11,899,972	148,944	-	12,048,916
Buildings and improvements	30,280,556	2,254,188	-	32,534,744
Infrastructure	12,504,248	431,657	-	12,935,905
Total accumulated depreciation	55,064,478	2,859,444	-	57,923,922
Total capital assets, being depreciated, net	101,169,571	5,502,837	-	106,672,408
Business-type activities capital assets, net	$ 106,008,333	$ 5,502,837	$ -	$ 111,511,170

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	$ 103,218
Education	4,180,583
Public safety	1,117,724
Health and welfare	28,766
Public works	1,396,356
Recreation, arts and cultural	1,231,643
Community Grants	29,625
Total depreciation expense – governmental activities	$ 8,087,915
Business-type activities:	
Parking Authority	$ 844,955
Water Pollution Control Authority	2,014,489
Total depreciation expense – business-type activities	$ 2,859,444

Note 7. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 191,884,316	$ 105,349,810	$ (90,485,114)	$ 206,749,012	$ 16,384,723
Maritime Center bonds	1,533,063	-	(354,356)	1,178,707	326,637
Deferred amounts:					
For issuance premiums and gain/loss	586,123	6,716,895	(3,525,159)	3,777,859	-
Total bonds and notes payable	194,003,502	112,066,705	(94,364,629)	211,705,578	16,711,360
Compensated absences	18,417,176	3,842,987	(6,018,239)	16,241,924	2,400,000
Capital lease	552,064	-	(84,913)	467,151	82,276
Net pension obligation	1,471,787	-	(19,763)	1,452,024	-
Other post-employment obligation	4,105,630	2,432,884	-	6,538,514	-
Early retirement accrual	1,939,000	390,000	(849,000)	1,480,000	503,000
Risk financing activities	12,942,573	44,838,264	(44,820,472)	12,960,365	5,701,553
Pollution remediation	-	282,000	-	282,000	282,000
Total other long term debt	39,428,230	51,786,135	(51,792,387)	39,421,978	8,968,829
Governmental activity long-term liabilities	$ 233,431,732	$ 163,852,840	$ (146,157,016)	$ 251,127,556	$ 25,680,189
Business-type activities:					
Bonds payable:					
General obligation bonds and notes payable	$ 52,451,044	$ 5,615,191	$ (8,583,479)	$ 49,482,756	$ 4,145,759
Total bonds and notes payable	52,451,044	5,615,191	(8,583,479)	49,482,756	4,145,759
Business-type activity long-term liabilities	$ 52,451,044	$ 5,615,191	$ (8,583,479)	$ 49,482,756	$ 4,145,759

Compensated absences

The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating approximately $16,242,000 as of June 30, 2009. This amount is recorded in the government wide statements, and paid out of the general fund.

Net pension obligation

Governmental Accounting Standards Board Statement No. 27, "Accounting for Pensions by State and Local Governments" requires the City to accrue a net pension obligation. The amount at June 30, 2009 was approximately $1,452,000. This amount is recorded in the government wide statements, and paid out of the general fund.

Other Post Employment Obligation

Governmental Accounting Standards Board Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions” requires the City to accrue a net OPEB obligation. The amount at June 30, 2009 was approximately $6,539,000. This amount is recorded in the government wide statements, and paid out of the general fund.

Early Retirement

The obligation represents the early retirement incentive payout for eligible teachers and administrators whose age and years of service total 80. Once eligible they receive annual stipend of $3,000 over a 3-10 year period. The amount accrued has been calculated at the discounted present value of the expected future benefit. The amount recorded at June 30, 2009 is approximately $1,480,000 on the government wide statements, and is paid out of the general fund.

Bonded indebtedness

As of June 30, 2009, the outstanding general obligation bonded indebtedness of the City was as follows:

Governmental Activities

General Obligation Debt

Purpose	Interest Rate %		Amount
Capital improvement	4.00-4.50	$	3,402,652
Capital improvement	3.30-4.00		18,531,601
Capital improvement	3.00-4.00		8,835,000
Capital improvement	3.50-5.00		6,365,521
Capital improvement	3.50		2,888,000
Capital improvement	2.75-5.00		21,769,410
Capital improvement	4.00-5.00		6,852,233
Capital improvement	4.25-5.50		7,326,490
Capital improvement	4.25-5.75		15,148,296
Capital improvement	3.00-5.00		15,780,000
Capital improvement	4.00-5.00		27,500,000
Capital improvement	2.50-4.00		55,312,209
Capital improvement	3.00-5.00		17,037,600
		$	206,749,012

Capital Lease

Property and equipment with a carrying value at June 30, 2009 of approximately $655,000 and accumulated depreciation of $200,000 is being acquired under capital lease arrangements. Future minimum payments under capital lease arrangements are as follows:

Fiscal Year		Amount
2010	$	110,820
2011		110,820
2012		110,820
2013		110,820
2014		83,115
Total		526,395
Less amount representing interest at 5.05%		59,244
Total	$	467,151

Maritime Center Project Bonds

Purpose	Interest Rate %	Amount
Maritime Center Project - Refunding G.O. Bonds, 1986 Series	6.95-7.20%	$ 1,178,707

Business-Type Activities

Enterprise Debt

Purpose	Interest Rate %	Amount
Water Pollution Control Authority Bonds	2.75-6.50%	$ 8,719,204
Water Pollution Control Authority Clean Water Fund Notes	2.00%	30,235,770
Parking Authority G.O. - Parking Fund	2.00-6.50%	10,527,782
		$ 49,482,756

Long-term notes and bond obligations and compensated absences are expected to be repaid by future tax levies and grants available from the State. A summary of the Governmental Activities' long-term notes and bond principal maturities and related interest at June 30, 2009 is as follows:

Year Ended June 30,	General Obligation Debt	Maritime Center Project Debt	Total Interest Amount	Total Principal and Interest Amount
2010	$ 16,384,723	$ 326,637	$ 9,392,840	$ 26,104,200
2011	15,430,002	304,328	8,887,539	24,621,869
2012	16,266,130	283,552	8,246,030	24,795,712
2013	15,608,881	264,190	7,679,584	23,552,655
2014	15,922,176	-	5,771,515	21,693,691
2015-2019	61,287,626	-	20,819,081	82,106,707
2020-2024	44,467,440	-	9,494,078	53,961,518
Thereafter	21,382,034	-	1,887,594	23,269,628
	$ 206,749,012	$ 1,178,707	$ 72,178,262	$ 280,105,980

A summary of the City's business-type activities' long-term notes and bond principal maturities and related interest at June 30, 2009 is as follows:

Year Ended June 30,	WPCA Debt	Parking Authority Debt	Total Interest Amount	Total Principal and Interest Amount
2010	$ 3,572,238	$ 573,521	$ 1,455,611	$ 5,601,370
2011	3,626,838	558,644	1,323,761	5,509,243
2012	3,643,716	517,769	1,185,906	5,347,391
2013	3,741,944	520,074	1,047,912	5,309,930
2014	3,766,805	531,381	921,954	5,220,140
2015-2019	16,885,188	2,699,963	3,019,755	22,604,906
2020-2024	2,820,611	2,921,100	1,229,431	6,971,142
Thereafter	897,634	2,205,330	278,724	3,381,688
	$ 38,954,974	$ 10,527,782	$ 10,463,053	$ 59,945,810

2009 General Obligation Bond – In-substance Defeasance

On February 24, 2009, the City issued $58,445,000 of general obligation bonds with interest rates ranging from 2.50% to 4.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the City dated July 15, 2003, July 1, 2005, July 1, 2006, July 15, 2007, and July 1, 2008 (the "Refunding Bonds"). Of the net proceeds of $64,138,000 (after payment of $357,000 in underwriters fees and other costs), $63,781,000 was placed in an irrevocable trust fund under an Escrow Agreement dated March 2009 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $2,970,000, and a savings of $3,156,000 between the old debt payments and the new debt payments.

The balance in the escrow was approximately $58 million at June 30, 2009. The balance of the defeased bonds was approximately $58 million at June 30, 2009. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

2009 General Obligation Bond – In-substance Defeasance

On May 26, 2009, the City issued $18,320,000 of general obligation bonds with interest rates ranging from 3.0% to 5.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bond of the City dated July 15, 2003, July 1, 2005, July 1, 2006, and July 15, 2007 (the "Refunding Bonds"). Of the net proceeds of $19,881,000 (after payment of $146,000 in underwriters fees and other costs), $19,736,000 was placed in an irrevocable trust fund under an Escrow Agreement dated June, 2009 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $429,000, and a savings of $459,000 between the old debt payments and the new debt payments.

The balance in the escrow was approximately $18.3 at June 30, 2009. The balance of the defeased bonds was approximately $18.4 million at June 30, 2009. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-Substance Defeasance – Prior Years

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting 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, 2009, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, is as follows:

2005 Refunding	$ 21,560,000
2008 Refunding	15,975,000
	$ 37,535,000

School Bond Reimbursements

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issue used for school construction. The amount of such reimbursement for the year ended June 30, 2009 was approximately $112,000. Additional principal and interest payments aggregating approximately $258,000 are expected to be received through the bonds' maturity dates.

Authorized but unissued bonds

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

The City has authorized but unissued bonds relating to capital projects at June 30, 2009 as follows:

General purpose	$	15,288,000
Schools		5,609,361
Sewer		54,235,000
Urban Renewal		11,820,000
Total	$	86,952,361

Legal Debt Limit

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

Category		Debt Limit		Indebtedness		Balance
General purpose	$	531,118,444	$	120,775,294	$	410,343,150
Pension	$	708,157,926	$	-	$	708,157,926
Schools	$	1,062,236,888	$	135,543,197	$	926,693,691
Sewers	$	885,197,407	$	93,189,974	$	792,007,433
Urban renewal	$	767,171,086	$	20,468,515	$	746,702,571

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or $1,652,368,493.

Subsequent Event

On July 1, 2009, the City issued $18,700,000 of general obligation bonds to finance certain capital projects. The bonds will mature through 2029 with interest from 2.25% to 4.250%.

Capital Projects

A summary of the uncompleted capital projects of the City at June 30, 2009 follows:

Project	Project Authorizations (a)	Expenditures Fiscal 2009 (b)	Expenditures Cumulative (c)	Unexpended Authorization Balances
Department of Public Works:				
Sanitary Sewers	$ 17,087,422	$ 24,882	$ 4,123,700	$ 12,963,722
Drainage	8,498,904	1,455,017	2,564,846	5,934,058
Roads and Highways	22,184,119	1,822,274	16,770,189	5,413,930
Clean Water	45,000,000	288,825	288,825	44,711,175
Other	27,455,800	447,794	27,314,975	140,825
Fire Department	2,031,000	336,824	1,432,927	598,073
Police Department	102,000	81,459	81,459	20,541
Parks and Recreation	28,241,970	2,429,011	24,610,463	3,631,507
Board of Education	163,549,329	1,392,256	153,229,287	10,320,042
Redevelopment Agency	40,762,588	6,869,257	17,046,474	23,716,114
Traffic and Parking	4,282,072	182,371	1,675,963	2,606,109
	$ 359,195,204	$ 15,329,970	$ 249,139,108	$ 110,056,096

(a) Represents cumulative Capital Budgets for projects that remain open at June 30, 2009.
(b) Represents current year expenditures for projects that were open at June 30, 2009.
(c) Represents aggregate expenditures for projects that were open at June 30, 2009.

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

Note 8. Commitments and Contingencies

The City is a defendant in various lawsuits including personal injury, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued in the Internal Service Fund for approximately $555,000. Based upon the advice of the City Corporation Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

Note 9. Employee Retirement Plans

Employee Pension Plan

Plan Descriptions

The City is the administrator of four separate single-employer defined benefit pension plans that were established to provide pension benefits for its police, firefighters, food service, and other full-time employees other than teachers. The plans are considered to be part of the City's financial reporting entity and are included in the City's basic financial statements as pension trust funds. Administrative fees are paid through the plans. The plans do not issue separate, stand-alone, financial reports. For the year ended June 30, 2009 the actuarial valuation date utilized was July 1, 2008.

At the last actuarial valuation date, July 1, 2008, membership consisted of:

	Police	Fire	Employees	Food Service
Retirees, disabled members and beneficiaries currently receiving benefits	158	145	581	29
Terminated employees entitled to benefits but not yet receiving them	-	-	107	6
Active members	116	115	664	59
Drop members	38	16	-	-
	312	276	1,352	94

Police Benefit Fund

The City of Norwalk Police Benefit Fund provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years of service. Members who retire after age 48 with 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of final average salary, for each year of service (maximum benefit of 100% of base salary plus worker's compensation). Benefits being paid to retired members are increased 1.5 percent per year beginning at age 62. For retirements after July 1, 1998, the annual increase may begin at age 55. At the member's death, the benefit is payable to the surviving spouse for the spouse's lifetime, provided the spouse does not remarry, or the member is not married, the accrued benefit at death is payable to any children until they reach age 16.

Police employees are required to contribute 8 percent of their base pay to the Fund. If a police officer leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its Police employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Police Benefit Fund for the year ended June 30, 2009 was approximately $7,837,000.

Fire Benefit Fund

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

Firefighters are required to contribute 8 percent of their base pay to the Fund. If a firefighter leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its firefighters. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Fire Benefit Fund for the year ended June 30, 2009 was approximately $7,849,000.

Employees' Pension Plan

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

Members are required to contribute 3.75 percent of their base pay to the Plan. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its members. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Employees' Pension Plan for the year ended June 30, 2009 was approximately $34,753,000.

Food Service Employees' Pension Plan

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

Food service employees are required to contribute 3.0 percent of their base pay to the Plan (maximum 30 years or age 70 with 5 years). If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its Food Service employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Food Service Employees' Pension Plan for the year ended June 30, 2009 was approximately $837,000.

Total Payroll

Total payroll for the City for the year ended June 30, 2009 was $162,290,000 of which approximately $51,276,000 was covered under various pension plans described above.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at lease twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained in writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

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

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately $12,001,000 for the year ended June 30, 2009.

The City's annual pension cost and net pension obligation (asset) to the Plans for the year ended June 30, 2009 were as follows:

	Employees'	Police	Fire	Food Service
Annual required contribution	$ 832,452	$ 1,267,867	$ 62,744	$ 74,182
Interest on net pension obligation	45,454	75,968	-	(6,075)
Adjustment to annual required contribution	(41,178)	(68,821)	-	5,504
Annual pension cost	836,728	1,275,014	62,744	73,611
Contributions made	863,067	1,267,867	62,744	74,182
Increase (decrease) in net pension obligation (asset)	(26,339)	7,147	-	(571)
Net pension obligation (asset), beginning of year	550,962	920,825	-	(73,641)
Net pension obligation (asset), end of year	$ 524,623	$ 927,972	$ -	$ (74,212)

Three Year Trend Information

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees' Pension Plan			
June 30, 2007	$ 1,287,660	104.4%	$ 615,636
June 30, 2008	1,441,937	104.5%	550,962
June 30, 2009	836,728	103.1%	524,623
Police Benefit Fund			
June 30, 2007	$ 1,609,712	99.3%	$ 911,770
June 30, 2008	1,614,530	99.4%	920,825
June 30, 2009	1,275,014	99.4%	927,972
Firemans Benefit			
June 30, 2007	$ 307,926	100%	$ -
June 30, 2008	391,779	100%	-
June 30, 2009	62,744	100%	-
Food Service Plan			
June 30, 2007	$ 87,899	101.0%	$ (72,917)
June 30, 2008	66,361	101.1%	(73,641)
June 30, 2009	73,611	100.8%	(74,212)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Employees'		Police		Fire		Food Service	
Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2009	$ 832,452	103.7%	$ 1,267,867	100.0%	$ 62,744	100.0%	$ 74,182	100.0%
2008	1,435,823	104.0%	1,605,475	100.0%	391,779	100.0%	67,085	100.0%
2007	1,279,680	105.0%	1,599,009	100.0%	307,926	100.0%	88,755	100.0%
2006	689,596	110.4%	1,240,000	100.0%	-	0.0%	77,967	260.6%
2005	911,816	109.1%	868,054	100.0%	-	0.0%	125,222	0%
2004	1,066,429	108.1%	896,104	100.0%	-	0.0%	130,611	97.3%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Benefit Fund						
07/01/08	$ 94,636,631	$ 97,873,967	$ 3,237,336	96.7%	$ 7,836,642	41.3%
Firemen's Benefit Fund						
07/01/08	$ 97,165,470	$ 84,666,362	$ (12,499,108)	114.8%	$ 7,848,842	(159.2)%
Employees' Pension Plan						
07/01/08	$ 184,115,610	$ 164,871,892	$ (19,243,718)	111.7%	$34,753,304	(55.4)%
Food Service Employees' Pension Plan						
07/01/08	$ 1,579,233	$ 2,025,521	$ 446,288	78.0%	$ 837,065	53.3%

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

Additional information as of the latest actuarial valuations follows:

	Employees' Pension Plan	Police Benefit Fund	Firemens' Benefit Fund	Food Service Pension Plan
Valuation date	7/1/08	7/1/08	7/1/08	7/1/08
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent	Level Percent	Level Percent	Level Percent
Remaining amortization period	20 years Closed	20 years Closed	20 years Closed	20 years Closed
Asset valuation method	Investment gains/losses recognized over 5 years	Investment gains/losses recognized over 5 years	Investment gains/losses recognized over 5 years	Investment gains/losses recognized over 5 years
Actuarial assumptions:				
Investment rate of return	8.25%	8.25%	8.25%	8.25%
Projected salary increases	4.0%	4.0%	4.0%	4.0%
Cost of living adjustments	1.5%	1.5%	1.5%	0.0%

TRUST FUNDS
SCHEDULE OF PLAN NET ASSETS
June 30, 2009

	Pension Trust Funds					
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	Total
ASSETS						
Cash and cash equivalents	$ 11,834,469	$ 6,281,905	$ 6,175,322	$ 98,450	$ 2,724,949	$ 27,115,095
Investments, at fair value:						
U.S. Government Agency	2,292,788	1,207,844	1,183,799	20,448	-	4,704,879
U.S. Government Securities	2,722,530	1,434,233	1,405,682	24,280	6,086,312	11,673,037
Corporate Bonds	1,962,930	1,034,074	1,013,489	17,506	-	4,027,999
Common and Preferred Equities	27,471,255	14,471,900	14,183,804	245,003	-	56,371,962
Mutual Funds	23,166,104	12,189,099	11,956,046	206,366	-	47,517,615
Hedge/alternative investments	35,905,344	18,914,991	18,538,446	320,223	-	73,679,004
Commingled funds	26,859,194	14,149,465	13,867,788	239,545	-	55,115,992
Index Funds	5,254,476	2,768,066	2,712,962	48,862	-	10,784,366
Accrued Income	991,266	522,201	511,804	8,841	-	2,034,112
Security lending transactions	5,428,498	2,859,504	2,802,608	48,412	-	11,139,022
Total assets	143,888,854	75,833,282	74,351,750	1,277,936	8,811,261	304,163,083
LIABILITIES						
Security lending transactions	5,428,498	2,859,504	2,802,608	48,412	-	11,139,022
Accounts payable	-	-	-	-	992,303	992,303
Total liabilities	5,428,498	2,859,504	2,802,608	48,412	992,303	12,131,325
Net Assets Held in Trust for Pension Benefits	$ 138,460,356	$ 72,973,778	$ 71,549,142	$ 1,229,524	$ 7,818,958	$ 292,031,758

SCHEDULE OF CHANGES IN PLAN NET ASSETS
Year Ended June 30, 2009

	Pension Trust Funds					
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	Total Trust Funds
Addition						
Contributions						
Employer	$ 863,067	$ 62,744	$ 1,267,867	$ 74,182	$ 12,945,139	$ 15,212,999
Plan members	1,210,646	620,040	655,527	23,485	-	2,509,698
Total contributions	2,073,713	682,784	1,923,394	97,667	12,945,139	17,722,697
Investment Income						
Interest and dividends	3,797,376	2,004,346	1,956,281	32,946	1,467,926	9,258,875
Net depreciation in fair value of investments	(40,013,879)	(21,163,094)	(20,579,843)	(334,342)	-	(82,091,158)
Investment expense (loss)	(436,293)	(230,493)	(224,524)	(3,747)	-	(895,057)
Net investment income (loss)	(36,652,796)	(19,389,241)	(18,848,086)	(305,143)	1,467,926	(73,727,340)
Securities lending transaction income	95,647	50,383	49,381	853	-	196,264
Securities lending transaction expense	(69,386)	(36,550)	(35,822)	(619)	-	(142,377)
Net investment income-securities lending	26,261	13,833	13,559	234	-	53,887
Deductions						
Benefits paid	9,312,947	4,622,631	5,280,542	108,478	8,721,543	28,046,141
General and administrative	22,795	3,918	27,570	3,499	285,457	343,239
Total deductions	9,335,742	4,626,549	5,308,112	111,977	9,007,000	28,389,380
Net (decrease) increase	(43,888,564)	(23,319,173)	(22,219,245)	(319,219)	5,406,065	(84,340,136)
Net Assets Held in Trust for Pension Benefits						
Beginning of year	182,348,920	96,292,951	93,768,387	1,548,743	2,412,893	376,371,894
End of year	$ 138,460,356	$ 72,973,778	$ 71,549,142	$ 1,229,524	$ 7,818,958	$ 292,031,758

Securities Lending Transactions

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

During the year ended June 30, 2009, Northern Trust loaned securities held by Northern Trust, as a custodian, and received United States dollar cash and U.S. securities as collateral. Northern Trust did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading value was in the United States, 102 percent of the fair market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States, 105 percent of the fair market value of the loaned securities. The market value held and market value of securities on loan for the Plans as of June 30, 2009 were $10,793,305, as follows:

Collateral Type	Market Value June 30, 2009	Collateral Value June 30, 2009	Collateral Percentage
Cash	$ 10,793,095	$ 11,139,023	103%
Non-cash	210	-	- %
	$ 10,793,305	$ 11,139,023	

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

Cash collateral has been placed in investments that generally match the maturities of the secured loans. The Plans do not have any credit risk on the securities lending transactions as of June 30, 2009.

Note 10. Other Postemployment Benefits

Post retirement benefits

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

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

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

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

Retirees and beneficiaries receiving benefits	1,242
Active plan members	1,944
Total	3,186

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	$ 15,378,023	$ 12,945,139	84.2%	$ 6,538,514

OPEB Obligation

Annual required contribution	$ 15,293,300
Interest on net OPEB obligation	338,714
Adjustments to ARC	(253,991)
Annual OPEB cost	15,378,023
Contributions made	12,945,139
Increase in net OPEB liability	2,432,884
Net OPEB obligation, beginning of year	4,105,630
Net OPEB obligation, end of year	$ 6,538,514

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress is as follows:

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

* Valuations was based on 7/1/2007 amounts, as such there were no trust fund assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Health cost trend rates — Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

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

Note 11. Risk Management

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

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

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

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

The City is a defendant in a significant number of lawsuits. At June 30, 2009, approximately $555,000 represents losses for which the lowest amount in a range of probable losses has been included in accrued claims because no amount within that range is a better estimate of loss.

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

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2008	$ 15,618,242	$ 35,779,137	$ 38,454,806	$ 12,942,573
2009	12,942,573	44,838,264	44,820,472	12,960,365

Note 12. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2009 that have effective dates that may impact future financial presentations. Management is currently assessing the impact, if any, that the adoption of these standards will have on future financial statements of the City.

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance that specifically addresses the nature of these intangible assets.

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. The statement is intended to improve how state and local governments report information about derivative instruments – financial arrangements used by governments to manage specific risks or make investments – in their financial statements.

- GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the City's governmental funds.

- GASB Statement Number 56,*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations for all state and local governments. The implementation of this statement will not result in any change to the financial statements.

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS - PENSION TRUST

Actuarial Valuation Date*	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Paryoll	UAAL as a Percentage of Covered Payroll
Police Benefit Fund						
07/01/03	$ 74,948,330	$ 69,630,928	$ (5,317,402)	107.6%	N/A	N/A
07/01/04	76,806,221	78,823,046	2,016,825	97.4%	9,293,105	21.7%
07/01/05	76,869,181	83,468,237	6,599,056	92.1%	N/A	N/A
07/01/06	79,834,138	88,299,719	8,465,581	90.4%	8,540,939	99.1%
07/01/07	87,569,890	91,603,735	4,033,845	95.6%	8,277,467	48.7%
07/01/08	94,636,631	97,873,967	3,237,336	96.7%	7,836,642	41.3%
Firemen's Benefit Fund						
07/01/03	$ 82,059,876	$ 66,595,816	$ (15,464,060)	123.2%	N/A	N/A
07/01/04	82,164,555	70,026,745	(12,137,810)	117.3%	7,685,894	(157.9)%
07/01/05	80,821,609	73,211,471	(7,610,138)	110.4%	N/A	N/A
07/01/06	82,627,288	77,092,528	(5,534,760)	107.2%	8,375,411	(66.1)%
07/01/07	90,083,675	80,272,989	(9,810,686)	112.2%	7,336,833	(133.7)%
07/01/08	97,165,470	84,666,362	(12,499,108)	114.8%	7,848,842	(159.2)%
Employees' Pension Plan						
07/01/03	$ 152,500,555	$ 129,823,339	$ (22,677,216)	117.5%	N/A	N/A
07/01/04	153,970,435	134,895,112	(19,075,323)	114.1%	29,953,928	(63.7)%
07/01/05	152,687,018	141,633,432	(11,053,586)	107.8%	N/A	N/A
07/01/06	156,760,853	145,771,482	(10,989,371)	107.5%	33,335,431	(33.0)%
07/01/07	170,882,599	151,182,524	(19,700,075)	113.0%	34,353,200	(57.3)%
07/01/08	184,115,610	164,871,892	(19,243,718)	111.7%	34,753,304	(55.4)%
Food Service Employees' Pension Plan						
07/01/03	$ 831,369	$ 1,414,442	$ 583,073	58.8%	N/A	N/A
07/01/04	967,991	1,417,698	449,707	68.3%	694,888	64.7%
07/01/05	977,739	1,546,526	568,787	63.2%	N/A	N/A
07/01/06	1,217,225	1,546,368	329,143	78.7%	620,707	53.0%
07/01/07	1,417,238	1,617,325	200,087	87.6%	843,602	23.7%
07/01/08	1,579,233	2,025,521	446,288	78.0%	837,065	53.3%

* 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.

SCHEDULE OF FUNDING PROGRESS - OPEB

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

ROBINSON & COLE LLP

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Hartford, CT 06103-3597
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August____, 2010

City of Norwalk,
Norwalk, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Norwalk, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated August 4, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of $13,420,000 City of Norwalk, Connecticut General Obligation Bonds, Issue of 2010, Series E [(Taxable Build America Bonds – Direct Payment)], dated August 1, 2010 (the "Bonds"), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2011 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

Year of Maturity	Principal Amount	Interest Rate Per Annum	Year of Maturity	Principal Amount	Interest Rate Per Annum
2013	$745,000	%	2022	$745,000	%
2014	745,000		2023	745,000	
2015	745,000		2024	745,000	
2016	745,000		2025	745,000	
2017	745,000		2026	745,000	
2018	745.000		2027	745,000	
2019	745,000		2028	745,000	
2020	745,000		2029	745,000	
2021	745,000		2030	755,000	

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the fifteen day of January and July in each year or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

[The following paragraphs are applicable if the Bonds are issued as Tax-Exempt Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax and is not taken into account in the calculation of adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.]

[The following paragraphs are applicable if the Bonds are issued as Taxable Build America Bonds.

The City has determined to issue the Bonds as taxable obligations and has irrevocably elected to (i) designate the Bonds as "build America bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) designate the Bonds as "qualified bonds" pursuant to Subsection 54AA(g) of the Code in order for the City to receive the credit pursuant to Section 6431 of the Code. As a result of such election, owners of, and owners of beneficial interests in, the Bonds will not receive any tax credits with respect to the Bonds. Pursuant to Section 6431 of the Code, the City expects to receive a credit in the amount of 35% of the interest payable on the Bonds on each interest payment date directly from the Secretary of the U.S. Treasury. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order for the City to continue to receive such credit payments. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure the receipt of the credit payments with respect to the Bonds.

In our opinion, under existing law, interest on the Bonds is includable in gross income for federal income tax purposes pursuant to the Code. **This opinion is provided in connection with the promotion or marketing of the Bonds and is not intended or provided to be used and cannot be used, by an owner of the bonds for the purposes of avoiding penalties that may be imposed under the Code.** We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.]

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

APPENDIX C - FORM OF LEGAL OPINION OF BOND COUNSEL – SERIES F BONDS

ROBINSON & COLE LLP

280 Trumbull Street
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August____, 2010

City of Norwalk,
Norwalk, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Norwalk, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated August 4, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of $6,000,000 City of Norwalk, Connecticut General Obligation Bonds, Issue of 2010, Series F (Taxable Recovery Zone Economic Development Bonds – Direct Payment), dated August 1, 2010 (the "Bonds"), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2011 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

Year of Maturity	Principal Amount	Interest Rate Per Annum	Year of Maturity	Principal Amount	Interest Rate Per Annum
2013	$330,000	%	2022	$330,000	%
2014	330,000		2023	330,000	
2015	330,000		2024	330,000	
2016	330,000		2025	330,000	
2017	330,000		2026	330,000	
2018	330,000		2027	330,000	
2019	330,000		2028	330,000	
2020	330,000		2029	330,000	
2021	330,000		2030	390,000	

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the fifteenth day of January and June in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The City has determined to issue the Bonds as taxable obligations and has irrevocably elected to designate the Bonds as "recovery zone economic development bonds" pursuant to Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code") in order for the City to receive the credit pursuant to Section 6431 of the Code. As a result of such election, owners of, and owners of beneficial interests in, the Bonds will not receive any tax credits with respect to the Bonds. Pursuant to Section 6431 of the Code, the City expects to receive a credit in the amount of 45% of the interest payable on the Bonds on each interest payment date directly from the Secretary of the U.S. Treasury. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order for the City to continue to receive such credit payments. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure the receipt of the credit payments with respect to the Bonds.

In our opinion, under existing law, interest on the Bonds is includable in gross income for federal income tax purposes pursuant to the Code. **This opinion is provided in connection with the promotion or marketing of the Bonds and is not intended or provided to be used and cannot be used, by an owner of the bonds for the purposes of avoiding penalties that may be imposed under the Code**. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT – SERIES E BONDS

CONTINUING DISCLOSURE AGREEMENT

City of Norwalk, Connecticut
$13,420,000 General Obligation Bonds. Issue of 2010, Series E
dated August 1, 2010

August 4, 2010

WHEREAS, the City of Norwalk, Connecticut (the "City") has heretofore authorized the issuance of $13,420,000 in aggregate principal amount of its General Obligation Bonds. Issue of 2010, Series E [(Taxable Build America Bonds – Direct Payment)], dated August 1, 2010 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated July 21, 2010 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale dated July 14, 2010 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the City in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the City hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Agreement.

"Fiscal Year End" shall mean the last day of the City's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following events, if material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax-exempt status of the security;

(vii) modifications to rights of security holders;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities; and

(xi) rating changes.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Bonds.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

City of Norwalk, Connecticut

By: ________________________________
Name: Richard A. Moccia
Title: Mayor

By: ________________________________
Name: Thomas S. Hamilton
Title: Director of Finance

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT – SERIES F BONDS

CONTINUING DISCLOSURE AGREEMENT

City of Norwalk, Connecticut
$6,000,000 General Obligation Bonds. Issue of 2010, Series F
(Taxable Recovery Zone Economic Development Bonds – Direct Payment)
dated August 4, 2010

August 4, 2010

WHEREAS, the City of Norwalk, Connecticut (the "City") has heretofore authorized the issuance of $6,000,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2010, Series F (Taxable Recovery Zone Economic Development Bonds – Direct Payment), dated August 1, 2010 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated July 21, 2010 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale dated July 14, 2010 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the City in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the City hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Agreement.

"Fiscal Year End" shall mean the last day of the City's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following events, if material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax-exempt status of the security;

(vii) modifications to rights of security holders;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities; and

(xi) rating changes.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Bonds.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

City of Norwalk, Connecticut

By: ________________________________
Name: Richard A. Moccia
Title: Mayor

By: ________________________________
Name: Thomas S. Hamilton
Title: Director of Finance

NOTICE OF SALE

$13,420,000
CITY OF NORWALK, CONNECTICUT
GENERAL OBLIGATION BONDS
ISSUE OF 2010, SERIES E

Electronic bids (as described herein) will be received by the **CITY OF NORWALK, CONNECTICUT** (the "City"), until 12:00 NOON (E.D.T.), Wednesday,

July 21, 2010

for the purchase of all, but not less than all, of the $13,420,000 City of Norwalk, Connecticut General Obligation Bonds, Issue of 2010, Series E (the "Bonds"). Electronic bids must be submitted via ***PARITY®*** (See "Electronic Bidding Procedures").

The City is offering all of the Bonds as either (1) tax-exempt obligations ("Tax-Exempt Bonds") or (2) taxable obligations designated as "build America bonds" ("Taxable Build America Bonds") pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"), for which the City will elect to receive the credit pursuant to Section 6431 of the Code.

Bidders may (1) bid on all of the Bonds as Tax-Exempt Bonds, (2) bid on all of the Bonds as Taxable Build America Bonds, or (3) submit separate alternate bids for all of the Bonds as Tax-Exempt Bonds or as Taxable Build America Bonds. If the Bonds are issued as Taxable Build America Bonds, the City will: (1) rename the Bonds as "General Obligation Bonds (Taxable Build America Bonds – Direct Payment)"; (2) designate the Bonds as "build America bonds" and irrevocably elect to have Section 54AA of the Code apply to the Bonds; and (3) designate the Bonds as "qualified bonds" and irrevocably elect to have Subsection 54AA(g) of the Code apply to the Bonds in order for the City to receive the credit pursuant to Section 6431 of the Code. Owners of, and owners of beneficial interests in, the Taxable Build America Bonds will not receive any tax credits with respect to the Taxable Build America Bonds.

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Such changes may include deleting the request for bids for Taxable Build America Bonds. Any such changes will be posted through ***PARITY®***. Prospective bidders are advised to check for such ***PARITY®*** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated August 1, 2010, mature $745,000 on August 1 in each of the years 2013-2029, both inclusive, and $755,000 on August 1, 2030, bear interest payable on August 1, 2011 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated July 14, 2010 (the "Preliminary Official Statement").

The Bonds maturing on August 1, 2019 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after August 1, 2018, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

	Redemption Dates	Redemption Price
From:	August 1, 2018 and thereafter	100%

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of $5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the City or its agent in federal funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall NOT be designated by the City as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of ***PARITY®.*** Subscription to the i-Deal LLC BiDComp Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of ***PARITY®*** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, ***PARITY®***, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by ***PARITY®*** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about ***PARITY®***, including any fee charged, may be obtained from ***PARITY®***, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 – email notice: parity@i-deal.com.

For purposes of the electronic bidding process, the time as maintained by ***PARITY®*** shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids (1) whether the bid submitted is for Tax-Exempt Bonds or Taxable Build America Bonds and (2) the true interest cost to the City, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Each bid must be for the entire $13,420,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date and no bid for less than par plus accrued interest will be considered. Interest shall be computed on the basis of twelve 30 day months and a 360 day year.

For proposals for Taxable Build America Bonds, in order to comply with the provisions of Section 54AA(d) of the Code, each bid must specify the reoffering price for each maturity of the Bonds, and each such reoffering price cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for such maturity of the Taxable Build America Bonds. For the Bonds offered herein, the reoffering price shall not exceed the maximum prices set forth in the following table (expressed as a percentage of the par amount of each maturity):

Maturity (August 1)	Reoffering Price Maximum
2013	100.50%
2014	100.75
2015	101.00
2016	101.25
2017	101.50
2018 and thereafter	101.75

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 1, 2010, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to August 4, 2010, the delivery date of the Bonds. In determining the true interest cost for bids for Taxable Build America Bonds, the credit expected to be received by the City in the amount of 35% of the interest payable will be treated as a reduction of each interest payment of the Taxable Build America Bonds.

The City reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. The City also reserves the right to reject all proposals for Taxable Build America Bonds. Unless rejected, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.D.T.) on July 21, 2010. The purchase price must be paid in federal funds.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

If the Bonds are sold as Tax-Exempt Bonds, Robinson & Cole's legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax and is not taken into account in the calculation of adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on corporations, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax.

If the Bonds are sold as Taxable Build America Bonds, Robinson & Cole's legal opinion will further state that (i) under existing law, interest on the Bonds is included in gross income for federal income tax purposes, (ii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iii) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax.

In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut and will be available for examination upon request.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Settlement of the Bonds

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Bonds (i) the prices at which the winning bidder made a bona fide initial offering of all the Bonds of each maturity to the public and (ii) that the winning bidder sold at least 10% of the aggregate principal amount of each maturity of the Bonds, or portions thereof bearing the same interest rate, to the public at prices equal to the respective initial public offering prices.

The Bonds will be available for delivery on or about August 4, 2010. The deposit of the Bonds with DTC, or its custodian, under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by 12:00 NOON (E.D.T.) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Related Information

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from the City's financial advisor, Mr. William N. Lindsay, Independent Bond and Investment Consultants, LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 Tel. (203)245-9603.

RICHARD A. MOCCIA
Mayor

THOMAS S. HAMILTON
Director of Finance

July 14, 2010

NOTICE OF SALE

$6,000,000
CITY OF NORWALK, CONNECTICUT
GENERAL OBLIGATION BONDS
ISSUE OF 2010, SERIES F
(Taxable Recovery Zone Economic Development Bonds – Direct Payment)

Electronic bids (as described herein) will be received by the **CITY OF NORWALK, CONNECTICUT** (the "City"), until 12:00 NOON (E.D.T.), Wednesday,

July 21, 2010

for the purchase of all, but not less than all, of the $6,000,000 City of Norwalk, Connecticut General Obligation Bonds, Issue of 2010, Series F (Taxable Recovery Zone Economic Development Bonds – Direct Payment (the "Bonds"). Electronic bids must be submitted via ***PARITY®*** (See "Electronic Bidding Procedures").

The City is offering all of the Bonds as taxable obligations designated as "recovery zone economic development bonds" ("Taxable Recovery Zone Economic Development Bonds") pursuant to Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"), for which the City will elect to receive the credit pursuant to Section 6431 of the Code. Owners of, and owners of beneficial interests in, the Taxable Recovery Zone Economic Development Bonds will <u>not</u> receive any tax credits with respect to the Taxable Recovery Zone Economic Development Bonds.

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through ***PARITY®***. Prospective bidders are advised to check for such ***PARITY®*** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated August 1, 2010, mature $330,000 on August 1 in each of the years 2013-2029, both inclusive, and $390,000 on August 1, 2030, bear interest payable on August 1, 2011 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated July 14, 2010 (the "Preliminary Official Statement").

The Bonds maturing on August 1, 2019 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after August 1, 2018, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

	Redemption Dates	Redemption Price
From:	August 1, 2018 and thereafter	100%

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of $5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the City or its agent in federal funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall NOT be designated by the City as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of ***PARITY®.*** Subscription to the i-Deal LLC BiDComp Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of ***PARITY®*** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, ***PARITY®***, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by ***PARITY®*** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about ***PARITY®***, including any fee charged, may be obtained from ***PARITY®***, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 – email notice: parity@i-deal.com.

For purposes of the electronic bidding process, the time as maintained by ***PARITY®*** shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Each bid must be for the entire $6,000,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date and no bid for less than par plus accrued interest will be considered. Interest shall be computed on the basis of twelve 30 day months and a 360 day year.

In order to comply with the provisions of Section 1400U-2 of the Code, each bid for the Bonds must specify the reoffering price for each maturity of the Bonds, and each such reoffering price cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for such maturity of the Bonds. For the Bonds offered herein, the reoffering price shall not exceed the maximum prices set forth in the following table (expressed as a percentage of the par amount of each maturity):

Maturity (August 1)	Reoffering Price Maximum
2013	100.50%
2014	100.75
2015	101.00
2016	101.25
2017	101.50
2018 and thereafter	101.75

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 1, 2010, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to August 4, 2010, the delivery date of the Bonds. In determining the true interest cost for bids for Bonds, the credit expected to be received by the City in the amount of 45% of the interest payable will be treated as a reduction of each interest payment of the Bonds.

The City reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. Unless rejected, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.D.T.) on July 21, 2010. The purchase price must be paid in federal funds.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that (i) under existing law, interest on the Bonds is included in gross income for federal income tax purposes, (ii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iii) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax.

In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut and will be available for examination upon request.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Settlement of the Bonds

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Bonds (i) the prices at which the winning bidder made a bona fide initial offering of all the Bonds of each maturity to the public and (ii) that the winning bidder sold at least 10% of the aggregate principal amount of each maturity of the Bonds, or portions thereof bearing the same interest rate, to the public at prices equal to the respective initial public offering prices.

The Bonds will be available for delivery on or about August 4, 2010. The deposit of the Bonds with DTC, or its custodian, under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by 12:00 NOON (E.D.T.) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Related Information

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from the City's financial advisor, Mr. William N. Lindsay, Independent Bond and Investment Consultants, LLC129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 Tel. (203)245-9603.

RICHARD A. MOCCIA
Mayor

THOMAS S. HAMILTON
Director of Finance

July 14, 2010