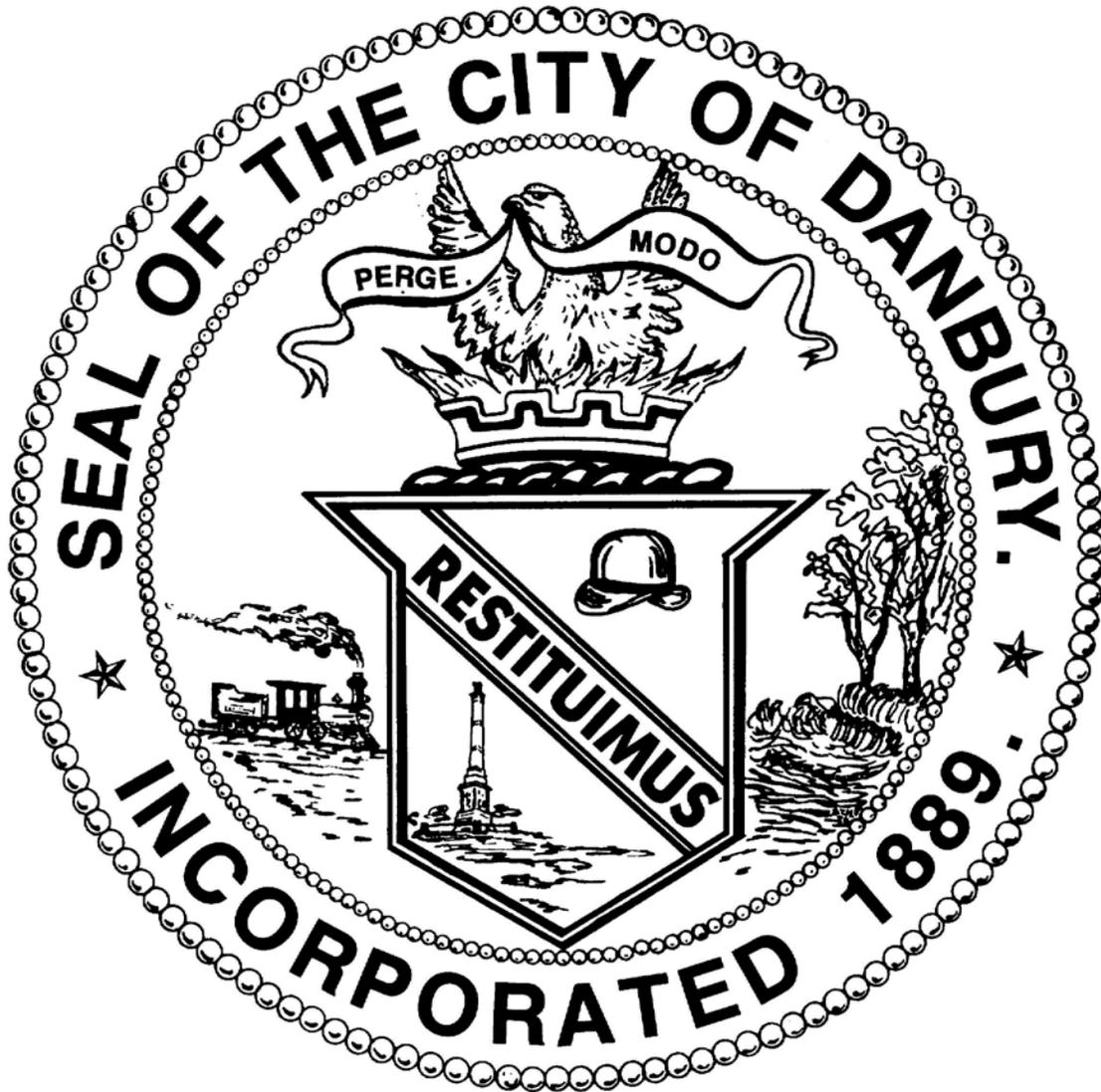


**CITY OF DANBURY, CONNECTICUT
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



**FISCAL YEAR ENDED JUNE 30, 2010
DEPARTMENT OF FINANCE
DANBURY, CONNECTICUT**

**CITY OF DANBURY,
CONNECTICUT**

**Comprehensive
Annual Financial Report**

for

**The Fiscal Year Ended
June 30, 2010**

Prepared By:

City of Danbury Department of Finance

David W. St. Hilaire

Director of Finance

CITY OF DANBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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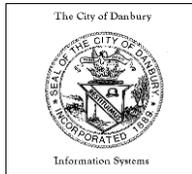
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Introductory Section



CITY OF DANBURY

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

**DAVID ST. HILAIRE
DIRECTOR OF FINANCE**

**(203) 797-4652
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December 30, 2010

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

FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Connecticut State Statutes require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Danbury, Connecticut for the fiscal year ended June 30, 2010.

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

The City of Danbury, Connecticut's financial statements have been audited by McGladrey & Pullen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Danbury, Connecticut for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Danbury, Connecticut's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

According to the 2000 U.S. Census Bureau, Fairfield County is one of the five wealthiest counties in the United States and Danbury is one of the wealthiest cities. According to the U.S. Census Bureau, the City of Danbury has an estimated population of 79,743 (in 2009) and a median household income of approximately \$68,013 in 2009 (inflation-adjusted dollars).

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

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

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

The City of Danbury's municipal government provides a full range of services including education, police, fire, planning and zoning, construction and maintenance of highway streets, storm/sanitary sewers and infrastructure, health and social services, parks and recreational activities, cultural events and a municipal airport. The City has a total of 2,086 employees with approximately 535 full-time municipal employees who provide services to the Danbury community and 1,551 teachers, administrators and support staff for the City's School District. The City is 44 square miles and has 242 miles of streets.

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

Authority is also a component unit of the City, however, is not presented in the financial statements as it is not significant to the financial statements taken as a whole.

The annual budget serves as the foundation for the City of Danbury's financial planning and control.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. All governmental funds in the City of Danbury are appropriated on an annual basis. For the general fund, this comparison is presented on page 21 as part of the basic financial statements for the General Fund.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION

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

Local Economy: Essential to developing the economy and the overall quality of life in Danbury is the safety of its residents and community. For the third consecutive year, Danbury has been ranked the safest city in Connecticut and is the fourth safest large city in all of New England among the 393 U.S. cities included in the ranking, conducted by CQ Press, as part of its Crime in Metropolitan America series.

The strength of Danbury's economic base builds upon the diversity of its talented workforce of approximately 65,000 among several large sustainable leading industries such as: Education and Health Services (employing 18,240 - 26.6% of the workforce), Trade, Transportation and Utilities (employing 16,199 - 23.5%), Manufacturing (employing 9,210 - 13.4%), and Professional and Business Services (employing 8,150 - 11.9%). Thus far, the City of Danbury has been able to withstand this severe economic recession which started with the housing and stock market crashes in the fall of 2008. Although some health care, food service and public sector jobs were added; construction, manufacturing and trade sector jobs were lost at a greater amount. The most important economic indicator supporting the City's decade long effort to promote a diversified industrial base is the Danbury Labor Market Area (LMA) unemployment rate of 6.8% for November 2010 which remains the lowest in the State of Connecticut as compared to 9.0% for the State of Connecticut and 9.8% for the United States.

While construction projects in many communities throughout our nation have been abandoned during this economic recession and severe crisis in the financial markets, Danbury has been fortunate that most previously planned private construction projects have continued although smaller in size and scope. Previously approved municipal projects, especially those with state and/or federal funding continue to move forward. In the last couple of years, the newly constructed Ellsworth Avenue Elementary School was opened; the City completed dozens of drainage and road improvement projects; added a new multi-purpose sports field in Rogers Park for use by our athletic leagues; and most significantly, opened a \$39 million "state of the art" police station on Main Street.

The City created the Danbury Solid Waste Authority with the intention of providing some community oversight of the solid waste flow which passes through our community at the White Street Transfer Station of whomever may own and operate the facility. Such services provided by the Danbury Solid Waste Authority would allow an opportunity to turn our "trash into cash" for much needed other city services. The City has engaged in strategic discussions with several national leaders in solid waste management to pursue the acquisition of the facility from the federal government, whom acquired the business through seizure a few years ago.

The City is currently completing negotiations on the transfer of 13 acres adjacent to the Reserve that will be developed into a life style center. A 400 seat independent Film Theater, a 5,000 square foot production facility designed to be flexible space for lease by the film industry and several retail facilities will be located on this parcel.

Danbury Hospital, the City's largest employer with approximately 3,500 employees located in the Danbury area, continues to expand its services. Danbury Hospital has been the recipient of several accreditations and designations and continues to be ranked in the top 5% of hospitals for their health care services and

facilities. It has been given special recognition by HealthGrade for the last several years. The Hospital continues to plan for the future even after its 60,000 square foot out-patient diagnostic center expansion in 2007. Most significant is the \$150 million expansion project which includes: a new 40,000 square foot Emergency Department; three new 35 bed medical floors (two shelled for future growth); 30 bed ICU and CCU; and an expansion of its parking garage, with an estimated 2014 completion date.

The Steiner family's Prindle Lane complex which will break ground in June of 2011, will include: a 125-room TownePlace Suites by Marriott; a 40,000-square-foot office building; and a 5,800-square-foot restaurant. All have been approved by the Planning Commission.

For the second consecutive year in 2010, Danbury hosted the Connecticut Film Festival which attracted approximately 5,000 individual visitors, yielding about \$500,000 in direct spending to city businesses while generating nearly double that amount in estimated total economic impact to the City. It featured more than 100 independently created films from throughout the country and featured several substantial individual events. Most importantly, it has been the catalyst for re-opening the historic Palace Theater on Main Street after a 13 year closure. The Palace now hosts community events and, in concert with the City's Planning Department, is amid a \$55,000 study to define its future use.

The re-branding of the former Union Carbide building continues with its recent purchase by the Long Island based Matrix Realty Group. They are actively marketing to large corporate tenants and have converted their dining facility in an effort to attract community events. The facility is 74% occupied and are aggressively pursuing new tenants.

MannKind Bio Pharmaceuticals Corporation \$200 million expansion project completed in September 2008 added 300,000 square feet to an existing building that will be used for the production of a powder insulin drug and dispenser. MannKind expects to receive Phase 3 approval from FDA for Afrezza (inhaled powder insulin) and has expectations of complete approval and to be in production by mid 2011 with hopes of hiring soon thereafter. Additionally, MannKind completed its acquisition from Pfizer Inc. of a quantity of bulk insulin and a license to manufacture bulk insulin for use in pulmonary delivery pursuant to an insulin sale and purchase agreement.

The BRT/Croby Street – Brookview Apartments – which is a newly renovated building with 115 apartments has subsequently attracted Papa John's Pizza, Bruegger's Bagels and a Dance Studio in the adjacent building at 33 Crosby Street.

The Main Street Renaissance Task Force submitted its report to the Mayor in December 2010 who will seek formation of the Downtown Revitalization Zone and establishment of the Danbury Main Street Partnership.

DRS Technologies develops, manufactures and supports a broad range of systems for mission-critical military requirements, as well as homeland security plan to add 40,000 square feet to their facility.

WCI Communities sold the Rivington Properties, which is a multiphase residential project on 244 acres, to Toll Brothers. Toll Brothers will rename the property to "Rivington by Toll Brothers."

Several new businesses have opened over the last couple of years: PC Richards (electronics), Sierra Grill, Chuck E. Cheese's, Buffalo Wild Wings, Ehrbar and Houlihan's Restaurant.

Retail sales in Danbury continue to rank as one of highest in the State of Connecticut which can be attributed to one of the largest malls in New England, the popular Danbury Fair Mall. The Mall, which totals 1.5 million square feet, offers more than 200 shops and services, is a destination place for many residents on the East Coast. The owners of the Mall, the Macerich Company, has completed \$180 million of renovations and improvements that included new stone and porcelain flooring, new lighting fixtures, and stained-wood accents. Additionally, the Danbury Fair Mall has been very successful in finding new tenants to fill the vacated space which they purchased from May's Department Stores. Dick's Sporting Goods and Fashion 21 have already opened and 4 major restaurant chains are expected to sign soon for the remaining space at the former Filene's space.

The City continues to enjoy strong credit ratings and received an upgrade last year to AA+ by Standard & Poor's. All three rating agencies cite the City's diverse tax base and continued development and job growth in Danbury. Moody's Investor's, Standard and Poor's, and Fitch Ratings have rated the City as Aa1, AA+, and AAA from respectively.

Major Initiatives

Listed below are some of the more notable initiatives that have been undertaken in recent years. Several on-going projects which will continue into Fiscal Year 2010-2011 are cited as well.

- **Open Space Bond** - In March 2008, \$18.9 million was approved by the voters for: open space acquisitions, improvements to Danbury High School, various recreation projects and public works improvements and equipment.
- **Open Space initiatives** - \$6.625 million of the bond authorization will be used for the purchase of land, easements, and developmental rights for open space preservation, recreation, conservation, or agricultural land preservation. Several parcels throughout the City were previously identified and efforts to acquire the land, easements or developmental rights are underway. Since March 2008, the City has expended \$2.1 million to purchase over 240 acres of undeveloped land and the development rights to a 28 acre working farm.
- **Danbury High School Improvements** - The \$2.9 million of improvements to Danbury High School included a new sprinkler system in the "D" building to enhance student safety and for renovations to bring the building into compliance with fire safety codes and ADA requirements. Funds have also been used for the reorganization of building space to create 3 additional classrooms, to expand a parking lot to provide additional parking spaces and for courtyard improvements between the various school buildings. Approximately \$1.2 of improvements for the Danbury High School have been expended and are eligible for approximately 50% state aid school construction grant reimbursement.
- **Recreation Improvements** - \$4.9 million of the recent bond initiative is allocated to recreation improvement projects as part of the City's on-going commitment to enhancing the residents' quality of life for the entire family. Prior to this initiative, significant improvements to parks and playgrounds were made throughout the City costing approximately \$3.5 million. \$2.3 million of projects recently completed under the new bond initiative include the construction of a multipurpose artificial turf field with appurtenances in Rogers Park (August 2009), the design/rebuild/recondition of baseball fields, purchase of equipment for use in recreation projects and the creation of a vegetative buffer to protect the water quality of the Lake Kenosia. The remaining funds from this bond authorization will be used for various recreation improvements, planning and development that include drainage and improvements to Rogers Park fields, feasibility study for Kenosia Swamp Boardwalk and bird viewing area, and the planning/development of the Marjorie Trail system.
- **Paving, Drainage and Related Improvements** - \$3.34 million of the bond authorization is being used for the repair, rebuilding, paving, reconstruction work of City streets and to purchase public works equipment and vehicles. Improvements to date totaling approximately \$2.8 million include: drainage installation, cross culvert repair and replacement throughout the city, citywide street paving, and curbing/guardrail/lighting installation. The beautification of the Main Street thoroughfare which included the installation of sprinklers in medians and islands and the design for the renovation to Kennedy Park was also completed. Beautification measures along Plumtrees Road will be made with some of the remaining bond funds. The remaining \$1.1 million of the bond authorization has been used to replace and/or add to the equipment used by the various divisions of the Public Works Department for the City of Danbury. Purchased equipment included trucks, sanders, plows, graders, sweepers, rollers, tractors, mowers and Public Works vehicles.
- **Bridge Replacements/improvements and Public Building Improvements** - To date approximately \$3.5 million has been expended to reconstruct several bridges: Padanaram Bridges (2) (2009)), Rose Hill Avenue and Backus Avenue Bridge. Public building improvements include the replacement of Park Ave School roof, renovation of Veterans Hall, and installation of new HVAC system in the Library.

- **Roberts Avenue Replacement School/Ellsworth Avenue School** - As part of its expansion plans, Western Connecticut State University purchased the Roberts Avenue Elementary School located within its campus. The Ellsworth Avenue School project was completed in September 2009. The total cost of this project is approximately \$21.2 million.
- **New Public Safety Facilities** - In May 2006, voters approved a \$49.2 million Public Safety Initiative for various projects which included funding for: school improvements, various public works projects, and public safety related projects. Completed projects include: new fire equipment (\$1.7 million); new fire station building completed September 2007 (\$1.7 million); and Police Department headquarters building completed May 2009 (\$39 million). The fire station is located on the City's west side near the Danbury Mall and Boehringer Ingelheim facilities and provides enhanced fire protection in that area. The Police Department now has a headquarters with state of the art technology and ample space for all police activities (cell block facilities, lab, office space, vehicle storage, etc.) Funds were used in 2009 to replace the aging Park Avenue School Roof as well as to purchase public works equipment, dump trucks, plows, and vehicles.
- **QAlert311** - The City's QAlert311 initiative and web site, which was introduced in spring 2007, has received national recognition and sets the benchmark for constituent services for other municipalities. It has proven to be a positive contribution that has significantly enhanced the responsiveness to citizen issues on a daily basis. Danbury was one of the first cities in the country to offer 311 dialing for citizen interaction.
- **Water & Sewer Facility Improvements** - Since 2005, the voters have approved \$18.5 million for various improvements to the City's water and sewer facilities. Approximately, 75% of the City's 11,000 accounts have had meters replaced and a radio read system has been implemented. A new two million gallon water storage tank which will better serve the high service needs on the west side of Danbury has been operational since the fall of 2009. The West Side Sewer Interceptor project has been bid out is expected to be completed by the mid-2011. The nitrogen removal facilities went on-line in November 2009. This project will significantly reduce the annual purchase of nitrogen credits from the DEP. These are the first major capital improvement programs for the facilities in several years.

Risk Management

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

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

Debt Management

At year-end, the City had outstanding \$140.9 million in general obligation bonds, \$11.4 million outstanding in notes, \$48.0 million in Bond Anticipation Notes (BANS) and had \$49.4 million in authorized but unissued debt. However, as stated in bonding resolutions for certain projects, slightly more than half of the current unissued amounts will remain unissued because the City has received or anticipates

receiving state and/or federal grants in an equivalent amount and the project funding must not exceed bond resolution amount. Usually, the City enters the bond market once a year to convert its short-term financing to long-term on the completed or near completed projects while issuing short-term financing for newer projects. The City has been issuing about \$20.0 million in bonds (converting BANs into Bonds) over the last few years and will likely issue a similar amount this year while rates are low and as more projects are being completed. Such strategy has helped keep our debt ratio manageable while maintaining only the necessary cash funding for the City's capital program without having too much idle cash on hand (from borrowed monies) to avoid the risk of losing some of the benefit derived from the low borrowing rates.

AWARDS AND ACKNOWLEDGEMENTS

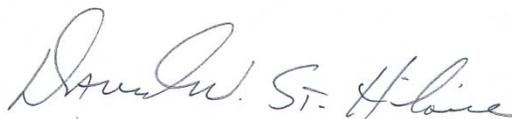
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Danbury, Connecticut for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Danbury has received a Certificate of Achievement in each of the last 23 fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



David W. St. Hilaire
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Danbury
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

Executive Director

**Principal Officials
City of Danbury, Connecticut**

Mayor

Mark D. Boughton

Town Clerk

Lori A. Kaback

Treasurer

Daniel P. Jowdy

Legislative Assistant

Jean A. Natale

City Council*

Joseph A. Cavo
President

Robert F. Arconti
Benjamin Chianese
Philip D. Colla
Philip D. Curran
Nancy Deep Damici
Michael J. Halas
Jack Knapp
Shay Nagarsheth
Peter P. Nero
Duane E. Perkins

Robert T. Riley
Paul T. Rotello
Thomas J. Saadi
Gregg W. Seabury
Colleen A. Stanley
Donald A. Taylor, Jr.
Mary E. Teicholz
Charles J. Trombetta
Sal Tumino
Frederick L. Visconti, Jr.

David W. St. Hilaire
Director of Finance

Daniel G. Garrick
Assistant Director of Finance

Scott Ferguson
Tax Collector

Colleen LaHood
Tax Assessor

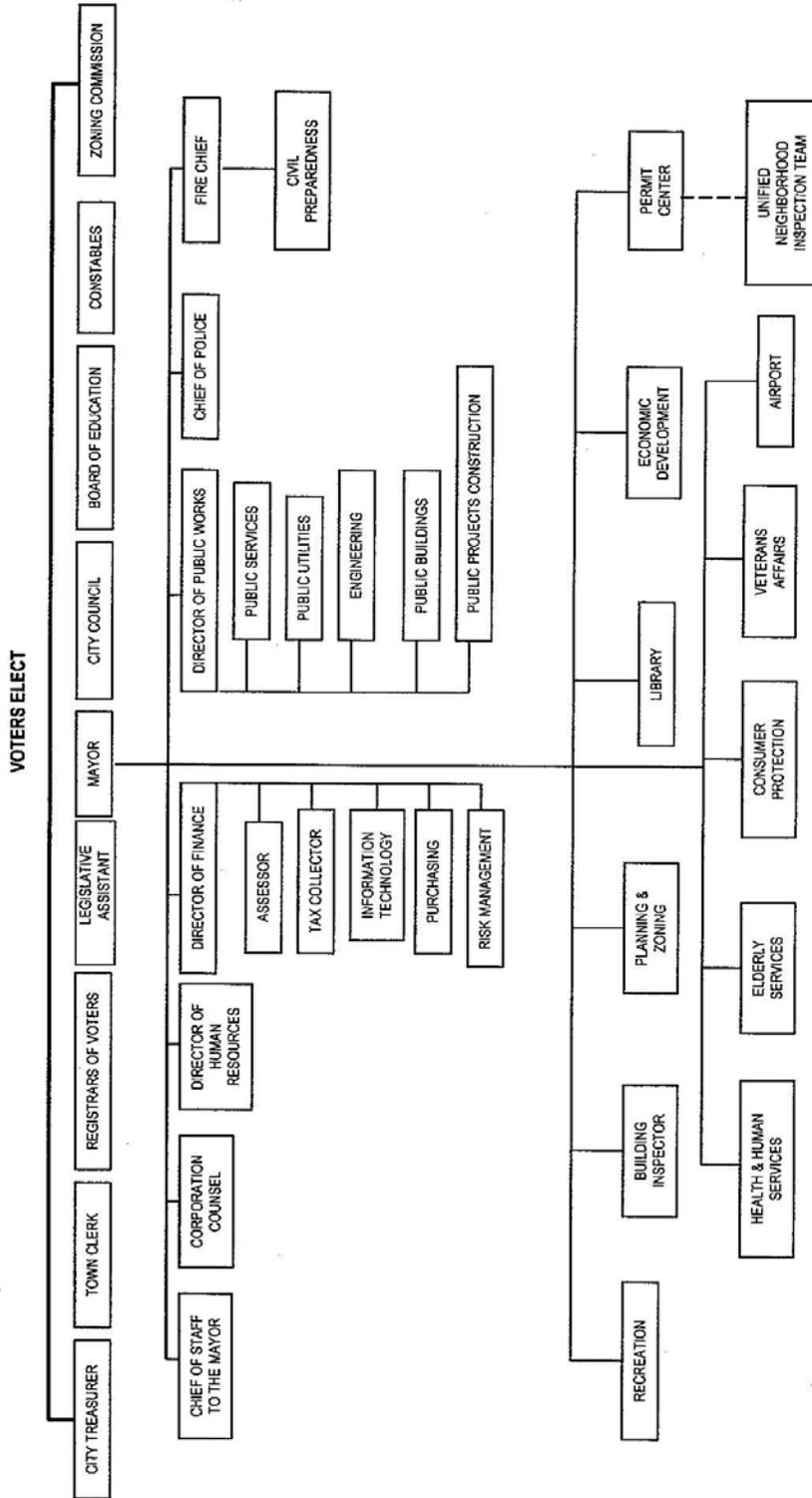
Charles Volpe
Purchasing Agent

Wade Anderson
Manager, Information Technology

Independent Auditors

McGladrey & Pullen, LLP
New Haven, Connecticut

CITY OF DANBURY ORGANIZATION CHART



Financial Section



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Danbury, Connecticut (the "City"), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Danbury, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, and the Danbury Museum and Historical Society Authority, component units of the City, which financial statements reflect 100% of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to amounts included for the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, and the Danbury Museum and Historical Society Authority, discretely presented component units of the City, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority and the Danbury Museum and Historical Society Authority discretely presented component units of the City, were not audited in accordance with "Government Auditing Standards." An audit includes 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, and the reports of other auditors, provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Danbury, Connecticut, as of June 30, 2010, 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.

In accordance with "Government Auditing Standards," we have also issued our report dated December 30, 2010 on our consideration of the City of Danbury, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance and other matters. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis and the schedules of funding progress and employer contributions 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 principally of inquiries of management regarding the methods of measurement and presentation of the required 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 the 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 the 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 30, 2010

**City of Danbury, Connecticut
Management's Discussion and Analysis
June 30, 2010**

As management of the City of Danbury, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Danbury for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal.

Financial Highlights

- Unreserved/undesignated fund balance increased by \$0.3 million to \$21.3 million for the general fund while the total fund balance amounted to \$25.4 million, a decreased by \$0.9 million. At the end of the current fiscal year, expenditures exceeded revenues on an actual budgetary basis by \$1.2 million. During the year the City Council authorized the use of \$825,000 of unreserved/undesignated fund balance for litigation matters and approximately \$325,000 from contingency was needed to clean up an oil spill at the Broadview Middle School. Unreserved/undesignated general fund balance at year-end represents 10.16% of the ensuing year's total general fund expenditures of \$209.2 million.
- On a government-wide basis for the year-ended, the City's net assets totaled \$279.0 million, a slight decrease from last year's total of \$280.4 million. Government-wide expenses totaled \$264.1 million and revenues totaled \$262.8 million. Total net assets for Governmental Activities and Business-Type Activities at fiscal year-end were \$146.4 million and \$132.6 million, respectively. Net assets for Governmental Activities decreased by \$5.6 million or 3.7% while Net assets increased for Business-Type Activities by \$4.3 million or 3.3%. Of the City's total net assets at June 30, 2010, \$16.9 million or 6.5% is unrestricted and may be used to meet the government's obligation to citizens and creditors.
- At the close of the year, the City of Danbury's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$21.7 million, a increase of \$14.4 million from the prior fiscal year. The increase in the fund balance of the governmental funds was primarily due to the timing of the receipt of long-term debt proceeds and the related capital outlay in which those proceeds will be used for.
- The City of Danbury's total debt increased by \$13.7 million for public improvement projects in Sewer/Water, Public Safety, Education and open space initiatives. The new debt results from the City's on-going capital program and the necessity to finance such programs through debt. The City also refunded \$41,105,000 of general obligation bonds to achieve a present value savings of \$1,700,000.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of net assets presents information on all of the City of Danbury's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the city is improving or deteriorating. It speaks to the question of whether or not, the City, as a whole is better or worse off as a result of this year's activities. However, substantial changes in Net Assets may occur from one year to the next simply as a result of new accounting standards issued by GASB (Governmental Accounting Standards Board) i.e. Other Post Employee Benefits (OPEB - GASB 45) and the construction of capital assets. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

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

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

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

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

Fund Financial Statements

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

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

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

expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Danbury maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Other funds considered to be Major Funds are Sewer, Water, Internal Service. Non-major governmental funds are combined into a single, aggregated presentation as other governmental funds. Such funds include the School Lunch Program Fund, the Community Development Block Grant Fund, the WIC Grant Fund, the Continuing Education Fund, the Animal Control Fund, the School-Based Health Center Grant Fund, the Ambulance Fund, the LOCIP Fund, Airport Projects Fund, State and Federal School Projects Fund, the Library Fund, the Railyard Parking Lease Fund, , Open Space Bond, Magnet School Fund, Miscellaneous Special Revenue Fund, the Vision 21 and Vision 21 - 2 Bond Issues Fund, BIIP, NSP Grant, ARRA, Public Safety Bond, Century 21 PI Fund, Cityworks/Library Reconstruction, Special Litigation, the City Projects Fund, the Danbury Neighborhood Bond Fund, the Head Start Bond Fund and the Farioly Permanent Fund. The Miscellaneous Special Revenue Fund is the consolidation of 46 small grant programs that have been combined for the purposes of financial reporting. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The City of Danbury adopts an annual appropriated budget for its general fund. A budgetary comparison statement on page 21 has been provided for the general fund to demonstrate compliance with the authorized budget.

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

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

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

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

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-73 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees. This information can be found on pages 75-77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and pension trust funds are presented immediately following the notes to basic financial statements and the required supplementary information.

Government-wide Financial Analysis

As noted earlier, the statement of net assets presents information on all of the City of Danbury's assets and liabilities, with the difference reported as net assets. In the case of the City of Danbury, assets exceeded liabilities by \$279.0 million at June 30, 2010, a decrease of \$1.3 million in Net Assets from the previous fiscal year.

	June 30, 2010			June 30, 2009		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 67,154	\$ 26,969	\$ 94,123	\$ 79,066	\$ 25,198	\$ 104,264
Non-current	4,285	579	4,864	3,346	412	3,758
Capital assets	297,659	158,643	456,302	294,881	160,256	455,137
Total Assets	369,098	186,191	555,289	377,293	185,866	563,159
Current liabilities	42,055	15,495	57,550	64,370	18,131	82,501
Long-term liabilities outstanding	180,594	38,122	218,716	160,836	39,450	200,286
Total Liabilities	222,649	53,617	276,266	225,206	57,581	282,787
Net assets:						
Invested in capital assets, net of related debt	144,512	116,105	260,617	139,376	115,046	254,422
Restricted	1,531	-	1,531	1,514	-	1,514
Unrestricted	406	16,469	16,875	11,197	13,239	24,436
Total Net Assets	\$ 146,449	\$ 132,574	\$ 279,023	\$ 152,087	\$ 128,285	\$ 280,372

At the end of the current fiscal year, the City of Danbury is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

On a government-wide basis excluding component units, the assets of the City of Danbury exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$279.0 million. This is slightly down from last year's net assets of \$280.4 million. Total net assets for Governmental Activities at fiscal year-end were \$146.4 million (down from \$152.1 million in the previous year) and total net assets for Business-type activities were \$132.6 million (up from \$128.3 million in the previous year). Of the City's total net assets at June 30, 2010, \$16.9 million or 6.0% is unrestricted and may be used to meet the government's on-going obligations to citizens and creditors. This compares with last year's total unrestricted net assets of \$24.4 million or 8.7% unrestricted.

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

	Year Ended June 30, 2010			Year Ended June 30, 2009		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 15,652	\$ 19,871	\$ 35,523	\$ 14,055	\$ 18,598	\$ 32,653
Operating Grants and Contributions	58,911	-	58,911	62,583	-	62,583
Capital Grants and Contributions	4,181	880	5,061	1,259	635	1,894
General Revenues:						
Property Taxes	154,691	-	154,691	153,096	-	153,096
Grants and contributions not restricted to specific programs	7,598	-	7,598	8,498	-	8,498
Unrestricted investment earnings	400	599	999	1,963	593	2,556
Total Revenues	241,433	21,350	262,783	241,454	19,826	261,280
Expenses:						
General Government	16,732	-	16,732	18,307	-	18,307
Public Safety	50,989	-	50,989	44,778	-	44,778
Public Works	15,467	17,061	32,528	15,984	17,070	33,054
Health and Welfare	6,135	-	6,135	5,058	-	5,058
Culture and Recreation	4,543	-	4,543	5,091	-	5,091
Education	148,223	-	148,223	150,405	-	150,405
Interest on long-term debt	4,982	-	4,982	4,494	-	4,494
Total Expenses	247,071	17,061	264,132	244,117	17,070	261,187
Change in net assets	(5,638)	4,289	(1,349)	(2,663)	2,756	93
Net assets – beginning	152,087	128,285	280,372	154,750	125,529	280,279
Net assets - ending	\$ 146,449	\$ 132,574	\$ 279,023	\$ 152,087	\$ 128,285	\$ 280,372

Government Activities

For Governmental activities, approximately 64.1% of the revenues were derived from property taxes followed by 32.6% from program revenues, then 3.3% from unrestricted grants and investment earnings.

Total revenues in Governmental Activities were flat as compared to last year. However, the increase in property tax revenues was offset by decreases in grants received for operations and various capital projects.

For Governmental Activities, about 60.0% of the City's expenditures relate to education, 20.6% relate to public safety, 6.2% for public works, 6.8% for general government, 1.8% for cultural and recreation, 2.6% for health and welfare, 2.0% for interest on long-term debt. GASB 45 required the City to record an additional \$6.5 million liability for Other Post Employment Benefits (OPEB) cost for all functions, and \$450,000 liability for easement obligations directly reducing the Net Assets.

Major expenditure factors included:

- Education expenditures had decreased from the prior year due to a one-time expenditure of approximately \$4.7 million for retiree benefits in fiscal 2009.
- All other categories were impacted with rising costs associated with employee benefits, which include health, pension and other post employment benefit costs.

Business-Type Activities

Business-Type activities increased the City's net assets by \$4.3 million, an increase of 3.3% from the prior fiscal year. Factors impacting the growth include:

Charges for services increased (\$1.3 million) to total \$19.9 million, investment earnings amounted to nearly \$0.6 million, and contributed capital increased by \$.2 million to total approximately \$0.9 million for the year. However, expenditures remain at last year's level of \$17.1 million.

Financial Analysis of the Fund Financial Statements

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

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

As of the end of the current fiscal year, the City of Danbury's governmental funds reported combined ending fund balances of \$21.7 million. The General Fund and Other Governmental Funds reported fund balances of \$25.4 million and negative \$3.7 million, respectively. Collectively, the fund balances for capital projects increased by \$18.0 million from negative \$28.4 million last year to a negative \$10.4 million at June 30, 2010. The increase in capital projects fund balance is primarily due to the completion of projects and converting the financing from short term (BANs) to long term (Bonds).

The general fund is the chief operating fund of the City of Danbury. At the end of the current fiscal year, unreserved fund balance of the general fund increased \$0.3 million to \$21.3 million while total fund balance equals \$25.4 million. Approximately \$21.3 million of the general fund's total fund balance constitutes unreserved/undesignated fund balance which is available for spending at the government's discretion. The remaining \$4.2 million of the General Fund balance is not available for new spending and has been reserved/designated to liquidate contracts/purchase orders of the prior period (\$1.7 million) and for future budget appropriations (\$2.5 million). As a measure of the general fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to total fund expenditures for the ensuing year's budget. Unreserved fund balance represents 10.16% of total general fund expenditures while total fund balance represents 12.1% of that same amount.

The City of Danbury's General Fund ending unreserved Budgetary Fund Balance on a budgetary basis, increased by \$0.3 million during the current fiscal year. On an actual budgetary basis, expenditures exceeded revenues this year by \$1.2 million while the City's budgeted use of fund balance decreased from \$4.0 million in 09/10 Budget to \$2.5 million for the 10/11 Budget. Although most of the \$4.0 million budgeted amount for 09/10 Budget was returned to unreserved fund balance, the net \$1.5 million decrease use of fund balance was offset by the year-end \$1.2 million revenue shortfall at June 30, 2010, netting to a negative impact to unreserved fund balance of \$0.9 million.

On a budgetary basis, the fund-balance of the City of Danbury's general fund, increased by \$0.3 million during the current fiscal year. Key factors in this increase are as follows:

- \$1.5 million added back for the decrease in planned use of fund balance for the ensuing year's budget.
- \$825,000 reduction due to the authorized use of fund balance through Council resolution during the year for litigation related matters.
- Approximately \$325,000 in unplanned costs associated with cleanup of an oil spill at Broadview Middle School.

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

Net assets of the Water Fund at the end of the year were \$68.8 million. The fund generated operating income during the year of \$.8 million, a decrease of approximately \$0.7 million from the prior year. Capital contributions totaled \$0.4 million, resulting in the fund increasing its net assets by \$1.2 million. Unrestricted net assets totaled \$11.4 million at year-end.

Net assets of the Sewer Fund at the end of the year were \$63.7 million. The fund generated operating income of nearly \$2.6 million and capital contributions of about \$0.5 million helped to increase the fund's overall net assets by \$3.1 million. Unrestricted net assets totaled \$5.1 million at year-end.

General Fund Budgetary Highlights

As provided by Public Act 09-1, approximately \$3.3 million as originally budgeted for Education expenditures and Education Cost Sharing grant revenues were paid directly to the Board of Education and accounted for in a separate special revenue fund. The funds were part of the Federal ARRA State Fiscal Stabilization Funds passed through the State of Connecticut Board of Education. The original budget was not revised for the Public Act.

During the year, actual revenues on a budgetary basis were \$196.1 million, \$1.5 million under budgetary estimates, however when taking into account the revenue shortfall due to the impact of the ARRA funding, actual revenues were better than expected by approximately \$1.8 million. Revenue from charges for services and general property taxes were higher than budgeted by \$1.0 million each, which was offset by a \$.5 million shortfall in license and permit revenues.

Actual expenditures on a budgetary basis totaled \$197.5 million, which were \$5.6 million less than the adjusted budget. However, when taking into account the approximately \$3.3 million in ARRA funds, the budget was \$2.3 million better than originally planned. The primary reasons for this favorable variance was due to the general government, and pension and employee benefits being under budget by approximately \$1.0 million each.

One additional item that impacted the City's budgetary results was a transfer from the ambulance fund to the general fund. At the end of FY 08/09, the ambulance fund had a fund balance of approximately \$2.3 million. The 09/10 budget included a transfer of \$750,000 from the ambulance fund to the general fund, however only \$570,000 was transferred. Even with the fund transfer, the ambulance fund still was able to purchase a \$120,000 ambulance and end the year with a small surplus. Depending on the type of call, fire and police departments have been first responders for all emergency calls, however, such costs are recorded in the general fund.

The difference between the original budgeted expenditures and the final amended budget was \$0.8 million. The major additional appropriations approved during the year are summarized below:

- \$825,000 from fund balance for litigation related matters. Requested and authorized by Council Resolution.
- \$60,000 from the Historic Document Reserve Account for the conversion of historical land record books. Requested and authorized by Council Resolution.
- The oil spill cleanup at Broadview Middle School cost approximately \$325,000 of additional costs which could not be absorbed at the department level.

Capital Asset and Debt Administration

Capital assets. As of June 30, 2010, the City of Danbury's investment in capital assets for its governmental and business-type activities amounted to \$456.3 million, net of accumulated depreciation. This investment in capital assets includes land, building and land improvements, machinery and equipment and infrastructure. The total increase in the City of Danbury's investment in capital assets for the current fiscal year was \$1.2 million.

	June 30, 2010			June 30, 2009		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 50,757,726	\$ 1,031,946	\$ 51,789,672	\$ 49,153,128	\$ 1,031,946	\$ 50,185,074
Easements	901,000	-	901,000	-	-	-
Land Improvements	10,178,933	-	10,178,933	6,702,431	-	6,702,431
Buildings and Improvements	166,331,010	60,549,726.00	226,880,736	136,768,280	63,037,314	199,805,594
Machinery and Equipment	14,239,927	6,000.00	14,245,927	14,020,545	-	14,020,545
Infrastructure	48,358,851	76,648,489.00	125,007,340	44,167,451	76,235,640	120,403,091
Other	-	145,851.00	145,851	-	178,307	178,307
Construction in Progress	6,891,612	20,261,279.00	27,152,891	44,069,020	19,772,911	63,841,931
Total	\$ 297,659,059	\$ 158,643,291	\$ 456,302,350	\$ 294,880,855	\$ 160,256,118	\$ 455,136,973

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

- Reconstructed Perry Field, a multipurpose artificial turf field in Rogers Park for \$2.1 million, \$.6 million in the current year.
- Began reconstruction of Backus Avenue bridge expending \$336,000 million in current year. The bridge was opened in October 2010.
- Purchased 17 acres of undeveloped land as part of the City's Open Space initiative.
- Completed construction in September 2009 of the Ellsworth Avenue School (replacement school for the old Roberts Avenue School which was sold to Western Connecticut State University) for a total cost of \$21.2 million, \$1.4 million in current year.
- Purchased replacement vehicles for police department for \$240,000.
- Repairs and renovations to various city and school buildings for \$250,000.
- Road reconstruction, repaving, and drainage to various city streets for \$1.3 million.
- Purchased replacement ambulance for \$104,000.
- Replaced four self checkout machines at the Library at a cost of \$74,000.
- Completed replacement of the Library HVAC system at a total cost of \$615,000, \$458,000 in the current year.

Additional information on the City of Danbury's capital assets can be found in Note 7 on pages 45-49 of this report.

Debt. At the end of the current fiscal year the City of Danbury had total bonded debt outstanding of \$140.9 million. One-hundred percent of this debt is backed by the full faith and credit of the city government.

	June 30, 2010			June 30, 2009		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 114,147,700	\$ 26,772,300	\$ 140,920,000	\$ 106,321,500	\$ 28,868,500	\$ 135,190,000
Bond anticipation notes	37,673,133	10,326,867	48,000,000	62,048,000	12,297,000	74,345,000
Notes payable	1,094,000	10,294,388	11,388,388	1,166,000	10,248,933	11,414,933
Total	\$ 152,914,833	\$ 47,393,555	\$ 200,308,388	\$ 169,535,500	\$ 51,414,433	\$ 220,949,933

The City of Danbury's total debt decreased by \$20.6 million during the current fiscal year, due to an increase of approximately \$5.7 million in long term debt and a \$26.3 million decrease in short-term debt.

During the fiscal year, the City issued \$37,970,000 of general obligation bonds which were used to advance refund \$41,105,000 of outstanding general obligation bonds. The results of the advance refunding were an economic gain of \$1,700,000 and a cash savings of \$1,818,000.

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

The overall statutory debt limit for the City of Danbury is equal to seven times annual receipts from taxation or \$1,094.9 million. As of June 30, 2010, the City recorded long-term debt of \$149.4 million related to Governmental Activities and \$43.2 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Danbury's long-term debt can be found in Notes 8 and 9 of this report.

Cash Management Policies and Practices. At June 30, 2010, the City had \$77.7 million in cash and cash equivalents. The City also had \$195.6 million of investments representing assets in the City's six pension funds.

With the exception of the six pension funds, the City's operating and working capital funds are invested at the direction of the City Treasurer in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) money market accounts; (3) overnight repurchase agreements collateralized by U.S. government agency obligations such as Federal Home Loan Mortgage Corporation which are valued daily; (4) overnight U.S. Treasury obligations; (5) an investment pool investing only in (a) high grade, short-term federal securities and variable rate obligations faced by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two, and (b) very short-term (usually overnight) repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the program's custodial bank to be held for the benefits of the Pool's participants.

Pension Administration. The City maintains six distinct pension plans covering substantially all of its employees, except teachers who are covered by the State Teachers' Retirement Fund. The City does not contribute to the State Teachers' Retirement Fund. The General Employee's Plan is a non-contributory defined benefit plan. The remaining five plans - Post-1983 Police; Post-1967 Fire; Post-1967 Police; Pre-1967 Fire and Pre-1967 Police, are contributory defined benefit plans. Police contribute 4%-4.5% of their wages to the plans, while fire contribute 5%. The City's funding policy is to make contributions on an actuarial cost basis, which includes normal cost plus an amortization of the unfunded past service liability. Total employer pension contributions for the year ended June 30, 2010 were \$2.7 million.

The City prepares valuations of its pension plans every other year. At the latest actuarial valuation dates July 1, 2009 and July 1 2008, the City's six pension trust funds had assets, in the aggregate on an actuarial basis, of \$261.3 million, while the actuarial accrued liability was \$260.2 million. On an actuarial accrued basis, the City's liability was in the aggregate, 100.3% funded. However, subsequent to the most recent valuation dates, certain economic events have had significant adverse impact on the City's investment portfolios. As of June 30, 2010, the six plans had aggregate assets of \$206.2 million, up \$13.4 million (6.9%) from \$192.8 million over the past 12 months. As such, these market downturns have had a significant effect on the funded ratios and on the future require contributions.

Economic Factors and Next Year's Budgets and Rates

The City of Danbury continues to show economic stability compared to other parts of the State of Connecticut. As of November 2010, the unemployment rate for the Danbury Labor Market Area was 6.8%, the lowest in the State of Connecticut. Connecticut's unemployment rate was 9.0% for the same period.

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

Requests for Information

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

Basic Financial Statements

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CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government		
	Governmental	Business-Type	Total*
	Activities	Activities	
Assets			
Cash and cash equivalents	\$ 44,463,258	\$ 19,309,348	\$ 63,772,606
Receivables (net of allowances for collection losses):			
Property taxes	5,760,498	-	5,760,498
Special assessments	-	5,047,768	5,047,768
Accounts receivable	3,711,330	-	3,711,330
Federal and state governments	9,154,910	-	9,154,910
User charges		1,606,629	1,606,629
Other receivable	-	1,623,204	1,623,204
Unbilled services	-	2,940,651	2,940,651
Inventories	48,025	456,135	504,160
Internal balances	4,014,948	(4,014,948)	-
Other assets	77,683	-	77,683
Deferred charges, net of accumulated amortization	2,220,937	578,367	2,799,304
Federal and state government receivables	1,986,872	-	1,986,872
Capital assets, not being depreciated	58,550,338	21,293,225	79,843,563
Capital assets, net of accumulated depreciation	239,108,721	137,350,066	376,458,787
Total assets	369,097,520	186,190,445	555,287,965
Liabilities			
Accounts payable	16,728,502	536,119	17,264,621
Accrued liabilities	1,252,230	802,011	2,054,241
Advance tax collections	640,274	-	640,274
Unearned revenues	4,131,134	3,829,949	7,961,083
Bond anticipation notes payable	19,302,150	10,326,867	29,629,017
Noncurrent liabilities:			
Due within one year	13,146,843	4,987,898	18,134,741
Due in more than one year	167,446,970	33,134,021	200,580,991
Total liabilities	222,648,103	53,616,865	276,264,968
Net Assets			
Investment in capital assets, net of related debt	144,512,568	116,105,369	260,617,937
Restricted for:			
Debt service	-	-	-
School lunch-expendable	48,025	-	48,025
Farioly Library-non-expendable	1,483,133	-	1,483,133
Capital improvement	-	-	-
Unrestricted	405,691	16,468,211	16,873,902
Total net assets	\$ 146,449,417	\$ 132,573,580	\$ 279,022,997

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

* After internal receivables and payables have been eliminated.

Component Units			
Danbury Parking Authority	Richter Park Authority	Tarrywile Park Authority	Danbury Museum and Historical Society Authority
\$ 116,426	\$ 127,785	\$ 121,472	\$ 15,624
-	-	-	-
-	-	-	-
42,153	-	10,225	-
-	-	-	-
7,544	-	-	-
-	-	-	925
-	-	-	-
-	-	-	14,750
-	-	-	-
58,015	48,473	14,842	3,918
-	-	-	-
-	-	-	-
-	842,385	-	128,790
156,971	2,504,449	62,655	843,094
381,109	3,523,092	209,194	1,007,101
65,932	247,438	13,232	4,510
10,479	-	9,110	3,315
-	-	-	-
-	2,000	-	802
-	-	-	-
-	131,243	-	-
-	375,997	14,516	-
76,411	756,678	36,858	8,627
156,971	2,839,594	62,655	971,884
-	507,240	-	-
-	-	-	-
-	-	-	-
-	-	-	2,460
147,727	(580,420)	109,681	24,130
\$ 304,698	\$ 2,766,414	\$ 172,336	\$ 998,474

CITY OF DANBURY, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ (16,731,874)	\$ 6,924,945	\$ 26,357	\$ 1,280,153
Public safety	(50,989,593)	4,984,991	51,506	1,230,962
Public works	(15,466,697)	35,493	4,229,397	1,070,163
Health and welfare	(6,134,629)	177,406	2,276,254	595,157
Culture and recreation	(4,543,054)	535,290	10,315	-
Education	(148,223,024)	2,994,188	52,317,234	4,451
Interest on long-term debt	(4,981,825)	-	-	-
Total governmental activities	(247,070,696)	15,652,313	58,911,063	4,180,886
Business-type activities:				
Sewer	(9,804,007)	12,113,299	-	476,174
Water	(7,256,572)	7,757,354	-	403,578
Total business-type activities	(17,060,579)	19,870,653	-	879,752
Total primary government	(264,131,275)	35,522,966	58,911,063	5,060,638
Component Units:				
Danbury Parking Authority	(1,092,374)	1,019,750	-	-
Richter Park Authority	(2,411,631)	2,197,938	-	-
Tarrywile Park Authority	(468,458)	124,554	44,770	-
Danbury Museum and Historical Society Authority	(313,614)	228,043	9,400	67,561
Total component units	\$ (4,286,077)	\$ 3,570,285	\$ 54,170	\$ 67,561

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

Change in net assets

Net assets - beginning
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Danbury Parking Authority	Richter Park Authority	Tarrywile Park Authority	Danbury Museum and Historical Society Authority
\$ (8,500,419)	\$ -	\$ (8,500,419)	\$ -	\$ -	\$ -	\$ -
(44,722,134)	-	(44,722,134)	-	-	-	-
(10,131,644)	-	(10,131,644)	-	-	-	-
(3,085,812)	-	(3,085,812)	-	-	-	-
(3,997,449)	-	(3,997,449)	-	-	-	-
(92,907,151)	-	(92,907,151)	-	-	-	-
(4,981,825)	-	(4,981,825)	-	-	-	-
(168,326,434)	-	(168,326,434)	-	-	-	-
-	2,785,466	2,785,466	-	-	-	-
-	904,360	904,360	-	-	-	-
-	3,689,826	3,689,826	-	-	-	-
(168,326,434)	3,689,826	(164,636,608)	-	-	-	-
-	-	-	(72,624)	-	-	-
-	-	-	-	(213,693)	-	-
-	-	-	-	-	(299,134)	-
-	-	-	-	-	-	(8,610)
-	-	-	(72,624)	(213,693)	(299,134)	(8,610)
154,691,223	-	154,691,223	-	-	-	-
7,597,755	-	7,597,755	-	-	283,500	-
399,378	598,687	998,065	1,631	25,500	1,636	-
162,688,356	598,687	163,287,043	1,631	25,500	285,136	-
(5,638,078)	4,288,513	(1,349,565)	(70,993)	(188,193)	(13,998)	(8,610)
152,087,495	128,285,067	280,372,562	375,691	2,954,607	186,334	1,007,084
\$ 146,449,417	\$ 132,573,580	\$ 279,022,997	\$ 304,698	\$ 2,766,414	\$ 172,336	\$ 998,474

CITY OF DANBURY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 16,274,663	\$ 28,188,595	\$ 44,463,258
Receivables (net of allowances for collection losses):			
Property taxes	5,760,498	-	5,760,498
Contract receivable	-	78,941	78,941
State and federal governments	7,237,288	3,904,494	11,141,782
Accounts receivable	3,278,003	354,386	3,632,389
Inventories	-	48,025	48,025
Other assets	77,683	-	77,683
Due from other funds	10,467,941	1,263,187	11,731,128
Total assets	\$ 43,096,076	\$ 33,837,628	\$ 76,933,704
Liabilities			
Accounts payable	\$ 3,643,005	\$ 5,223,018	\$ 8,866,023
Accrued wages	1,252,230	-	1,252,230
Due to other funds	4,546,532	7,700,212	12,246,744
Deferred revenues	7,448,360	1,395,781	8,844,141
Unearned revenue	161,291	3,969,843	4,131,134
Bond anticipation notes payable	-	19,302,150	19,302,150
Advance tax collections	640,274	-	640,274
Total liabilities	17,691,692	37,591,004	55,282,696
Fund Balances (Deficits)			
Reserved for:			
Inventories	-	48,025	48,025
Encumbrances	1,571,387	4,737,857	6,309,244
Continued appropriations	82,149	-	82,149
Permanent fund	-	1,483,133	1,483,133
CDBG Projects	-	400,399	400,399
Designated for:			
Future appropriation	2,500,000	-	2,500,000
Unreserved/designated:			
reported in:			
General fund	21,250,848	-	21,250,848
Special revenue funds	-	(190,068)	(190,068)
Capital projects funds	-	(10,391,909)	(10,391,909)
Permanent fund	-	159,187	159,187
Total fund balances (deficits)	25,404,384	(3,753,376)	21,651,008
Total liabilities and fund balances (deficits)	\$ 43,096,076	\$ 33,837,628	

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

Capital assets, net of accumulated depreciation of \$167,277,790, purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole.	297,659,059
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(180,593,813)
Deferred charges, net of accumulated amortization	2,220,937
Deferred revenue	8,844,141
Accrued interest	(3,331,915)

Net assets of governmental activities \$ 146,449,417

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 154,994,853	\$ -	\$ 154,994,853
State and federal governments	40,879,804	33,354,611	74,234,415
Licenses and permits	2,468,153	14,126	2,482,279
Charges for services	5,490,781	5,876,189	11,366,970
Fines and penalties	1,350,435	-	1,350,435
Investment income	381,557	17,821	399,378
Other	-	452,629	452,629
Total revenues	205,565,583	39,715,376	245,280,959
EXPENDITURES			
Current:			
General government	9,340,305	2,568,873	11,909,178
Public safety	29,495,480	2,408,198	31,903,678
Public works	9,093,883	587,653	9,681,536
Health and welfare	3,513,152	2,010,621	5,523,773
Culture and recreation	2,842,230	275,247	3,117,477
Education	117,631,730	26,922,825	144,554,555
Pension and other employee benefits	22,541,813	-	22,541,813
Debt service:			
Principal retirements	8,671,800	-	8,671,800
Interest and other charges	5,159,630	-	5,159,630
Capital outlay	1,514,054	10,894,844	12,408,898
Total expenditures	209,804,077	45,668,261	255,472,338
Revenues over (under) expenditures	(4,238,494)	(5,952,885)	(10,191,379)
OTHER FINANCING SOURCES (USES)			
Transfers in	570,000	349,361	919,361
Transfers out	(349,361)	(570,000)	(919,361)
Issuance of bond anticipation notes	-	18,370,983	18,370,983
Issuance of general obligation bonds	-	18,393,000	18,393,000
Payments-bond anticipation notes	-	(15,271,762)	(15,271,762)
Issuance of refunding bond	32,684,000	-	32,684,000
Payment to escrow agent	(37,696,163)	-	(37,696,163)
Premium on bonds	6,656,563	-	6,656,563
Lease financing	1,467,444	-	1,467,444
Total other financing sources	3,332,483	21,271,582	24,604,065
Net change in fund balances (deficits)	(906,011)	15,318,697	14,412,686
FUND BALANCES (DEFICITS), beginning	26,310,395	(19,072,073)	7,238,322
FUND BALANCES (DEFICITS), ending	\$ 25,404,384	\$ (3,753,376)	\$ 21,651,008

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

CITY OF DANBURY, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

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

Net change in fund balances – total governmental funds \$ 14,412,686

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. 2,778,204

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

Taxes and related interest	(303,630)
Miscellaneous revenue	26,357
School construction	(582,548)
Intergovernmental revenue and other	(2,988,520)

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. (13,261,790)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (5,718,837)

Change in net assets of governmental activities \$ (5,638,078)

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

CITY OF DANBURY, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 154,079,081	\$ 154,079,081	\$ 154,994,853	\$ 915,772
Federal and state governments	33,129,720	33,129,720	30,033,754	(3,095,966)
Licenses and permits	2,994,700	2,994,700	2,468,153	(526,547)
Charges for services	4,481,102	4,542,867	5,490,781	947,914
Fines and penalties	1,285,602	1,285,602	1,350,435	64,833
Investment income	1,550,000	1,550,000	1,776,003	226,003
Total revenues	197,520,205	197,581,970	196,113,979	(1,467,991)
EXPENDITURES				
Current:				
General government	9,140,867	10,057,516	9,150,765	906,751
Public safety	28,576,533	28,596,455	29,524,742	(928,287)
Public works	9,102,892	9,462,680	9,065,519	397,161
Health and welfare	2,381,007	2,431,007	2,001,103	429,904
Culture and recreation	3,003,393	3,003,393	2,844,654	158,739
Education	112,103,866	112,103,866	108,792,288	3,311,578
Pension and other employee benefits	23,473,979	23,473,979	22,542,838	931,141
Capital outlay	-	49,797	-	49,797
Contingency	450,000	147,200	-	147,200
Debt service:				
Principal retirements	8,771,800	8,878,629	8,671,800	206,829
Interest	5,016,507	4,909,678	4,909,676	2
Total expenditures	202,020,844	203,114,200	197,503,385	5,610,815
Revenues over (under) expenditures	(4,500,639)	(5,532,230)	(1,389,406)	4,142,824
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	750,000	570,000	(180,000)
Transfers (out)	(249,361)	(249,361)	(349,361)	(100,000)
Total other financing sources (uses)	500,639	500,639	220,639	(280,000)
Revenues over (under) expenditures and other financing sources (uses)	\$ (4,000,000)	\$ (5,031,591)	(1,168,767)	\$ 3,862,824
UNRESERVED BUDGETARY FUND				
BALANCE , beginning			20,919,615	
Change in Designation for Future Appropriations			1,500,000	
UNRESERVED BUDGETARY FUND BALANCE , ending			\$ 21,250,848	

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 10,239,406	\$ 9,069,942	\$ 19,309,348	\$ -
Receivables (net of allowances for collection losses):				
Unbilled services	1,413,670	1,526,981	2,940,651	-
Special assessments receivable	82,545	354,480	437,025	-
User Charges	822,939	783,690	1,606,629	-
Due from other funds	-	-	-	4,530,564
Other	-	1,623,204	1,623,204	-
Inventories	456,135	-	456,135	-
Total current assets	13,014,695	13,358,297	26,372,992	4,530,564
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	74,334,639	84,308,652	158,643,291	-
Special assessments receivable, net	704,208	3,906,535	4,610,743	-
Other assets (net of accumulated amortization)	345,859	232,508	578,367	-
Total noncurrent assets	75,384,706	88,447,695	163,832,401	-
Total assets	88,399,401	101,805,992	190,205,393	4,530,564
LIABILITIES				
Current liabilities:				
Accrued liabilities	463,610	338,401	802,011	4,530,564
Accounts payable	306,725	229,394	536,119	-
Due to other funds	117,854	3,897,094	4,014,948	-
Unearned revenues	205,000	3,624,949	3,829,949	-
Bonds and notes payable	1,492,491	3,495,407	4,987,898	-
Bond anticipation notes payable	2,007,000	8,319,867	10,326,867	-
Total current liabilities	4,592,680	19,905,112	24,497,792	4,530,564
Noncurrent liabilities:				
Notes payable (net of unamortized discount)	-	7,682,377	7,682,377	-
Bonds payable (net of unamortized premium)	14,455,809	9,940,608	24,396,417	-
Other liabilities (net of accumulated amortization)	510,794	544,433	1,055,227	-
Total noncurrent liabilities	14,966,603	18,167,418	33,134,021	-
Total liabilities	19,559,283	38,072,530	57,631,813	4,530,564
NET ASSETS				
Invested in capital assets (net of related debt)	57,455,545	58,649,824	116,105,369	-
Unrestricted	11,384,573	5,083,638	16,468,211	-
Total net assets	\$ 68,840,118	\$ 63,733,462	\$ 132,573,580	\$ -

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

CITY OF DANBURY, CONNECTICUT

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

For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 7,757,354	\$ 11,136,857	\$ 18,894,211	\$ 19,575,571
Septic and connection fees	-	976,442	976,442	-
Total operating revenues	7,757,354	12,113,299	19,870,653	19,575,571
OPERATING EXPENSES				
Salaries, benefits and claims	2,946,537	-	2,946,537	19,575,571
Materials and supplies	658,540	-	658,540	-
Depreciation	1,346,859	2,776,480	4,123,339	-
Utilities	493,267	-	493,267	-
Administrative and operating	1,098,591	6,507,381	7,605,972	-
Total operating expenses	6,543,794	9,283,861	15,827,655	19,575,571
Operating income	1,213,560	2,829,438	4,042,998	-
NONOPERATING REVENUES (EXPENSES)				
Interest income	257,771	340,916	598,687	-
Interest expense	(712,778)	(520,146)	(1,232,924)	-
Total nonoperating revenues (expenses)	(455,007)	(179,230)	(634,237)	-
Net income before capital contributions	758,553	2,650,208	3,408,761	-
CAPITAL CONTRIBUTIONS	403,578	476,174	879,752	-
Change in net assets	1,162,131	3,126,382	4,288,513	-
NET ASSETS, beginning	67,677,987	60,607,080	128,285,067	-
NET ASSETS, ending	\$ 68,840,118	\$ 63,733,462	\$ 132,573,580	\$ -

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Totals	Internal Service Activities Funds
Cash Flows From Operating Activities				
Receipts from customers and users	7,976,841	10,142,631	18,119,472	19,575,571.00
Payments to suppliers/claims paid	(2,126,213)	(6,793,367)	(8,919,580)	(19,575,571.00)
Payments to employees	(2,928,849)	-	(2,928,849)	-
Net cash provided by operating activities	2,921,779	3,349,264	6,271,043	-
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	(3,594,150)	(11,700,452)	(15,294,602)	-
Refunding of bonds	(2,232,000)	(3,602,000)	(5,834,000)	-
Interest paid on debt	(725,870)	(666,134)	(1,392,004)	-
Capital contributions	403,578	476,174	879,752	-
Purchase of capital assets	(715,306)	(1,795,206)	(2,510,512)	-
Proceeds of notes	3,174,000	8,647,728	11,821,728	-
Proceeds of bonds and refunding bond	2,232,000	3,602,000	5,834,000	-
Net cash used in capital and related financing activities	(1,457,748)	(5,037,890)	(6,495,638)	-
Cash Flows From Investing Activities				
Interest received on investments	257,771	340,916	598,687	-
Net cash provided by investing activities	257,771	340,916	598,687	-
Net increase (decrease) in cash and cash equivalents	1,721,802	(1,347,710)	374,092	-
Cash and Cash Equivalents				
Beginning	8,517,604	10,417,652	18,935,256	-
Ending	10,239,406	9,069,942	19,309,348	-
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	1,213,560	2,829,438	4,042,998	-
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,346,859	2,776,480	4,123,339	-
Changes in assets and liabilities:				
Increase in accounts receivable	(67,961)	(791,740)	(859,701)	-
(Increase) decrease in other receivables	82,447	(678,924)	(596,477)	-
Decrease in inventories	48,178	-	48,178	-
Decrease in due from other funds	-	-	-	1,374,409.00
(Decrease) increase in accrued expenses	95,318	(299,395)	(204,077)	(1,374,409.00)
(Decrease) increase in due to other funds	(1,622)	13,409	11,787	-
(Decrease) increase in unearned revenue	205,000	(500,004)	(295,004)	-
Net cash provided by operating activities	2,921,779	3,349,264	6,271,043	-
Supplemental Schedule of Noncash Financing Activities				
Amortization of issuance costs and gain on refunded debt	31,196	30,712	61,908	-
Amortization of premium on refunded debt	124,068	135,435	259,503	-
BANS converted to bonds	915,000	-	915,000	-

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2010

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 10,683,849	\$ 1,442	\$ 3,197,349
Investments, at fair value			
Common stock	41,889,325	-	-
Debt securities	17,518,428	-	-
Mutual funds	87,709,499	-	-
Private hedge fund	48,482,205	-	-
Total investments	195,599,457	-	-
Accrued interest and dividends	247,542	-	-
Pending sales	297,764	-	-
Total assets	206,828,612	1,442	3,197,349
LIABILITIES			
Pending purchases	620,164	-	-
Other liabilities	-	-	3,197,349
	620,164	-	3,197,349
Net Assets Held in Trust for Pension			
Benefits and Other Purposes	\$ 206,208,448	\$ 1,442	\$ -

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

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

For the Year Ended June 30, 2010

	Pension Trust Funds	Private Purpose Trust Fund
Additions		
Contributions		
Employer	\$ 2,687,851	\$ -
Plan members	840,004	
Total contributions	3,527,855	-
Investment Income (loss)		
Net appreciation in fair value of investments	21,764,050	-
Interest and dividends	4,788,294	21
	<u>26,552,344</u>	<u>21</u>
Less investment expenses:		
Investment management fees	900,949	-
Net investment income	25,651,395	21
Deductions		
Benefits Paid	15,818,390	-
Change in net assets	13,360,860	21
Net Assets		
Beginning of year	192,847,588	1,421
End of year	<u>\$ 206,208,448</u>	<u>\$ 1,442</u>

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

Reporting entity

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Discretely Presented Component Units

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

The Tarrywile Park Authority ("Tarrywile") is responsible for administering, operating and maintaining Tarrywile Park, including all structures and land. The land and original buildings are owned by the City. Tarrywile is governed by members that are appointed by the Mayor and confirmed by the City Council on a rotating basis. The City is potentially liable for any operating deficits and provides substantial budgeted allocation annually to Tarrywile to support its operations. Tarrywile is presented as a governmental fund type. The information presented for Tarrywile is for the year ended June 30, 2010.

The Danbury Parking Authority ("Parking Authority") is responsible for establishing and operating parking facilities within the City in a manner similar to a private business enterprise where the costs of providing services to the general public are financed through user charges. The Parking Authority is governed by members who are appointed by the Mayor and confirmed by the City Council. The Parking Authority has the potential to provide specific financial benefit to, or impose specific financial burdens on, the City. The Parking Authority is presented as a proprietary fund type. The information presented for the Parking Authority is for the year ended June 30, 2010.

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

and capital grants, to Richter Park to support its operations. Richter Park is presented as a proprietary fund type. The information presented for Richter Park is for the year ended December 31, 2009.

The Danbury Museum and Historical Society Authority (“the Authority”) is responsible for administering, operating, and maintaining the Danbury Museum and Historical Society in the City of Danbury. The board members are appointed by the Mayor with the approval of the majority of the City Council. The City is potentially liable for any operating deficits and provides budgeted allocation annually to the Authority. The Authority is presented as a proprietary fund type. The information presented for the Authority is for the year ended June 30, 2010.

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

Tarrywile Park Authority
70 Southern Boulevard
Danbury, CT 06810

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

Danbury Parking Authority
21 Delay Street
Danbury, CT 06810

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

Joint ventures and related organizations

The Candlewood Lake Authority, the Housatonic Resources Recovery Authority, and the Housatonic Area Regional Transit District are joint ventures of the City. The Housing Authority is a related organization. See Note 15 in the notes to financial statements. The City does not have an equity investment in the joint ventures. Therefore, the annual support is reported as an expenditure when incurred.

Government-wide and Fund Financial Statements

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

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

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds.

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

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operation of the City's water supply system. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Additionally, the City reports the following fund types:

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

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

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

The *Agency Funds* account for monies held as a custodian for outside student groups. Agency funds have no measurement focus and are reported on the accrual basis of accounting.

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

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

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

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

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 disclosures of contingent assets and liabilities at the date of

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Property taxes

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

Cash equivalents

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

Allowance for doubtful accounts

Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$2,303,600. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

Investments

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

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

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

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

Inventories

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

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

Capital assets

Capital assets, which include property easements, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in proprietary fund financial

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

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

Compensated absences

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

Long-term obligations

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

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

leases, is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and principal payments are reported as debt service expenditures.

Pension accounting:

Pension Trust Funds

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

Governmental Funds

Expenditures are recognized when they are paid or are expected to be paid with current available resources.

Funding policy

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

Net other post-employment benefit obligations

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

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 financial statements and in the proprietary fund 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 represents the net assets of the City, which are restricted by donors for a specific purpose.

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

In the fund financial statements, fund balances of governmental funds are classified in separate categories. The 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 spending.

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

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

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

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

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

Bonds and notes payable	\$ (132,518,683)
Add: Issuance premium (to be amortized over life of debt)	(6,522,098)
Capital leases payable	(5,473,861)
Compensated absences	(2,837,004)
Pollution remediation obligation	(1,083,700)
Landfill closure	(12,155,976)
HUD-Section 108 loans	(1,094,000)
Legal claims and other	(750,000)
OPEB obligations	(14,497,500)
Easement obligations	(450,000)
Early retirement accrual	<u>(3,210,991)</u>
 Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	 <u><u>\$ (180,593,813)</u></u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

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

Capital outlay	\$ 12,059,677
Depreciation expense	(9,232,393)
Loss on disposal	<u>(49,080)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,778,204</u>

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

Debt issued or incurred:	
Issuance of bonds (including net bond anticipation notes)	\$ 69,447,983
Premiums	4,903,143
Bond issuance costs	(1,668,207)
Capital leases	1,467,444
Principal repayments:	
General obligation debt	(59,286,562)
Capital leases	<u>(1,602,011)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 13,261,790</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds."

Compensated absences	\$ (72,878)
Other liabilities	<u>(5,645,959)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (5,718,837)</u>

Note 3. Budgets and Budgetary Accounting

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

1. Prior to April 7, the Mayor submits proposed operating budgets to the City Council for the fiscal year commencing the following July 1. The Board of Education has the same duties and follows the same procedures with respect to the budget of the Board of Education as those required of the Mayor. The operating budgets include proposed expenditures and the means of financing them; however, capital lease acquisitions and state on-behalf payments are not included in the operating budget. The Animal Control and Ambulance are special revenue funds which have legally adopted annual budgets.
2. Upon receipt of the proposed budgets, the City Council publishes a notice of the proposed budgets and a public hearing to be held no later than May 1.
3. No later than May 15, the budgets are legally enacted through City Council resolution.
4. The legal level of budgetary control is at the department level. The Mayor is authorized to transfer budget amounts within departments and the City Council is authorized to transfer budget amounts between departments within any fund as well as any supplemental appropriations that amend the total expenditures of any budgeted fund. During the year, several supplemental appropriations were necessary; the effect of the amendments increased budgeted expenditures by approximately \$1,093,000 and also increased budgeted revenues approximately \$61,700.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

5. Formal budgetary accounting is employed as a management control within the City for the General Fund and certain special revenue funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting, except that encumbrances and continued appropriations are treated as budgeted expenditures in the year of incurrence of the commitment to purchase and certain employee benefits are budgeted on the cash basis of accounting (non-GAAP basis). Budgetary comparisons in the financial statements are presented pursuant to the applicable budgetary basis referred to above.
6. Except for purposes which are to be financed by the issuance of bonds or by special assessment, no money can be disbursed without an authorized appropriation in any fiscal year. A contingency fund may be used for emergency appropriations, however, expenditures may not be charged directly to this fund. An appropriation and transfer to the expending fund must be approved by the City Council.
7. All unencumbered appropriations, except for continued appropriations, lapse at the end of each fiscal year.
8. Continued appropriations represent approved appropriations from the current or prior years' budgets for construction or other permanent improvement projects. In accordance with the City's Charter, these appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Any such project is deemed to be abandoned if three years have elapsed without any expenditure from, or encumbrance of, the appropriation. At June 30, 2010, there was \$82,149 in continued appropriations.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

	Revenues and Other Financing Sources	Expenditures, Encumbrances and Other Financing Uses
Balance, budgetary basis	\$ 196,683,979	\$ 197,852,746
Encumbrances and continued appropriations		
June 30, 2009	-	1,390,780
June 30, 2010	-	(1,653,536)
State Teachers' Retirement on-behalf payments, not recognized for budgetary purposes	9,334,000	9,334,000
On-behalf payments paid directly by the Department of Health to WIC recipients, not recognized for budgetary purposes	1,512,050	1,512,050
Issuance Costs	-	249,954
Payment to escrow agent	-	37,696,163
Issuance of refunding bond	32,684,000	-
Premium on bonds	5,262,117	-
Purchases of equipment under capital lease obligations, not recognized for budgetary purposes	1,467,444	1,467,444
Balance, GAAP basis	<u>\$ 246,943,590</u>	<u>\$ 247,849,601</u>

Special revenue funds

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Capital projects funds

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

Note 4. Cash and Investments

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

Investments: The investment and credit risk policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk. They set asset allocation parameters, as follows:

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

Interest Rate Risk: The City does not have a policy that limits its exposure to fair value losses arising from changes in interest rates. The City's pension funds do have a policy to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments, and monitoring the liquidity of the funds on an ongoing basis.

Concentrations: The City does not have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, \$57,804,600 of the City's bank balance of \$68,823,834 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City and the pension funds do not have custodial credit risk policies for investments.

Cash and investments of the City consist of the following at June 30, 2010:

Cash and Cash Equivalents	
Deposits With Financial Institutions	\$ 75,802,730
Cutwater Asset Management - Connecticut Class Plus	1,852,516
Total cash and cash equivalents	77,655,246
Investments	
Pension Trust Funds:	
U.S. Government Securities	3,597,966 *
U.S. Government Agencies	2,783,172 *
Asset backed Securities	4,263,026 *
Corporate Debt	6,874,264 *
Common Stocks	41,889,325 *
Mutual Funds	87,709,499
Private Hedge Funds	48,482,205
Total pension investments	195,599,457
Total cash and investments	\$ 273,254,703

* These investments are uninsured and unregistered, with securities held by its agent, but not in the City's Pension Trust Funds' name.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

	Primary Government
Statement of Net Assets	
Cash and cash equivalents	\$ 63,772,606
	<u>63,772,606</u>
Fiduciary Funds:	
Cash and cash equivalents	13,882,640
Investments	195,599,457
	<u>209,482,097</u>
Total cash and investments	<u>\$ 273,254,703</u>

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Securities	\$ 3,597,966	\$ -	\$ 1,074,221	\$ 2,523,745	\$ -
U.S. Government Agencies	2,783,172	-	2,041,360	741,813	-
Asset Backed Securities	4,263,026	-	1,179,996	178,477	2,904,553
Mutual Funds	24,499,412	1,412,271	7,975,940	8,885,616	6,225,585
Corporate Bonds	6,874,264	319,102	3,941,760	2,613,402	-
TOTAL	<u>\$ 42,017,841</u>	<u>\$ 1,731,373</u>	<u>\$ 16,213,276</u>	<u>\$ 14,943,053</u>	<u>\$ 9,130,138</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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. Cash equivalents of \$1,852,516 are invested in Cutwater Asset Management-Connecticut Class Plus, which maintains a Standard and Poor's investment rating of AAAm. Presented below is the minimum rating as required for each debt type investment:

Average Rating	U.S. Government			
	Corporate Bonds	Agency Obligation	Asset Backed Securities	Mutual Funds
AAA	\$ -	\$ 2,783,172	\$ 3,335,531	\$ 7,455,631
AA+	325,831	-	-	-
AA	84,251	-	-	2,085,857
AA-	267,620	-	-	-
A+	579,830	-	-	-
A	2,309,208	-	98,450	1,449,337
A-	1,249,175	-	-	-
BBB+	830,485	-	231,854	-
BBB	758,882	-	-	1,942,417
BBB-	291,380	-	103,233	-
BB	-	-	-	5,166,024
B	-	-	-	3,664,112
CCC	-	-	284,535	1,044,241
Unrated	177,602	-	209,423	1,691,793
	<u>\$ 6,874,264</u>	<u>\$ 2,783,172</u>	<u>\$ 4,263,026</u>	<u>\$ 24,499,412</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 5. Deferred Revenue/Unearned Revenue

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

	Deferred Revenue	Unearned Revenue
	<u> </u>	<u> </u>
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 5,237,460	\$ -
School construction receivable	1,986,872	-
Other	224,028	161,291
	<u>1,395,781</u>	<u>3,969,843</u>
	<u>\$ 8,844,141</u>	<u>\$ 4,131,134</u>
	<u><u> </u></u>	<u><u> </u></u>

Note 6. Interfund Receivables, Payables and Transfers

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
	<u> </u>	<u> </u>
General Fund	\$ 10,467,941	\$ 4,546,532
Water	-	117,854
Sewer	-	3,897,094
Internal Service Fund	4,530,564	-
Nonmajor and Other Funds	1,263,187	7,700,212
Totals	<u>\$ 16,261,691</u>	<u>\$ 16,261,691</u>
	<u><u> </u></u>	<u><u> </u></u>

Interfund balances represent routine short-term advances.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Interfund transfers during the year ended June 30, 2010 were as follows:

		Transfers in:	
		Transfers	Transfers
		In	Out
General Fund		\$ 570,000	\$ (349,361)
Nonmajor Governmental		349,361	(570,000)
	Total	<u>\$ 919,361</u>	<u>\$ (919,361)</u>

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases/ Transfers	Transfers/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 49,153,128	\$ 1,604,598	\$ -	\$ 50,757,726
Easements	-	901,000	-	901,000
Construction in progress	44,069,020	7,173,904	(44,351,312)	6,891,612
Total capital assets, not being depreciated	93,222,148	9,679,502	(44,351,312)	58,550,338
Capital assets, being depreciated:				
Land improvements	9,470,024	3,884,232	-	13,354,256
Buildings and improvements	190,105,491	33,222,167	-	223,327,658
Machinery and equipment	37,295,768	3,119,115	(573,076)	39,841,807
Infrastructure	123,356,817	6,505,973	-	129,862,790
Total capital assets being depreciated	360,228,100	46,731,487	(573,076)	406,386,511
Less accumulated depreciation for:				
Land improvements	2,767,593	407,730	-	3,175,323
Buildings and improvements	53,337,211	3,659,437	-	56,996,648
Machinery and equipment	23,275,223	2,850,653	(523,996)	25,601,880
Infrastructure	79,189,366	2,314,573	-	81,503,939
Total accumulated depreciation	158,569,393	9,232,393	(523,996)	167,277,790
Total capital assets, being depreciated, net	201,658,707	37,499,094	(49,080)	239,108,721
Governmental activities capital assets, net	\$ 294,880,855	\$ 47,178,596	\$ (44,400,392)	\$ 297,659,059

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,031,946	\$ -	\$ -	\$ 1,031,946
Construction in progress	19,772,911	1,442,135	(953,767)	20,261,279
Total capital assets, not being depreciated	20,804,857	1,442,135	(953,767)	21,293,225
Capital assets, being depreciated:				
Buildings and improvements	103,351,990	-	-	103,351,990
Machinery and equipment	1,574,265	6,000	-	1,580,265
Distribution and collection systems	99,407,747	2,016,145	-	101,423,892
Vehicles	984,195	-	-	984,195
Other	931,076	-	-	931,076
Furniture and fixtures	287,704	-	-	287,704
Total capital assets, being depreciated	206,536,977	2,022,145	-	208,559,122
Less accumulated depreciation for:				
Buildings and improvements	40,314,676	2,487,588	-	42,802,264
Machinery and equipment	1,574,265	-	-	1,574,265
Distribution and collection systems	23,172,107	1,603,296	-	24,775,403
Vehicles	884,816	10,515	-	895,331
Other	852,676	21,711	-	874,387
Furniture and fixtures	287,176	230	-	287,406
Total accumulated depreciation	67,085,716	4,123,340	-	71,209,056
Total capital assets, being depreciated, net	139,451,261	(2,101,195)	-	137,350,066
Business-type capital assets, net	\$ 160,256,118	\$ (659,060)	\$ (953,767)	\$ 158,643,291

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Governmental activities:

General government	\$ 663,684
Public safety	1,989,311
Public works, including depreciation of general infrastructure assets	2,667,653
Health and welfare	74,794
Culture and recreation	606,381
Education	3,230,570
	<hr/>

Total depreciation expense – governmental activities	<u><u>\$ 9,232,393</u></u>
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Business-type activities:

Sewer	\$ 1,346,859
Water	2,776,480
	<hr/>

Total depreciation expense – business-type activities	<u><u>\$ 4,123,340</u></u>
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Discretely presented component units

Activity for the Danbury Parking Authority for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<hr/>			
Capital assets, being depreciated:				
Buildings and improvements	\$ 192,956	\$ -	\$ -	\$ 192,956
Machinery and equipment	465,278	9,300	-	474,578
Computer equipment	22,506	-	-	22,506
Total capital assets, being depreciated	<hr/> 680,740	9,300	-	<hr/> 690,040
Less accumulated depreciation for:				
Buildings and improvements	77,693	9,455	-	87,148
Machinery and equipment	418,171	9,733	-	427,904
Computer equipment	15,038	2,979	-	18,017
Total accumulated depreciation	<hr/> 510,902	22,167	-	<hr/> 533,069
Total capital assets, being depreciated, net	<u><u>\$ 169,838</u></u>	<u><u>\$ (12,867)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 156,971</u></u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Activity for the Richter Park Authority for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 842,385	\$ -	\$ -	\$ 842,385
Total capital assets, not being depreciated	842,385	-	-	842,385
Capital assets, being depreciated:				
Buildings	\$ 2,011,363	\$ 19,600	\$ -	\$ 2,030,963
Improvements	3,270,776	43,972	-	3,314,748
Machinery and equipment	1,253,978	32,185	-	1,286,163
Totals, capital assets being depreciated	6,536,117	95,757	-	6,631,874
Less accumulated depreciation for:				
Buildings	1,217,474	67,580	-	1,285,054
Improvements	1,767,743	154,424	-	1,922,167
Machinery and equipment	806,186	114,018	-	920,204
Total accumulated depreciation	3,791,403	336,022	-	4,127,425
Total capital assets, being depreciated, net	2,744,714	(240,265)	-	2,504,449
Total capital assets, net	\$ 3,587,099	\$ (240,265)	\$ -	\$ 3,346,834

Activity for the Tarrywile Park Authority for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 124,883	\$ 4,415	\$ -	\$ 129,298
Ground maintenance equipment	36,226	3,000	(2,000)	37,226
Administrative equipment	86,782	5,529	-	92,311
Totals, capital assets being depreciated	247,891	12,944	(2,000)	258,835
Less accumulated depreciation for:				
Buildings and improvements	84,194	5,820	-	90,014
Ground maintenance equipment	16,167	5,196	(2,000)	19,363
Administrative equipment	85,660	1,143	-	86,803
Total accumulated depreciation	186,021	12,159	(2,000)	196,180
Total capital assets, being depreciated, net	\$ 61,870	\$ 785	\$ -	\$ 62,655

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Activity for the Danbury Museum and Historical Society Authority for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 128,790	\$ -	\$ -	\$ 128,790
Total capital assets, not being depreciated	128,790	-	-	128,790
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,114,197	\$ 68,761	\$ -	\$ 1,182,958
Machinery and equipment	24,017	1,999	-	26,016
Furniture and fixtures	14,632	8,795	-	23,427
Totals, capital assets being depreciated	1,152,846	79,555	-	1,232,401
Less accumulated depreciation for:				
Buildings and improvements	312,500	56,552	-	369,052
Machinery and equipment	9,104	1,244	-	10,348
Furniture and fixtures	8,788	1,119	-	9,907
Total accumulated depreciation	330,392	58,915	-	389,307
Total capital assets, being depreciated, net	822,454	20,640	-	843,094
Total capital assets, net	\$ 951,244	\$ 20,640	\$ -	\$ 971,884

Note 8. Bond Anticipation Notes Payable and Subsequent Event

The City has \$48,000,000 of bond anticipation notes outstanding as of June 30, 2010. The bond anticipation notes bear interest at 2% to 3%. Bond Anticipation Notes were issued for sewer, water, police department, school facility, parking lot and other general government capital projects.

Bond anticipation note transactions for the year ended June 30, 2010 were as follows:

Outstanding, July 1, 2009	\$ 74,345,000
Borrowings	48,000,000
Repayments	<u>(74,345,000)</u>
Outstanding, June 30, 2010	<u>\$ 48,000,000</u>
Reported as:	
Bond anticipation notes	<u>\$ 29,629,017</u>
Long-term debt	<u>\$ 18,370,983</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Subsequent event

In July 2010, the City issued \$23,000,000 in general obligation bonds. The bonds bear interest of 2.00% - 4.00% and mature serially from July 15, 2011 to July 15, 2030. Of the \$48,000,000 bond anticipation notes outstanding, \$18,370,983 was financed with the July 2010 issue and is considered long-term debt in the government-wide financial statements, and other financing sources in the Governmental Fund financial statements as all conditions of FAS 6 had been met.

Note 9. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 106,321,500	\$ 51,769,000	\$ 43,942,800	\$ 114,147,700	\$ 8,413,350
Notes payable	1,166,000	-	72,000	1,094,000	72,000
Bond anticipation notes	15,963,762	18,370,983	15,963,762	18,370,983	-
Plus deferred amounts:					
Unamortized premiums	1,618,955	5,262,117	358,974	6,522,098	779,771
Total bonds and notes payable	125,070,217	75,402,100	60,337,536	140,134,781	9,265,121
Capital leases	5,608,428	1,467,444	1,602,011	5,473,861	1,169,352
Landfill post-closure monitoring	12,273,875	-	117,899	12,155,976	200,000
Pollution remediation obligation	721,700	690,000	328,000	1,083,700	-
Early retirement accrual	3,870,792	309,664	969,465	3,210,991	969,465
Compensated absences	2,764,126	1,600,440	1,527,562	2,837,004	1,492,905
Legal claims and other	2,550,000	-	1,800,000	750,000	-
Easement obligation	-	500,000	50,000	450,000	50,000
OPEB obligations	7,976,500	6,521,000	-	14,497,500	-
Governmental activity long-term liabilities	\$ 160,835,638	\$ 86,490,648	\$ 66,732,473	\$ 180,593,813	\$ 13,146,843
Business-type activities:					
Bonds and notes payable:					
General obligation bonds	\$ 28,868,500	\$ 6,201,000	\$ 8,297,200	\$ 26,772,300	\$ 2,375,883
Notes payable	10,248,933	2,549,994	2,504,535	10,294,392	2,612,015
Plus deferred amounts:					
Unamortized premiums	333,135	887,426	165,334	1,055,227	156,362
Total bonds and notes payable	39,450,568	9,638,420	10,967,069	38,121,919	5,144,260
Business-type activity long-term liabilities	\$ 39,450,568	\$ 9,638,420	\$ 10,967,069	\$ 38,121,919	\$ 5,144,260

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Notes payable

The City's notes payable, which are payable from its governmental activities, are as follows at June 30, 2010:

	<u>Outstanding Amount</u>
HUD-Section 108 loan, due in annual installments with an interest rate of 3%.	<u>\$ 1,094,000</u>

General obligation bonds

As of June 30, 2010, the outstanding general obligation bonded indebtedness of the City, payable from its governmental activities, was as follows:

	<u>Outstanding Amount</u>
\$16,350,000 School Additions and Improvements/Public Improvements general obligations bonds issued August 15, 1992 due in annual installments of \$815,000 to \$820,000; final maturity August 15, 2012; interest at 4.13% to 6.13%	\$ 2,445,000
\$2,705,000 Public Improvement general obligation bonds issued February 1, 1994 due in annual installments of \$80,000 to \$220,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	320,000
\$17,740,000 School Additions general obligation bonds issued February 1, 1994 due in annual installments of \$880,000 to \$890,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	3,520,000
\$1,695,000 Public Improvement general obligation bonds issued February 1, 1995 due in annual installments of \$70,000 to \$115,000; final maturity February 1, 2015; interest at 5.0% to 7.0%	370,000
\$11,792,000 Public Improvement general obligation bonds issued May 15, 2002 due in annual installments of \$522,350 to \$652,350; final maturity May 15, 2022; interest at 3.5% to 5.0%	1,304,700
\$12,925,000 Public Improvement and School Improvement general obligation bonds issued August 1, 2003, due in annual installments of \$535,000 to \$760,000; final maturity August 1, 2023; interest at 3.25% to 4.75%.	2,520,000

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

	<u>Outstanding Amount</u>
\$11,770,000 General Purpose General Obligation Refunding bonds, issued March 1, 2004, due in annual installments of \$15,000 to \$1,180,000; final maturity August 1, 2021; interest at 2.00% to 5.00%.	10,847,000
\$2,278,000 School Program General Obligation Refunding bonds issued March 1, 2004, due in annual installments of \$221,000 to \$233,000; final maturity August 1, 2021; interest at 2.00% to 5.00%	2,278,000
\$3,615,000 Public Improvement and School Program General Obligation bonds issued August 1, 2004, due in annual installments of \$170,000 to \$195,000; final maturity August 1, 2024; interest at 3.25% to 5.0%	380,000
\$10,440,000 General Purpose and Schools General Obligation bonds, issued August 1, 2005, due in annual installments of \$365,400 and \$785,000; final maturity date August 2025; interest at 3.0% to 4.5%	3,755,000
\$24,357,500 General Purpose and Schools General Obligation bonds; issued August 1, 2006, due in annual installments of \$1,185,000 to \$1,252,500, final maturity date August 2026; interest at 4.25% to 5.0%	11,175,000
\$23,480,000 General Purpose and School General Obligation bonds; issued August 1, 2007, due in annual installments of \$1,070,000 to \$1,284,000 final maturity date August 2027, interest at 4.0% to 5.0%	14,963,000
\$17,599,450 General Obligation bonds; issued August 1, 2008, due in annual installments of \$879,000 to \$882,450 final maturity date August 2028, interest at 3.5% to 5.0%	12,317,000
\$15,269,000 General Obligation Bonds; issued July 15, 2009 - 2010 post refunding due in annual installments of \$763,000 to \$766,762; final maturity July 15, 2029; interest at 3.00% - 5.00%	15,269,000
\$5,525,000 General Obligation Bonds issued; March 18, 2010 -2010 post refunding-Series A post refunding-Series A due in annual installments of \$292,000	5,525,000
\$27,159,000 General Obligation Bonds issued; March 18, 2010 -2010 post refunding-Series B due in annual installments of \$22,000 to \$4,096,000; final maturity July 1, 2024; interest at 2.00% - 5.00%	27,159,000
	<u>\$ 114,147,700</u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

At June 30, 2010, the outstanding general obligation bonded indebtedness of the City, payable from its business-type activities, was as follows:

	<u>Outstanding Amount</u>
\$1,310,000 Lateral Sewer Systems general obligation bonds issued February 1, 1994 due in annual installments of \$65,000 to \$70,000; final maturity February 1, 2014; interest a 3.20% to 5.10%	\$ 260,000
\$3,100,000 Waste Water Treatment general obligation bonds (includes \$1 million for water general obligation bonds) issued February 1, 1994 due in annual installments of \$50,000 to \$105,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	620,000
\$2,000,000 Water general obligation bonds issued February 1, 1994 due in annual installments of \$100,000; final maturity February 1, 2014; interest at 3.20% to 5.10%	400,000
\$2,100,000 Water general obligation bonds issued February 1, 1995 due in annual installments of \$105,000; final maturity February 1, 2015; interest at 5.0% to 7.0%	525,000
\$1,500,000 Lateral Sewer Systems general obligation bonds issued February 1, 1995 due in annual installments of \$75,000; final maturity February 1, 2015; interest at 5.0% to 7.0%	375,000
\$953,000 Water and Sewer general obligation bonds issued May 15, 2002, due in annual installments of \$19,000 to \$28,650; final maturity May 15, 2012; interest at 3.5% to 5.0%	95,300
\$11,312,000 Water and Sewer general obligation refunding bonds issued March 1, 2004, due in annual installments of \$20,000 to \$1,127,000; final maturity August 1, 2021; interest at 2.00% to 5.00%.	9,980,000
\$1,300,000 Water and Sewer general obligation refunding bonds issued August 1, 2004, due in annual installments of \$65,000; final maturity August 1, 2024; interest at 1.40% to 4.50%.	130,000
\$500,000 Water general obligation bond issued August 1, 2005 due in annual installments of \$25,000; final maturity August 2025; interest at 3.0% to 4.5%.	200,000
\$7,262,500 Water and Sewer general obligation bonds; issued August 1, 2006, due in annual installments of \$360,000 to \$370,000; final maturity August 2027; interest at 4.25% to 5.0%.	3,355,000

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

	<u>Outstanding Amount</u>
\$4,835,000 Water and Sewer general obligation bonds; issued August 1, 2007, due in annual installments of \$234, 000 to \$252,000; final maturity August 2027; interest at 4.0% to 5.0%.	3,132,000
\$2,400,550 Water and Sewer general obligation bonds; issued August 1, 2008, due in annual installments of \$117,500 to \$121,000; final maturity August 2028; interest at 4.0% to 5.0%.	1,683,000
\$915,000 Water general obligation bonds; issued July 15, 2009, due in annual installments of \$41,000 to \$46,000; final maturity July 15, 2029; interest at 3.00% to 5.00%.	731,000
\$5,286,000 Water and Sewer general obligation refunding bonds; issued March 18, 2010; due in annual installments of \$179,000 to \$428,000; final maturity July 1, 2020; interest at 2.00% to 5.00%.	<u>5,286,000</u>
Total general obligation bonds	<u>26,772,300</u>
\$47,373,853 Clean Water Fund 103-C note payable signed July 30, 1994 due in annual installments of \$2,482,473 (\$206,873 in 2014); final maturity July 30, 2013; interest at 2.0%.	7,654,290
\$441,322 Clean Water Fund 305-C note payable signed January 31, 1995 due in annual installments of \$22,066 (\$1,840 in 2015); final maturity January 31, 2014; interest at 2.0%.	90,108
\$2,549,994 Clean Water Fund 5155-C note payable signed March 31, 2010 due in annual installments of \$107,476 (\$206,709 in 2011); final maturity September 30, 2029, interest at 2.0%.	<u>2,549,994</u>
Total notes payable	<u>10,294,392</u>
	<u><u>\$ 37,066,692</u></u>

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2011	\$ 8,485,350	\$ 4,641,135	\$ 13,126,485	\$ 4,987,898	\$ 1,299,154	\$ 6,287,052
2012	9,168,350	4,588,648	13,756,998	5,070,665	1,206,800	6,277,465
2013	9,041,000	4,171,643	13,212,643	5,045,184	1,041,834	6,087,018
2014	8,178,000	3,799,256	11,977,256	2,804,797	894,087	3,698,884
2015	7,017,000	3,459,293	10,476,293	2,245,956	773,921	3,019,877
2016	6,938,000	3,151,591	10,089,591	2,065,420	667,335	2,732,755
2017	6,745,000	2,838,970	9,583,970	2,075,770	570,184	2,645,954
2018	6,695,000	2,528,549	9,223,549	2,068,167	479,322	2,547,489
2019	6,349,000	2,221,231	8,570,231	1,748,613	399,584	2,148,197
2020	5,864,000	1,926,703	7,790,703	1,146,108	336,672	1,482,780
2021	5,714,000	1,653,356	7,367,356	1,023,653	288,509	1,312,162
2022	5,709,000	1,396,895	7,105,895	1,031,250	245,572	1,276,822
2023	5,206,000	1,153,607	6,359,607	986,899	205,134	1,192,033
2024	5,216,000	925,158	6,141,158	984,602	165,931	1,150,533
2025	4,681,000	714,045	5,395,045	987,359	127,019	1,114,378
2026	4,455,000	518,812	4,973,812	932,172	88,911	1,021,083
2027	4,089,000	335,408	4,424,408	911,041	52,264	963,305
2028	2,904,000	184,485	3,088,485	548,969	23,828	572,797
2029	1,833,000	81,098	1,914,098	317,956	8,182	326,138
2030	954,000	20,273	974,273	84,213	1,105	85,318
Total	\$ 115,241,700	\$ 40,310,156	\$ 155,551,856	\$ 37,066,692	\$ 8,875,348	\$ 45,942,040

School Bond Reimbursements

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such principal reimbursement for the year ended June 30, 2010 was approximately \$582,547. Additional payments aggregating approximately \$1,986,873 are expected to be received through the bonds' maturity dates.

2010 General Obligation Bond – In-substance Defeasance

On March 5, 2010, the City issued \$37,970,000 of general obligation bonds with interest rates ranging from 2.0% 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 August 1, 2003, 2004, 2005, 2006, 2007 and 2008 as well as July 15, 2009 (the Refunding Bonds"). Total proceeds of \$44,222,595 include \$6,252,595 net original issue premium and payment of \$291,298 in underwriters fees and other costs to arrive at net proceeds of \$43,931,297, which was placed in an irrevocable trust fund under an Escrow Agreement dated March, 2010 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.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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 net debt) of \$1,700,000, and a savings of \$1,818,000 between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$44,000,000 at June 30, 2010. The balance of the defeased bonds was approximately \$41,000,000 at June 30, 2010. 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, 2010, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements was approximately \$46,850,000.

Landfill postclosure monitoring

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The landfill's closure project was completed during the year ended June 30, 1999. The estimated total current cost of the landfill postclosure care, aggregating \$12,155,976, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill as of June 30, 2009. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. These costs will be paid from the General Fund.

Other Post Employment Obligation

Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions," requires the City to accrue a net OPEB obligation. The amount at June 30, 2010 was approximately \$14,497,500. This amount is recorded in the government-side statements, and paid out of the General Fund.

Early Retirement

In March 2009, the City approved early retirement incentive payout for eligible Board of Education and government employees to retire as of June 30, 2009. The Board of Education obligation represents the early retirement incentive payout for eligible certified teachers who have completed twenty-five or more years of Connecticut public school teaching service and have been a certified employee of the Danbury Board of Education for at least 10 years. Participants electing early retirement receive incentive compensation equal to a percentage of salary rates for the 2008-2009 school year to be paid in five equal installments representing 20% of the total incentive compensation. Payments commencing September 1, 2009 will be made through September 1, 2014. The amount accrued has been calculated at the discounted present value of the expected future benefit. The amount recorded at June 30, 2010 is approximately \$3,211,000 on the government-wide statements, and is paid out of the general fund.

Eligible governmental employees whose age and years of service total 80 and have at least ten years of credit service receive retirement pay multiplier increases from 1.5% to 2.0%. The governmental employee retirement incentive payout represents an increase in pension benefits. The obligation resulted in a change in retirement obligation of the General Employee Pension Fund as of June 30, 2009.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Compensated absences

Included in the Long-Term Obligations in the government-wide statement of net assets is the estimated obligation for employee compensated absences in the amount of \$2,837,004 as of June 30, 2010. The general fund has typically been used to liquidate the liability for compensated absences.

Capital lease obligations

The City has various capital leases in which they acquire capital assets. Interest rates on these leases range from 2.69% to 5.51%. The capital leases are for various computer equipment and vehicles. The leases are payable in monthly installments through 2017. Original cost of capital assets under such lease agreements are as follows:

Machinery and equipment	\$ 16,698,893
Accumulated depreciation	(11,295,810)
Net book value	<u>\$ 5,403,083</u>

Future minimum lease payments under capital leases are as follows:

<u>Fiscal Year</u>	
2011	\$ 1,169,352
2012	1,059,966
2013	969,614
2014	692,628
2015	656,853
Thereafter	<u>1,814,736</u>
	6,363,149
Less amount representing interest	(889,288)
	<u>\$ 5,473,861</u>

Stanley L. Richter Park Authority

The following is a summary of the component unit's bonds and notes payable transactions for the year ended December 31, 2009:

Beginning balance	\$ 325,853
Additions	-
Deductions	(41,000)
Ending balance	<u>\$ 284,853</u>

The Authority issued a long-term bond amounting to \$410,000 in April 2008 to finance the bunker renovation project. The bond principal is payable in semi-annual installments of \$20,500 on June 15 and December 15 of each year until 2017 with interest payable semi-annually at 6.40%.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

On October 17, 2008, the Authority entered into an agreement with Union Savings Bank for a credit line in the amount of \$200,000 bearing interest at the Bank's Prime Rate plus .50%. The line of credit is used for working capital needs of the Authority. At December 31, 2009, no advances were outstanding on the credit line.

The future principal amortization is as follows:

Year ending December 31,	
2010	\$ 41,000
2011	41,000
2012	41,000
2013	41,000
2014	41,000
Thereafter	79,853
	<u>\$ 284,853</u>

Authorized but unissued bonds

Bonds authorized but unissued by the City at June 30, 2010 are as follows:

General Purpose	\$ 36,542,875
Sewer	11,178,000
Water	1,681,000
	<u>\$ 49,401,875</u>

Legal Debt Limit

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

	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 351,926,602	\$ 161,464,870	\$ 190,461,732
Unfunded Pension Benefit Obligation	469,235,469	-	469,235,469
Schools	703,853,204	41,491,745	662,361,459
Sewers	586,544,336	31,627,719	554,916,617
Urban renewal	508,338,425	1,022,000	507,316,425

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,094,882,761.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Note 10. Commitments and Contingencies

Lawsuits

There are several personal injury, negligence, personnel and other related lawsuits pending against the City. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$750,000. Based upon the advice of the legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

Municipal Solid Waste Service Agreement

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

Under the service agreement, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries but in no case less than its guaranteed annual tonnage of 48,600 tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The current fee is \$81.52 per ton. The aggregate guaranteed annual tonnage of the eleven Contracting Municipalities is 115,300 tons per year. The City's service payment commitment is a "put-or-pay" commitment, in that if the aggregate guaranteed annual tonnage of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the City must pay the service payment for its proportionate share of the shortfall of the aggregate guaranteed annual tonnage (even if it did deliver its full portion).

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

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

Waste Water Treatment

The City has a 20-year agreement through June 2018 (the "Agreement") with Veolia Water to manage its waste water collection and treatment system. As consideration for such Agreement, the City received a \$10 million up-front concession fee. If the Agreement is terminated prior to the end of the 20 year term, the City has to repay the unamortized balance of the concession fee (calculated using the straight-line method over the term of the Agreement). The unamortized balance of the concession fee at June 30, 2010 is \$3,624,929 and is recorded as unearned revenue in the Sewer Enterprise Fund.

Under the Agreement, the City pays an annual base fee of approximately \$3,700,000 plus an annual adjustment equal to the change in the consumer price index. The current annual amount is approximately \$4,880,410.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 11. Fund Deficits

The City has the following fund deficits at June 30, 2010 and expects to eliminate the deficits in the future as follows:

Fund	Deficit June 30, 2010	Plan for Eliminating Deficit
Capital Projects:		
City Projects	\$ 2,341,204	Through future debt issuance
Danbury Neighborhood Bond	\$ 1,145,227	Through future debt issuance and grant reimbursement
Public Safety Bond	\$ 2,495,165	Through future debt issuance
Open Space	\$ 814,036	Through future debt issuance
Century 21 PI	\$ 1,467,951	Through future debt issuance
Special Litigation	\$ 1,840,000	Through future debt issuance
Special Revenue:		
School Lunch Program	\$ 9,173	Through future grant reimbursement/transfers
LOCIP	\$ 501,554	Through future grant reimbursement/transfers
Airport	\$ 105,901	Through future grant reimbursement/transfers/revenues
BIIP	\$ 59,912	Through future grant reimbursement/transfers
ARRA	\$ 87,005	Through future grant reimbursement/transfers
NSP Grant	\$ 3,046	Through future grant reimbursement/transfers
Miscellaneous Special Revenue	\$ 258,385	Through future grant reimbursement/transfers/revenues

Note 12. Employee Retirement Plans

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

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Provisions of Pension Plans	General Employees	Pre-1967		Post-1967		Post-1983 Police
		Police	Fire	Police	Fire	
Employees covered	All employees not covered by another plan.	All police employed before 1967.	All firefighters employed before 1967.	All police employed after 1967 but before 1983.	All firefighters employed after 1967.	All police hired after 1983.
Number of retirees receiving benefits	505	36	27	80	68	14
Terminated employees Entitled to future benefits	149	-	-	-	2	8
Current employees	<u>572</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>123</u>	<u>126</u>
Total number of participants	<u>1,226</u>	<u>36</u>	<u>27</u>	<u>104</u>	<u>193</u>	<u>148</u>
Normal Benefit provisions	After attaining age 65, 1.5% of average compensation times years of credited service	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 65, 50% of final pay plus 2% for each year of service in excess of 25, but no greater than 68%	After attaining age 55 or 25 years of service, 2% of average compensation for each year of service, but not greater than 68%
Definition of "Compensation"	Average of 3 highest years	Final base salary				
Eligibility requirements	50% vested after 5 years and increasing 10% each year thereafter until 10 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years	10 years of service, fully vested after 15 years
Disability Benefits: Line of Duty or Social Security Disability	1.5% of average compensation times years of credited service	66.7% of final pay	50% of final pay, 2% increase in benefit after being retired for one year.			
Non-Line of Duty (Years 1-10)	N/A	2% of final pay for each year of service	2% of final pay for each year of service	2% of final pay for each year of service	2% of final pay for each year of service	2% of final pay for each year of service
Non-Line of Duty (10+ Years)	N/A	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service	25% of final pay plus 2% for each year of service

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Provisions of Pension Plans	General Employees	Pre-1967		Post-1967		Post-1983 Police
		Police	Fire	Police	Fire	
Obligation to contribute in accordance with funding policy:						
Employee	None	None	None	4% of earnings	5% of earnings	4.5% of earnings
Employer	\$ -	\$845,000	\$552,000	\$ -	\$272,000	\$1,018,000
Authority under which benefit provisions established	City code of ordinances	City code of ordinances	City code of ordinances	City code of ordinances	City code of ordinances	City code of ordinances
Contribution Rates						
Employee	-	-	-	4.0%	5.0%	4.5%
Employer	100%	100%	100%	100%	100%	100%
Annual Pension Cost	\$ -	\$845,000	\$552,000	\$ -	\$272,631	\$1,018,000
Contribution Made	\$ -	\$845,000	\$552,000	\$ -	\$272,631	\$1,018,000
<u>Funding Status and Progress</u>						
Date of actuarial valuation	7/1/09	7/1/09	7/1/09	7/1/08	7/1/08	7/1/08
Significant actuarial assumptions						
Investment rate of return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Projected annual salary increases*	4.0%	N/A	N/A	4.0%	4.0%	4.0%
Post retirement benefit increases*	3.5%, 15% every 5 years	3.5%	3.5%	5.0%	5.0%	2.0% after 5 years retirement or one year service connected disability
* including inflation of	3.0%	-	-	3.0%	3.0%	3.0%
Mortality table	1983 GAM Set back 6 years for females and set forward 9 years for disabled lives	1983 GAM Set back 6 years for females and set forward 9 years for disabled lives	1983 GAM Set back 6 years for females and set forward 9 years for disabled lives	RP2000Blue Collar Combined-generational and RP2000 Disabled Lives.	RP2000Blue Collar Combined-generational and RP2000 Disabled Lives.	RP2000Blue Collar Combined-generational and RP2000 Disabled Lives.

* An adjustment to the asset method was made with the July 1, 2009 valuation. Previously, the actuarial value of assets was required to be within 80% to 120% of the market value. The new range is 65% to 135%.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Provisions of Pension Plans	General Employees	Pre-1967		Post-1967		Post-1983
		Police	Fire	Police	Fire	Police
Actuarial asset valuation method*	Expected Actuarial Value					
Funding Policy	Actuarial	Actuarial	Actuarial	Actuarial	Actuarial	Actuarial
Actuarial cost method	Projected unit credit cost					
Amortization method	Level Dollar Amount Open					
Remaining amortizing period	10 years	8 years	10 years	10 years	17 years	17 years
Authority under which contributions are established	City Council					

* An adjustment to the asset method was made with the July 1, 2009 valuation. Previously, the actuarial value of assets was required to be within 80% to 120% of the market value. The new range is 65% to 135%.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Three-Year Trend Information

	Trend % Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
General Employees			
2010	-	-	-
2009	-	-	-
2008	-	-	-
Police Pre-1967			
2010	845,000	100.0%	-
2009	845,000	100.0%	-
2008	857,000	100.0%	-
Fire Pre-1967			
2010	552,000	100.0%	-
2009	552,000	100.0%	-
2008	910,000	100.0%	-
Police Post-1967			
2010	-	-	-
2009	-	-	-
2008	-	-	-
Fire Post-1967			
2010	272,631	99.8%	(28,672)
2009	-	-	-
2008	-	-	-
Police Post-1983			
2010	1,018,000	100.0%	-
2009	889,000	100.0%	-
2008	865,000	100.0%	-

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

**SCHEDULE OF PLAN NET ASSETS
JUNE 30, 2010**

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police	Post-1967 Fire	Post-1983 Police	Totals
ASSETS							
Cash and cash equivalents	\$ 4,555,524	\$ 213,811	\$ 210,774	\$ 2,200,202	\$ 2,746,994	\$ 756,544	\$ 10,683,849
Investments, at fair value							
Common stock	17,861,337	838,314	826,404	8,626,571	10,770,436	2,966,263	41,889,325
Debt securities	7,469,744	350,589	345,609	3,607,696	4,504,277	1,240,513	17,518,428
Mutual funds	37,398,762	1,755,294	1,730,357	18,062,650	22,551,558	6,210,878	87,709,499
Private hedge fund	20,672,498	970,254	956,471	9,984,290	12,465,574	3,433,118	48,482,205
Total investments	83,402,341	3,914,451	3,858,841	40,281,207	50,291,845	13,850,772	195,599,457
Accrued interest and dividends	105,550	4,954	4,884	50,978	63,647	17,529	247,542
Pending sales	126,965	5,959	5,874	61,321	76,560	21,085	297,764
Total Assets	88,190,380	4,139,175	4,080,373	42,593,708	53,179,046	14,645,930	206,828,612
LIABILITIES							
Pending purchases	264,434	12,412	12,234	127,715	159,454	43,915	620,164
Net Assets Held in Trust for Pension Benefits	\$ 87,925,946	\$ 4,126,763	\$ 4,068,139	\$ 42,465,993	\$ 53,019,592	\$ 14,602,015	\$ 206,208,448

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

**SCHEDULE OF CHANGES IN
PLAN NET ASSETS
YEAR ENDED JUNE 30, 2010**

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police	Post-1967 Fire	Post-1983 Police	Totals
Additions							
Contributions							
Employer	\$ -	\$ 845,000	\$ 552,000	\$ -	\$ 272,636	\$ 1,018,215	\$ 2,687,851
Plan members	-	-	-	46,269	399,489	394,246	840,004
Total contributions	-	845,000	552,000	46,269	672,125	1,412,461	3,527,855
Investment Income (Loss)							
Net appreciation in fair value of investments	9,571,075	386,229	374,173	4,658,628	5,618,118	1,155,827	21,764,050
Interest and dividends	2,096,957	86,387	73,303	1,018,820	1,242,205	270,622	4,788,294
	11,668,032	472,616	447,476	5,677,448	6,860,323	1,426,449	26,552,344
Less Investment Expenses:							
Investment management fees	405,845	26,092	21,826	187,063	215,092	45,031	900,949
Net investment income (loss)	11,262,187	446,524	425,650	5,490,385	6,645,231	1,381,418	25,651,395
Deductions							
Benefits paid	6,241,419	1,542,401	1,094,304	3,472,231	3,068,919	399,116	15,818,390
Total deductions	6,241,419	1,542,401	1,094,304	3,472,231	3,068,919	399,116	15,818,390
Net change in net assets	5,020,768	(250,877)	(116,654)	2,064,423	4,248,437	2,394,763	13,360,860
Net Assets Held in Trust for Pension Benefits							
Beginning of year	82,905,178	4,377,640	4,184,793	40,401,570	48,771,155	12,207,252	192,847,588
End of year	\$ 87,925,946	\$ 4,126,763	\$ 4,068,139	\$ 42,465,993	\$ 53,019,592	\$ 14,602,015	\$ 206,208,448

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(Over) Underfunded AAL as a Percentage of Covered Payroll
General Employees:						
7/1/09	\$ 111,314,774	\$ 110,074,859	\$ (1,239,915)	101.1 %	\$ 25,822,179	(4.8) %
Pre-1967 Police:						
7/1/09	\$ 5,826,153	\$ 11,020,751	\$ 5,194,598	52.9 %	\$ -	N/A %
Pre-1967 Fire:						
7/1/09	\$ 5,375,994	\$ 8,618,850	\$ 3,242,856	62.4 %	\$ -	N/A %
Post-1967 Police:						
7/1/08	\$ 57,259,302	\$ 52,905,479	\$ (4,353,823)	108.2 %	\$ 1,738,046	(250.5) %
Post-1967 Fire:						
7/1/08	\$ 67,128,480	\$ 60,820,930	\$ (6,307,550)	110.4 %	\$ 7,593,132	(83.1) %
Post-1983 Police:						
7/1/08	\$ 14,419,318	\$ 17,264,266	\$ 2,844,948	83.5 %	\$ 8,062,937	35.3 %

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

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

Connecticut State Teachers' Retirement System

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

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$9,334,000 year ended June 30, 2010.

Post employment retirement benefits

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

The City provides post employment retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2008. The post-retirement plan does not issue stand-alone financial reports.

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

Membership in the plan consisted of the following at July 1, 2008, the date of the last actuarial valuation.

General Government Employees:

Retirees and beneficiaries receiving benefits	484
Active plan members	<u>564</u>
Total	<u><u>1,048</u></u>

Board of Education Employees:

Retirees and beneficiaries receiving benefits	325
Active plan members	<u>1,411</u>
Total	<u><u>1,736</u></u>

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2008 is estimated to be \$102,450,000 and \$20,134,000 for City and Board of Education employees, respectively. The City's contributions represent payments made for premiums for insured individuals.

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
General Government Employees:				
6/30/2010	\$ 11,017,400	\$ 5,594,100	50.8%	\$ 10,811,200
6/30/2009	\$ 7,022,700	\$ 4,729,100	67.3%	\$ 5,387,900
6/30/2008	\$ 7,039,100	\$ 3,944,800	56.0%	\$ 3,094,300
Board of Education Employees:				
6/30/2010	\$ 2,065,000	\$ 967,300	46.8%	\$ 3,686,300
6/30/2009	\$ 1,763,000	\$ 452,700	25.7%	\$ 2,588,600
6/30/2008	\$ 1,769,800	\$ 491,500	27.8%	\$ 1,278,300

Annual required contribution	\$ 13,124,600
Interest on net OPEB obligation	558,400
Adjustments to ARC	<u>(600,600)</u>
Annual OPEB cost	13,082,400
Contributions made	<u>6,561,400</u>
Increase in net OPEB liability	6,521,000
Net OPEB obligation, beginning of year	<u>7,976,500</u>
Net OPEB obligation, end of year	<u><u>\$ 14,497,500</u></u>

Schedule of Funding Progress 000's

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
General Government Employees:						
7/1/2008	\$ -	\$ 102,450,000	\$ 102,450,000	0.00%	\$34,705,900	295.0%
Board of Education Employees:						
7/1/2008	\$ -	\$ 20,134,000	\$ 20,134,000	0.00%	\$66,898,500	30.0%

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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, 2008
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (Open)
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Investment rate of return	7.00%
Inflation rate	None
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

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

Note 13. Risk Management

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

\$500,000 per claim and maintains an aggregate stop loss on these worker's compensation claims of \$3 million. Employee medical benefits are fully insured, except for prescription drug and dental coverage which is a self-insured arrangement. The BOE is also self-insured for certain dental and prescription programs.

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

Changes in the balances of claims liabilities recorded by the City during the past two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2010	\$ 3,156,155	\$ 18,261,502	\$ 16,887,093	\$ 4,530,564
2009	\$ 2,839,204	\$ 11,885,375	\$ 11,568,424	\$ 3,156,155

Note 14. Joint Ventures and Related Organizations

The Candlewood Lake Authority ("Candlewood") is a joint venture of five municipalities, including the City of Danbury. Candlewood is under joint control, comprised of three delegates from each member municipality selected for three-year terms. The City of Danbury has an ongoing financial responsibility but no equity interest. The City remitted approximately \$59,000 to supplement Candlewood's operating revenues for the year ended June 30, 2010 as Candlewood would experience financial stress without such revenue supplement.

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

The Housatonic Area Regional Transit District ("HART") is a joint venture of eight municipalities, including the City of Danbury. HART is under joint control, comprised of at least one director from each member municipality selected for four-year terms. The City of Danbury has an ongoing financial responsibility, but no equity interest. The City remitted approximately \$712,000 to supplement HART's operating revenues for the year ended June 30, 2010 as HART would experience financial stress without such revenue supplement.

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

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

CITY OF DANBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

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

Note 15. Pronouncements Issued, Not Yet Effective

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

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

- GASB Statement No. 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, 2011. 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 No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.
- GASB Statement No. 59, *Financing Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice for periods beginning after June 15, 2010.

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**Required Supplementary
Information**

CITY OF DANBURY, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULES OF FUNDING PROGRESS -
PENSIONS AND OPEB
June 30, 2010**

SCHEDULE OF FUNDING PROGRESS – PENSIONS AND OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(Over) Underfunded AAL as a Percentage of Covered Payroll
PENSIONS						
General Employees:						
7/1/09	\$ 111,314,774	\$ 110,074,859	\$ (1,239,915)	101.1 %	\$ 25,822,179	(4.8) %
7/1/07	112,567,220	93,792,699	(18,774,521)	120.0 %	\$ 25,217,732	(74.4) %
7/1/05	104,464,850	81,604,546	(22,860,304)	128.0 %	23,777,020	(96.1) %
7/1/03	97,448,725	74,647,619	(22,801,106)	130.5 %	23,576,524	(96.7) %
1/1/02	95,940,971	71,836,054	(24,104,917)	133.6 %	21,547,768	(111.9) %
1/1/00	86,363,384	60,128,299	(26,235,085)	143.6 %	20,334,025	(129.0) %
1/1/98	69,607,623	57,592,398	(12,015,225)	120.9 %	20,024,974	(60.0) %
Pre-1967 Police:						
7/1/09	\$ 5,826,153	\$ 11,020,751	\$ 5,194,598	52.9 %	\$ -	N/A
7/1/07	6,713,395	11,566,937	4,853,542	58.0 %	-	N/A
7/1/05	7,019,283	13,139,006	6,119,723	53.4 %	-	N/A
7/1/03	6,993,981	14,173,012	7,179,031	49.3 %	-	N/A
1/1/02	7,833,857	15,189,737	7,355,880	51.6 %	-	N/A
1/1/00	7,720,242	15,955,616	8,235,374	48.4 %	48,330	17,039.9 %
1/1/98	6,509,190	17,026,404	10,517,214	38.2 %	102,700	10,240.7 %
Pre-1967 Fire:						
7/1/09	\$ 5,375,994	\$ 8,618,850	\$ 3,242,856	62.4 %	\$ -	N/A %
7/1/07	5,748,743	9,425,747	3,677,004	61.0 %	-	N/A %
7/1/05	5,753,625	12,223,443	6,469,818	47.1 %	-	N/A
7/1/03	5,864,207	13,091,400	7,227,193	44.8 %	-	N/A
1/1/02	6,558,299	13,355,820	6,797,521	49.1 %	-	N/A
1/1/00	6,421,763	13,844,291	7,422,528	46.4 %	-	N/A
1/1/98	5,475,666	14,739,221	9,263,555	37.2 %	120,025	7,718.0 %
Post-1967 Police:						
7/1/08	\$ 57,259,302	\$ 52,905,479	\$ (4,353,823)	108.2 %	\$ 1,738,046	(250.5) %
7/1/06	54,386,012	50,028,155	(4,357,857)	108.7 %	1,855,009	(234.9) %
7/1/04	50,324,387	51,774,948	1,450,561	97.2 %	2,146,668	67.6 %
1/1/03	48,161,141	53,371,318	5,210,177	90.2 %	2,541,819	205.0 %
1/1/01	44,924,489	45,301,753	377,264	99.2 %	2,532,599	14.9 %
1/1/99	36,880,541	40,634,158	3,753,617	90.8 %	2,724,359	137.8 %

CITY OF DANBURY, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULES OF FUNDING PROGRESS -
PENSIONS AND OPEB
June 30, 2010**

**PENSIONS AND OPEB
SCHEDULE OF FUNDING PROGRESS, Continued**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(Over) Underfunded AAL as a Percentage of Covered Payroll
Post-1967 Fire:						
7/1/08	\$ 67,128,480	\$ 60,820,930	\$ (6,307,550)	110.4 %	\$ 7,593,132	(83.1) %
7/1/06	61,402,936	52,290,625	(9,112,311)	117.4 %	6,493,522	(140.3) %
7/1/04	54,985,734	48,112,254	(6,873,480)	114.3 %	6,330,894	(108.6) %
1/1/03	50,848,678	47,808,052	(3,040,626)	106.4 %	6,065,277	(50.1) %
1/1/01	45,969,156	41,475,940	(4,493,216)	110.8 %	5,379,669	(83.5) %
1/1/99	37,127,622	35,250,799	(1,876,823)	105.3 %	4,733,503	(39.6) %
Post-1983 Police:						
7/1/08	\$ 14,419,318	\$ 17,264,266	\$ 2,844,948	83.5 %	\$ 8,062,937	35.3 %
7/1/06	11,036,832	13,309,142	2,272,310	82.9 %	7,610,777	29.9 %
7/1/04	8,268,316	9,038,173	769,857	91.5 %	6,496,617	11.9 %
1/1/03	6,979,088	7,629,489	650,401	91.5 %	5,653,461	11.5 %
1/1/01	5,383,342	5,121,615	(261,727)	105.1 %	4,370,060	(6.0) %
1/1/99	3,665,977	3,603,281	(62,696)	101.7 %	4,029,030	(1.6) %
OPEB						
General Government						
Employees:						
7/1/08	\$ -	\$ 102,450,000	\$ 102,450,000	- %	\$ 34,705,900	295 %
7/1/07	-	76,382,058	76,382,058	- %	NA	NA
7/1/06	-	73,448,012	73,448,012	- %	NA	NA
Board of Education						
Employees:						
7/1/08	\$ -	\$ 20,134,000	\$ 20,134,000	- %	\$ 66,898,500	30 %
7/1/07	-	21,550,455	21,550,455	- %	NA	NA
7/1/06	-	20,366,070	20,366,070	- %	NA	NA

THE CITY OF DANBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS AND OPEB
 June 30, 2010

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS

Year Ended June 30,	General Employees		Pre-1967 Police		Pre-1967 Fire	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2010	\$ -	100.0%	\$ 845,000	100.0%	\$ 552,000	100.0%
2009	\$ -	100.0%	\$ 845,000	100.0%	\$ 552,000	100.0%
2008	\$ -	100.0%	\$ 857,000	100.0%	\$ 865,000	100.0%
2007	\$ -	100.0%	\$ 857,000	100.0%	\$ 611,000	100.0%
2006	\$ -	100.0%	\$ 978,000	100.0%	\$ 584,000	100.0%
2005	\$ -	100.0%	\$ 1,007,000	100.0%	\$ 605,000	100.0%

Year Ended June 30,	Post 1967 Police		Post -1967 Fire		Post 1983 Police	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2010	\$ -	100.0%	\$ 272,000	100.0%	\$ 1,018,000	100.0%
2009	\$ -	100.0%	\$ -	100.0%	\$ 889,000	100.0%
2008	\$ -	100.0%	\$ -	100.0%	\$ 910,000	100.0%
2007	\$ 713,000	100.0%	\$ 342,000	100.0%	\$ 910,000	100.0%
2006	\$ 690,000	100.0%	\$ 281,000	100.0%	\$ 984,000	100.0%
2005	\$ 1,082,000	100.0%	\$ 298,000	100.0%	\$ 919,000	100.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	General Employees		Board of Education	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2010	\$ 11,045,900	56.0%	\$ 2,078,700	46.5%
2009	\$ 7,039,100	67.0%	\$ 1,769,800	25.7%
2008	\$ 7,039,100	51.0%	\$ 1,769,800	27.8%

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**SUPPLEMENTAL AND COMBINING NONMAJOR
FUND STATEMENTS AND SCHEDULES**

General Fund

General Fund

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

CITY OF DANBURY, CONNECTICUT

GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
BUDGET AND ACTUAL

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Common Council	\$ 26,400	\$ 26,400	\$ 15,591	\$ 10,809
Mayor's Office	379,708	379,708	368,625	11,083
City Clerk	53,325	53,325	52,331	994
Ordinances	24,500	24,500	19,536	4,964
Probate Court	20,400	20,400	13,781	6,619
Registrars and Elections	172,678	200,478	169,339	31,139
City Treasurer	21,485	21,485	21,115	370
Director of Finance	856,028	900,576	876,668	23,908
Data Processing/Information Technology	1,234,200	1,210,230	1,177,254	32,976
Independent Audit	55,000	69,663	51,662	18,001
Bureau of Assessments	426,199	428,803	426,535	2,268
Board of Assessments and Appeal	4,075	4,471	4,448	23
Tax Collector	601,814	601,814	554,914	46,900
Purchasing	232,051	232,051	217,533	14,518
Corporation Counsel	786,951	1,611,951	1,206,917	405,034
Town Clerk	341,554	412,686	362,752	49,934
Annual Report	10,000	10,000	10,000	-
Permit Coordination	302,645	302,645	298,718	3,927
Planning	481,429	481,429	467,295	14,134
Office of Economic Development	73,036	50,036	11,942	38,094
Danbury Conservation Commission	10,741	10,741	10,285	456
Personnel/ Civil Service	302,130	302,130	276,745	25,385
Mayor's Discretionary Fund	12,500	12,500	8,648	3,852
Fair Rent Commission	1,200	1,200	49	1,151
City Memberships	84,805	84,805	84,714	91
Lake Authority	55,293	59,247	59,246	1
Retirement Administration	25,000	32,523	(11,457)	43,980
Labor Negotiations	85,000	81,046	76,347	4,699
Public Buildings	1,105,492	1,037,843	992,196	45,647
City Hall Building	389,003	381,781	368,496	13,285
Library Building	238,547	215,723	209,324	6,399
Police Station Building	436,220	505,775	496,245	9,530
Senior Center Building	87,423	90,461	75,573	14,888
Old Library Building	74,842	61,242	53,896	7,346
Park Buildings	129,193	137,848	123,726	14,122
Employee Service Benefit	-	-	(224)	224
Total general government	9,140,867	10,057,516	9,150,765	906,751

(Continued)

CITY OF DANBURY, CONNECTICUT

**GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police Department	15,008,866	15,008,866	16,113,384	(1,104,518)
Animal Control				-
Fire Department	11,265,742	11,285,664	11,274,523	11,141
Building Inspector	625,221	627,896	619,897	7,999
Department of Civil Preparedness	138,370	135,695	133,207	2,488
Department of Consumer Protection	55,481	55,481	52,805	2,676
Unified Neighborhood Inspection Team	259,144	259,144	122,766	136,378
Airport	511,974	511,974	496,431	15,543
HART	711,735	711,735	711,729	6
Total public safety	28,576,533	28,596,455	29,524,742	(928,287)
Public Works				
Director of Public Works	207,582	210,792	206,104	4,688
Highways	2,514,817	2,393,607	2,329,404	64,203
State Aid Highway Project	330,000	330,000	328,791	1,209
Snow and Ice Removal	777,500	882,761	866,429	16,332
Street Lighting	475,000	482,000	480,791	1,209
Public Building Maintenance Repair	517,240	579,651	557,116	22,535
Equipment Maintenance	1,206,543	1,297,543	1,248,497	49,046
Recycling/ Solid Waste	332,500	321,103	253,642	67,461
Engineering Department	991,858	913,845	857,730	56,115
Park Maintenance & Forestry	1,520,848	1,481,923	1,397,754	84,169
Construction Services	229,004	569,455	539,261	30,194
Employee Service Benefit	-	-	-	-
Total public works	9,102,892	9,462,680	9,065,519	397,161
Health and Welfare				
Health, House and Welfare Department	1,435,471	1,435,471	1,097,053	338,418
Veterans Advisory Center	88,362	88,362	58,796	29,566
Elderly Services	281,872	281,872	219,952	61,920
Elderly Transportation	12,000	12,000	12,000	-
Human and Social Welfare	-	50,000	50,000	-
Community Services	563,302	563,302	563,302	-
Total health and welfare	2,381,007	2,431,007	2,001,103	429,904
Education	112,103,866	112,103,866	108,792,288	3,311,578

(Continued)

CITY OF DANBURY, CONNECTICUT

**GENERAL FUND EXPENDITURES AND ENCUMBRANCES - BUDGETARY BASIS -
BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Culture and Recreation				
Recreation	460,217	460,217	417,424	42,793
Tarrywile Park Authority	283,500	283,500	283,500	-
Cultural Commission	94,500	94,500	94,294	206
Lake Kenosia Commission	19,800	19,800	17,360	2,440
Ives Authority Performing Arts	72,000	72,000	72,000	-
Danbury Public Library	1,982,476	1,982,476	1,869,176	113,300
Long Ridge Library	5,400	5,400	5,400	-
Danbury Museum/Hist Soc Auth	85,500	85,500	85,500	-
Total culture and recreation	3,003,393	3,003,393	2,844,654	158,739
Pension and Other Employee Benefits	23,473,979	23,473,979	22,542,838	931,141
Debt Service				
Redemption Of Debt	8,771,800	8,878,629	8,671,800	206,829
Interest - bonds	5,016,507	4,909,678	4,909,676	2
Total debt service	13,788,307	13,788,307	13,581,476	206,831
Contingency	450,000	147,200	-	147,200
Capital Outlay	-	49,797	-	49,797
Transfer Out	249,361	249,361	349,361	(100,000)
Total	\$ 202,270,205	\$ 203,363,561	\$ 197,852,746	\$ 5,510,815

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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

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

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

Continuing Education – to account for evening classes for individuals 16 years and older, offered in the Fall and Spring. Content varies based upon participants' skills and interests. Class fees are used to pay instructors, program staff and operations.

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

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

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

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

Ambulance Fund - to account for the operations of the City's ambulance system for the benefit of its residents. Funds are provided on a fee basis and City subsidy.

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

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

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

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

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

NSP Grant – to account for a grant from the State of Connecticut Department of Economic and Community Development to promote housing and economic opportunities for low- and moderate-income residents through acquisition and rehabilitation of foreclosed properties in eligible neighborhoods.

Miscellaneous Funds – to account for proceeds from smaller projects related to public health, social services, public safety, open space and culture and recreation.

Capital Projects Funds

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

Vision 21 and Vision 21² Bond Fund - to account for the proceeds of specific general obligation bonds for various projects to further develop the City.

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

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

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

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

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

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

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

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

Magnet School Fund - to account for the construction of the Western Connecticut Academy of International Studies which will focus on international studies and related cultures.

Permanent Fund

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

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

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CITY OF DANBURY, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue				
	School Lunch Program	Community Development Block Grant	WIC Grant	Continuing Education	Railyard Parking Lease
ASSETS					
Cash and cash equivalents	\$ 37,806	\$ 632,175	\$ 62,406	\$ 1,902,985	\$ 20,930
Receivables:					
Accounts receivable, net	78,933	-	-	-	-
Federal and State government	437,609	-	-	-	-
Other	-	-	-	-	1,183
Inventories	48,025	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 602,373	\$ 632,175	\$ 62,406	\$ 1,902,985	\$ 22,113
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ 611,546	\$ 61,453	\$ 76	\$ 15,921	\$ 1,950
Bond anticipation notes payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Unearned revenue	-	-	37,172	63,121	-
Due to other funds	-	170,323	25,158	-	5,594
Total liabilities	611,546	231,776	62,406	79,042	7,544
FUND BALANCES (DEFICITS)					
Reserved for library	-	-	-	-	-
Reserved for encumbrances	-	-	2,947	-	-
Reserved for inventories	48,025	-	-	-	-
Reserved for CDBG	-	400,399	-	-	-
Unreserved and undesignated	(57,198)	-	(2,947)	1,823,943	14,569
Total fund balances (deficits)	(9,173)	400,399	-	1,823,943	14,569
Total liabilities and fund balances (deficits)	\$ 602,373	\$ 632,175	\$ 62,406	\$ 1,902,985	\$ 22,113

Special Revenue							
Library Board Library Fund	Animal Control	School-Based Health Center Grant	Ambulance	LOCIP	Airport	State & Fed. School Projects	BIIP
\$ 254,680	\$ 100,840	\$ 88,137	\$ 1,891,692	\$ 330,777	\$ 335,425	\$ 4,215,589	\$ 481,458
-	8	-	-	-	-	-	-
-	-	-	495,570	501,553	256,281	625,591	912,283
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	9,164	-	-
<u>\$ 254,680</u>	<u>\$ 100,848</u>	<u>\$ 88,137</u>	<u>\$ 2,387,262</u>	<u>\$ 832,330</u>	<u>\$ 600,870</u>	<u>\$ 4,841,180</u>	<u>\$ 1,393,741</u>
\$ 85,415	\$ 17,560	\$ 33,505	\$ 76,936	\$ 172,331	\$ 870	\$ 2,343,854	\$ 143,740
-	-	-	-	-	-	-	-
-	-	-	-	501,553	105,901	-	59,913
-	-	-	-	-	-	2,488,541	-
588	6,868	54,632	1,874	660,000	600,000	-	1,250,000
<u>86,003</u>	<u>24,428</u>	<u>88,137</u>	<u>78,810</u>	<u>1,333,884</u>	<u>706,771</u>	<u>4,832,395</u>	<u>1,453,653</u>
-	-	-	-	-	-	-	-
-	-	-	-	255,833	280,454	-	700,028
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
168,677	76,420	-	2,308,452	(757,387)	(386,355)	8,785	(759,940)
<u>168,677</u>	<u>76,420</u>	<u>-</u>	<u>2,308,452</u>	<u>(501,554)</u>	<u>(105,901)</u>	<u>8,785</u>	<u>(59,912)</u>
<u>\$ 254,680</u>	<u>\$ 100,848</u>	<u>\$ 88,137</u>	<u>\$ 2,387,262</u>	<u>\$ 832,330</u>	<u>\$ 600,870</u>	<u>\$ 4,841,180</u>	<u>\$ 1,393,741</u>

(Continued)

CITY OF DANBURY, CONNECTICUT

COMBINING BALANCE SHEET, Continued
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue			Capital Projects	
	ARRA	NSP Grants	Miscellaneous Special Revenue	Vision 21 and Vision 21 ²	City Projects
ASSETS					
Cash and cash equivalents	\$ 276,834	\$ 38	\$ 1,253,739	\$ 632,559	\$ 585,129
Receivables:					
Accounts receivable, net	-	-	-	-	-
Federal and State government	354,104	-	136,546	-	-
Other	-	-	341,040	-	-
Inventories	-	-	-	-	-
Due from other funds	373,059	-	835,111	-	-
Total assets	\$ 1,003,997	\$ 38	\$ 2,566,436	\$ 632,559	\$ 585,129
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ 118,610	\$ -	\$ 225,873	\$ -	\$ 20,079
Bond anticipation notes payable	-	-	-	-	2,897,850
Deferred revenue	87,006	-	456,451	-	-
Unearned revenue	429,309	-	951,700	-	-
Due to other funds	456,077	3,084	1,190,797	49,629	8,404
Total liabilities	1,091,002	3,084	2,824,821	49,629	2,926,333
FUND BALANCES (DEFICITS)					
Reserved for library	-	-	-	-	-
Reserved for encumbrances	1,893,679	-	384,972	-	169,458
Reserved for inventories	-	-	-	-	-
Reserved for CDBG	-	-	-	-	-
Unreserved and undesignated	(1,980,684)	(3,046)	(643,357)	582,930	(2,510,662)
Total fund balances (deficits)	(87,005)	(3,046)	(258,385)	582,930	(2,341,204)
Total liabilities and fund balances (deficits)	\$ 1,003,997	\$ 38	\$ 2,566,436	\$ 632,559	\$ 585,129

Capital Projects

City Works/ Library Reconstruction	Danbury Neighborhood Bond	Head Start	Public Safety Bond	Century 21 PI	Open Space	Special Litigation
\$ -	\$ 1,560,733	\$ 5,170,646	\$ 2,308,793	\$ 1,198,891	\$ 3,098,004	\$ -
-	-	-	-	-	-	-
-	-	-	26,413	158,544	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ 1,560,733	\$ 5,170,646	\$ 2,335,206	\$ 1,357,435	\$ 3,098,004	\$ -
-	\$ -	\$ -	640,109	544,911	\$ 16,519	\$ -
-	1,500,000	4,821,000	4,100,000	2,113,300	3,870,000	-
-	-	-	26,413	158,544	-	-
-	-	-	-	-	-	-
-	1,205,960	13,121	63,849	8,631	25,521	1,840,000
-	2,705,960	4,834,121	4,830,371	2,825,386	3,912,040	1,840,000
-	-	-	-	-	-	-
-	9,469	126,280	285,203	173,554	455,980	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(1,154,696)	210,245	(2,780,368)	(1,641,505)	(1,270,016)	(1,840,000)
-	(1,145,227)	336,525	(2,495,165)	(1,467,951)	(814,036)	(1,840,000)
\$ -	\$ 1,560,733	\$ 5,170,646	\$ 2,335,206	\$ 1,357,435	\$ 3,098,004	\$ -

CITY OF DANBURY, CONNECTICUT

COMBINING BALANCE SHEET, Continued
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Capital Projects	Permanent Fund	
	Magnet School Projects	Farioly Library	Totals
ASSETS			
Cash and cash equivalents	\$ 14,249	\$ 1,734,080	\$ 28,188,595
Receivables:			
Accounts receivable, net	-	-	78,941
Federal and State government	-	-	3,904,494
Other	12,163	-	354,386
Inventories	-	-	48,025
Due from other funds	45,853	-	1,263,187
Total assets	\$ 72,265	\$ 1,734,080	\$ 33,837,628
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	-	91,760	\$ 5,223,018
Bond anticipation notes payable	-	-	19,302,150
Deferred revenue	-	-	1,395,781
Unearned revenue	-	-	3,969,843
Due to other funds	60,102	-	7,700,212
Total liabilities	60,102	91,760	37,591,004
FUND BALANCES (DEFICITS)			
Reserved for library	-	1,483,133	1,483,133
Reserved for encumbrances	-	-	4,737,857
Reserved for inventories	-	-	48,025
Reserved for CDBG	-	-	400,399
Unreserved and undesignated	12,163	159,187	(10,422,790)
Total fund balances (deficits)	12,163	1,642,320	(3,753,376)
Total liabilities and fund balances (deficits)	\$ 72,265	\$ 1,734,080	\$ 33,837,628

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CITY OF DANBURY, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010**

	Special Revenue				
	School Lunch Program	Community Development Block Grant	WIC Grant	Continuing Education	Railyard Parking Lease
REVENUES					
Federal and State governments	\$ 2,357,802	\$ 725,817	\$ 301,481	\$ 206,019	\$ -
Licenses and permits	-	-	-	-	-
Charges for services	1,573,966	-	-	1,371,070	37,021
Investment income	-	-	-	1,535	-
Other	-	-	-	-	-
Total revenues	3,931,768	725,817	301,481	1,578,624	37,021
EXPENDITURES					
General government	-	-	-	-	37,021
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	853,272	301,481	-	-
Education	3,961,136	-	-	1,362,438	-
Capital outlay	-	-	-	-	-
Total expenditures	3,961,136	853,272	301,481	1,362,438	37,021
Revenues over (under) expenditures	(29,368)	(127,455)	-	216,186	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Bond anticipation note proceeds	-	-	-	-	-
Bond anticipation note payments	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Total revenue and other financing sources (uses) over (under) expenditures	(29,368)	(127,455)	-	216,186	-
FUND BALANCES					
(DEFICITS), beginning	20,195	527,854	-	1,607,757	14,569
FUND BALANCES					
(DEFICITS), ending	\$ (9,173)	\$ 400,399	\$ -	\$ 1,823,943	\$ 14,569

Special Revenue

Library Board Library Fund	Animal Control	School-Based Health Center Grant	Ambulance	LOCIP	Airport	State & Fed. School Projects	BIIP
\$ -	\$ -	\$ 462,723	\$ -	\$ 382,649	\$ 1,070,163	\$ 21,593,447	\$ 1,408,234
-	14,126	-	-	-	-	-	-
-	-	-	2,699,703	-	-	-	-
3,245	-	-	678	-	-	-	-
93,864	97	-	-	-	-	-	-
97,109	14,223	462,723	2,700,381	382,649	1,070,163	21,593,447	1,408,234
-	-	-	-	-	-	-	-
-	253,102	-	2,000,954	-	-	-	-
-	-	-	-	12,453	512,749	-	-
110,707	-	-	-	-	-	-	-
-	-	462,723	-	-	-	-	-
-	-	-	-	-	-	21,593,447	-
3,706	-	-	127,300	622,458	517,214	-	1,386,522
114,413	253,102	462,723	2,128,254	634,911	1,029,963	21,593,447	1,386,522
(17,304)	(238,879)	-	572,127	(252,262)	40,200	-	21,712
-	249,361	-	-	-	-	-	(81,624)
-	-	-	(570,000)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	249,361	-	(570,000)	-	-	-	(81,624)
(17,304)	10,482	-	2,127	(252,262)	40,200	-	(59,912)
185,981	65,938	-	2,306,325	(249,292)	(146,101)	8,785	-
\$ 168,677	\$ 76,420	\$ -	\$ 2,308,452	\$ (501,554)	\$ (105,901)	\$ 8,785	\$ (59,912)

CITY OF DANBURY, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED
FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010**

	Special Revenue			Capital Projects	
	ARRA	NSP Grants	Miscellaneous Special Revenue	Vision 21 and Vision 21 ²	City Projects
REVENUES					
Federal and State governments	\$ 319,370	\$ 569,457	\$ 1,831,714	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	194,429	-	-
Investment income	-	-	-	-	-
Other	96,031	-	216,784	-	-
Total revenues	415,401	569,457	2,242,927	-	-
EXPENDITURES					
General government	40,700	572,503	78,276	-	-
Public safety	28,001	-	126,141	-	-
Public works	-	-	62,451	-	-
Culture and recreation	94,495	-	68,005	-	-
Health and welfare	-	-	393,145	-	-
Education	-	-	5,804	-	-
Capital outlay	339,210	-	213,165	50,049	444,153
Total expenditures	502,406	572,503	946,987	50,049	444,153
Revenues over (under) expenditures	(87,005)	(3,046)	1,295,940	(50,049)	(444,153)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	81,624	-	100,000
Transfers out	-	-	-	-	-
Bond anticipation note proceeds	-	-	-	-	-
Bond anticipation note payments	-	-	-	-	-
Bond proceeds	-	-	-	112,238	-
Total other financing sources (uses)	-	-	81,624	112,238	100,000
Total revenue and other financing sources (uses) over (under) expenditures	(87,005)	(3,046)	1,377,564	62,189	(344,153)
FUND BALANCES					
(DEFICITS), beginning	-	-	(1,635,949)	520,741	(1,997,051)
FUND BALANCES					
(DEFICITS), ending	\$ (87,005)	\$ (3,046)	\$ (258,385)	\$ 582,930	\$ (2,341,204)

Capital Projects						
City Works/ Library Reconstruction	Danbury Neighborhood Bond	Head Start	Public Safety Bond	Century 21 PI	Open Space	Special Litigation
\$ -	\$ -	\$ -	\$ 1,312,427	\$ 801,137	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,312,427	801,137	-	-
373	-	-	-	-	-	1,840,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	88,269	122,475	2,520,860	1,473,393	2,881,316	-
373	88,269	122,475	2,520,860	1,473,393	2,881,316	1,840,000
(373)	(88,269)	(122,475)	(1,208,433)	(672,256)	(2,881,316)	(1,840,000)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	500,000	-	13,840,983	-	4,030,000	-
-	-	-	(10,552,894)	(1,018,868)	(3,700,000)	-
-	-	459,000	12,702,894	1,018,868	4,100,000	-
-	500,000	459,000	15,990,983	-	4,430,000	-
(373)	411,731	336,525	14,782,550	(672,256)	1,548,684	(1,840,000)
373	(1,556,958)	-	(17,277,715)	(795,695)	(2,362,720)	-
\$ -	\$ (1,145,227)	\$ 336,525	\$ (2,495,165)	\$ (1,467,951)	\$ (814,036)	\$ (1,840,000)

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED
 FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Magnet School Projects	Permanent Fund Farioly Library	Totals
REVENUES			
Federal and State governments	\$ 12,171	\$ -	\$ 33,354,611
Licenses and permits	-	-	14,126
Charges for services	-	-	5,876,189
Investment income	-	12,363	17,821
Other	45,853	-	452,629
Total revenues	58,024	12,363	39,715,376
EXPENDITURES			
General government	-	-	2,568,873
Public safety	-	-	2,408,198
Public works	-	-	587,653
Culture and recreation	-	2,040	275,247
Health and welfare	-	-	2,010,621
Education	-	-	26,922,825
Capital outlay	-	104,754	10,894,844
Total expenditures	-	106,794	45,668,261
Revenues over (under) expenditures	58,024	(94,431)	(5,952,885)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	349,361
Transfers out	-	-	(570,000)
Bond anticipation note proceeds	-	-	18,370,983
Bond anticipation note payments	-	-	(15,271,762)
Bond proceeds	-	-	18,393,000
Total other financing sources (uses)	-	-	21,271,582
Total revenue and other financing sources (uses) over (under) expenditures	58,024	(94,431)	15,318,697
FUND BALANCES (DEFICITS), beginning	(45,861)	1,736,751	(19,072,073)
FUND BALANCES (DEFICITS), ending	\$ 12,163	\$ 1,642,320	\$ (3,753,376)

CITY OF DANBURY, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL - ANIMAL CONTROL FUND

For the Year Ended June 30, 2010

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Town clerk fees	\$ 6,200	\$ 6,200	\$ 12,021	5,821
City contribution	249,361	249,361	249,361	-
Other revenue	2,800	2,800	2,202	(598)
Total revenues	258,361	258,361	263,584	5,223
EXPENDITURES				
	258,361	263,245	253,102	10,143
Revenues over (under) expenditures	\$ -	\$ (4,884)	\$ 10,482	\$ 15,366

CITY OF DANBURY, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - AMBULANCE FUND

For the Year Ended June 30, 2010

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,084,000	\$ 2,084,000	\$ 2,699,703	\$ 615,703
Other revenue	3,000	3,000	678	(2,322)
Total revenues	2,087,000	2,087,000	2,700,381	613,381
EXPENDITURES AND OPERATING TRANSFERS				
	2,087,000	2,266,196	2,698,254	(432,058)
Revenues over (under) expenditures	\$ -	\$ (179,196)	\$ 2,127	\$ 181,323

Internal Service Funds

Internal Service Funds

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

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

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

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2010

	Workers' Compensation	Risk Management	Total
ASSETS			
Current assets:			
Due from general fund	\$ 2,756,457	\$ 1,774,107	\$ 4,530,564
Total assets	<u>2,756,457</u>	<u>1,774,107</u>	<u>4,530,564</u>
LIABILITIES			
Accrued claims and judgments	2,756,457	1,774,107	4,530,564
Total liabilities	<u>2,756,457</u>	<u>1,774,107</u>	<u>4,530,564</u>
NET ASSETS			
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2010

	Workers' Compensation	Risk Management	Total
OPERATING REVENUES			
Charges for services	\$ 2,944,230	\$ 16,631,341	\$ 19,575,571
Total operating revenues	2,944,230	16,631,341	19,575,571
OPERATING EXPENSES			
Claims	2,944,230	16,631,341	19,575,571
Total operating expenses	2,944,230	16,631,341	19,575,571
Change in net assets	-	-	-
FUND NET ASSETS, beginning	-	-	-
FUND NET ASSETS, ending	\$ -	\$ -	\$ -

CITY OF DANBURY, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR INTERNAL SERVICE FUNDS
 June 30, 2010

	Workers' Compensation	Risk Management	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 2,944,230	\$ 16,631,341	\$ 19,575,571
Payments to suppliers/claims paid	(2,944,230)	(16,631,341)	(19,575,571)
Net cash provided by operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-	-
CASH AND CASH EQUIVALENTS, beginning	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Increase in due from other funds	(1,044,459)	(329,950)	(1,374,409)
Increase in accrued expenses and accounts payable	1,044,459	329,950	1,374,409
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Pension Trusts, Private Purpose Trusts and Agency Funds

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

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

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

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

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

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

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

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

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

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

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

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CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - PENSION TRUST FUNDS

June 30, 2010

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police
ASSETS				
Cash and cash equivalents	\$ 4,555,524	\$ 213,811	\$ 210,774	\$ 2,200,202
Investments, at fair value				
Common stock	17,861,337	838,314	826,404	8,626,571
Debt securities	7,469,744	350,589	345,609	3,607,696
Mutual funds	37,398,762	1,755,294	1,730,357	18,062,650
Private hedge fund	20,672,498	970,254	956,471	9,984,290
Total investments	83,402,341	3,914,451	3,858,841	40,281,207
Accrued interest and dividends	105,550	4,954	4,884	50,978
Pending sales	126,965	5,959	5,874	61,321
Total assets	88,190,380	4,139,175	4,080,373	42,593,708
LIABILITIES				
Pending purchases	264,434	12,412	12,234	127,715
Total liabilities	264,434	12,412	12,234	127,715
Net Assets Held in Trust for Pension Benefits and Other Purposes	\$ 87,925,946	\$ 4,126,763	\$ 4,068,139	\$ 42,465,993

Post-1967 Fire	Post-1983 Police	Total
\$ 2,746,994	\$ 756,544	\$ 10,683,849
10,770,436	2,966,263	41,889,325
4,504,277	1,240,513	17,518,428
22,551,558	6,210,878	87,709,499
12,465,574	3,433,118	48,482,205
50,291,845	13,850,772	195,599,457
63,647	17,529	247,542
76,560	21,085	297,764
53,179,046	14,645,930	206,828,612
159,454	43,915	620,164
159,454	43,915	620,164
\$ 53,019,592	\$ 14,602,015	\$ 206,208,448

CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - PRIVATE PURPOSE TRUST FUND

June 30, 2010

	Phoebe M. Harrison
ASSETS	
Cash and cash equivalents	\$ 1,442
Total assets	<u>1,442</u>
LIABILITIES	
Other liabilities	-
Total liabilities	<u>-</u>
Net Assets Held in Trust	<u><u>\$ 1,442</u></u>

CITY OF DANBURY, CONNECTICUT

STATEMENT OF NET ASSETS - AGENCY FUNDS

June 30, 2010

	Street Openings	School Activities	Danbury High School Scholarship	Downtown Special Services District	Security Lease Account	Danbury Permits	Sugar Hollow	Total
ASSETS								
Cash and cash equivalents	\$ 747,655	\$ 410,705	\$ 636,871	\$ 60,968	\$ 9,751	\$ 1,330,799	\$ 600	\$ 3,197,349
Total assets	747,655	410,705	636,871	60,968	9,751	1,330,799	600	3,197,349
LIABILITIES								
Other liabilities	747,655	410,705	636,871	60,968	9,751	1,330,799	600	3,197,349
Total liabilities	747,655	410,705	636,871	60,968	9,751	1,330,799	600	3,197,349
Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN NET ASSETS - PENSION TRUST FUNDS

For the Year Ended June 30, 2010

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police
Additions				
Contributions				
Employer	\$ -	\$ 845,000	\$ 552,000	\$ -
Plan members	-	-	-	46,269
Total contributions	-	845,000	552,000	46,269
Investment Income				
Net depreciation in fair value of investments	9,571,075	386,229	374,173	4,658,628
Interest and dividends	2,096,957	86,387	73,303	1,018,820
	11,668,032	472,616	447,476	5,677,448
Less investment expenses:				
Investment management fees	405,845	26,092	21,826	187,063
Net investment income (loss)	11,262,187	446,524	425,650	5,490,385
Deductions				
Benefits	6,241,419	1,542,401	1,094,304	3,472,231
Change in net assets	5,020,768	(250,877)	(116,654)	2,064,423
Net Assets Held in Trust for Pension Benefits and Other Purposes				
Beginning of year	82,905,178	4,377,640	4,184,793	40,401,570
End of year	\$ 87,925,946	\$ 4,126,763	\$ 4,068,139	\$ 42,465,993

	Post-1967 Fire	Post-1983 Police	Total
\$	272,636	\$ 1,018,215	\$ 2,687,851
	399,489	394,246	840,004
	672,125	1,412,461	3,527,855
	5,618,118	1,155,827	21,764,050
	1,242,205	270,622	4,788,294
	6,860,323	1,426,449	26,552,344
	215,092	45,031	900,949
	6,645,231	1,381,418	25,651,395
	3,068,919	399,116	15,818,390
	4,248,437	2,394,763	13,360,860
	48,771,155	12,207,252	192,847,588
\$	53,019,592	\$ 14,602,015	\$ 206,208,448

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN NET ASSETS - PRIVATE PURPOSE TRUST FUND
For the Year Ended June 30, 2010

	<u>Phoebe M. Harrison</u>
Additions	
Investment Income	
Interest and dividends	\$ 21
Net investment income	<u>21</u>
Change in net assets	21
Net Assets Held in Trust	
Beginning of year	<u>1,421</u>
End of year	<u><u>\$ 1,442</u></u>

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
STREET OPENINGS				
Assets				
Cash	\$ 1,076,474	\$ 391,961	\$ 720,780	\$ 747,655
Liabilities				
Amounts held for others	\$ 1,076,474	\$ 391,961	\$ 720,780	\$ 747,655
SCHOOL ACTIVITIES				
Assets				
Cash	\$ 452,133	\$ 1,580,666	\$ 1,622,094	\$ 410,705
Liabilities				
Amounts held for others	\$ 452,133	\$ 1,580,666	\$ 1,622,094	\$ 410,705
DANBURY HIGH SCHOOL SCHOLARSHIP				
Assets				
Cash	\$ 401,018	\$ 270,425	\$ 34,572	\$ 636,871
Liabilities				
Amounts held for others	\$ 401,018	\$ 270,425	\$ 34,572	\$ 636,871
DOWNTOWN SPECIAL SERVICES				
Assets				
Cash	\$ 60,090	\$ 218,325	\$ 217,447	\$ 60,968
Liabilities				
Amounts held for others	\$ 60,090	\$ 218,325	\$ 217,447	\$ 60,968
SECURITY LEASE ACCOUNT				
Assets				
Cash	\$ 9,602	\$ 149	\$ -	\$ 9,751
Liabilities				
Amounts held for others	\$ 9,602	\$ 149	\$ -	\$ 9,751

CITY OF DANBURY, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, Continued

AGENCY FUNDS

For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
DANBURY PERMITS				
Assets				
Cash	\$ 1,308,686	\$ 221,173	\$ 199,060	\$ 1,330,799
Liabilities				
Amounts held for others	\$ 1,308,686	\$ 221,173	\$ 199,060	\$ 1,330,799
SUGAR HOLLOW				
Assets				
Cash	\$ 600	\$ -	\$ -	\$ 600
Liabilities				
Amounts held for others	\$ 600	\$ -	\$ -	\$ 600
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 3,308,603	\$ 2,682,699	\$ 2,793,953	\$ 3,197,349
Liabilities				
Amounts held for others	\$ 3,308,603	\$ 2,682,699	\$ 2,793,953	\$ 3,197,349

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

CITY OF DANBURY, CONNECTICUT

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

June 30, 2010

Governmental funds capital assets:

Land	\$ 50,757,726
Easements	901,000
Land improvements	13,354,256
Buildings and improvements	223,327,658
Machinery and equipment	39,841,807
Infrastructure	129,862,790
Construction in progress	6,891,612
Total governmental funds capital assets	<u>\$ 464,936,849</u>

CITY OF DANBURY, CONNECTICUT

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

June 30, 2010

	Land	Easements	Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government	\$ 12,933,600	\$ -	\$ -	\$ 23,271,436	\$ 4,656,347	\$ -	\$ 2,561	\$ 40,863,944
Public Safety	7,569,629	-	36,300	42,604,556	14,185,611	783,275	1,423,802	66,603,173
Public Works	19,700	-	72,283	2,384,460	7,260,467	128,039,110	4,227,756	142,003,776
Health & Welfare	821,100	-	-	3,625,009	177,800	-	33,145	4,657,054
Education	5,431,900	-	5,732,392	136,748,694	11,329,066	42,970	969,885	160,254,907
Culture and Recreation	23,981,797	901,000	7,513,281	14,693,503	2,232,516	997,435	234,463	50,553,995
Total	\$ 50,757,726	\$ 901,000	\$ 13,354,256	\$ 223,327,658	\$ 39,841,807	\$129,862,790	\$ 6,891,612	\$ 464,936,849

CITY OF DANBURY, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2010**

	Governmental Funds Capital Assets				Governmental Funds Capital Assets
	July 1, 2009	Additions	Deletions	Transfers	June 30, 2010
General Government	\$ 40,653,671	\$ 7,745	\$ (30,700)	\$ 233,228	\$ 40,863,944
Public Safety	63,862,994	3,138,505	(381,826)	(16,500)	66,603,173
Public Works	138,685,410	3,409,016	(107,150)	16,500	142,003,776
Health and Welfare	4,808,810	116,472	(35,000)	(233,228)	4,657,054
Education	157,107,369	3,147,538		-	160,254,907
Culture and Recreation	48,331,994	2,240,401	(18,400)	-	50,553,995
Total	\$ 453,450,248	\$ 12,059,677	\$ (573,076)	\$ -	\$ 464,936,849

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Other Schedules

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CITY OF DANBURY, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
GENERAL FUND

For the Year Ended June 30, 2010

Grand List Year	Taxes Receivable July 1, 2009	Current Levy	Lawful Corrections	Transfers to Suspense	Balance to be Collected
2008	\$ -	\$ 155,630,690	\$ (369,831)	\$ -	\$ 155,260,859
2007	2,753,582	-	149,989	-	2,903,571
2006	712,551	-	16,694	-	729,245
2005	594,498	-	868	-	595,366
2004	597,263	-	1,367	-	598,630
2003	552,898	-	(6,015)	-	546,883
2002	451,379	-	(4,147)	-	447,232
2001	389,191	-	(4,881)	-	384,310
2000	337,091	-	(730)	-	336,361
1999	320,742	-	-	-	320,742
1998	39,397	-	-	-	39,397
1997	3,484	-	-	-	3,484
1996	3,362	-	-	-	3,362
1995	52	-	-	-	52
1994	52	-	-	-	52
1993	53	-	-	-	53
	6,755,595	155,630,690	(216,686)	-	162,169,599
Less allowance:	(1,500,000)	-	-	-	(1,500,000)
	\$ 5,255,595	\$ 155,630,690	\$ (216,686)	\$ -	\$ 160,669,599

Taxes	Interest	Lien Fees	Total	Taxes Receivable June 30, 2010
\$ 153,187,028	\$ 609,593	\$ 10,526	\$ 153,807,147	\$ 2,073,831
2,113,853	385,265	14,045	2,513,163	789,718
140,419	73,129	721	214,269	588,826
56,748	45,316	144	102,208	538,618
33,563	31,155	24	64,742	565,067
26,626	29,454	24	56,104	520,257
12,884	17,180	48	30,112	434,348
10,895	17,703	24	28,622	373,415
8,093	15,157	39	23,289	328,268
332	16,045	24	16,401	320,410
853	13,878	24	14,755	38,544
-	11,122	-	11,122	3,484
-	9,555	-	9,555	3,362
-	11,188	-	11,188	52
-	8,612	-	8,612	52
-	2,032	-	2,032	53
155,591,294	1,296,384	25,643	156,913,321	6,578,305
-	-	-	-	(1,500,000)
\$ 155,591,294	\$ 1,296,384	\$ 25,643	\$ 156,913,321	\$ 5,078,305

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Statistical Section

Statistical Section

This part of the City of Danbury, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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CITY OF DANBURY, CONNECTICUT

Net Assets By Component

Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year (\$ in 000's)			
	2002	2003	2004	2005
Governmental activities:				
Invested in capital assets, net of related debt	\$ 46,438	\$ 103,874	\$ 105,468	\$ 115,002
Restricted	1,477	1,477	1,477	1,519
Unrestricted	7,796	11,463	6,619	17,675
Total governmental activities net assets	\$ 55,711	\$ 116,814	\$ 113,564	\$ 134,196
Business-type activities:				
Invested in capital assets, net of related debt	\$ 92,199	\$ 95,715	\$ 87,726	\$ 100,416
Unrestricted	118	(1,945)	6,477	(123)
Total business-type activities net assets	\$ 92,317	\$ 93,770	\$ 94,203	\$ 100,293
Primary government:				
Invested in capital assets, net of related debt	\$ 138,637	\$ 199,589	\$ 193,194	\$ 215,418
Restricted	1,477	1,477	1,477	1,519
Unrestricted	7,914	9,518	13,096	17,552
Total primary government net assets	\$ 148,028	\$ 210,584	\$ 207,767	\$ 234,489

GASB Statement No. 34 Implemented in Fiscal Year 2002

Source: City CAFR.

Fiscal Year (\$ in 000's)				
2006	2007	2008	2009	2010
\$ 136,424	\$ 140,826	\$ 140,361	\$ 139,376	\$ 144,512
1,394	1,399	1,394	1,514	1,531
15,317	21,605	13,679	11,197	406
\$ 153,135	\$ 163,830	\$ 155,434	\$ 152,087	\$ 146,449
\$ 101,952	\$ 101,853	\$ 110,836	\$ 115,046	\$ 116,105
7,619	15,525	14,693	13,239	16,469
\$ 109,571	\$ 117,378	\$ 125,529	\$ 128,285	\$ 132,574
\$ 238,376	\$ 242,679	\$ 251,197	\$ 254,422	\$ 260,617
1,394	1,399	1,394	1,514	1,531
22,936	37,130	28,372	24,436	16,875
\$ 262,706	\$ 281,208	\$ 280,963	\$ 280,372	\$ 279,023

CITY OF DANBURY, CONNECTICUT

Changes In Net Assets

Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
Expenses:				
Governmental activities:				
General Government	\$ 13,378,305	\$ 10,942,508	\$ 8,809,222	\$ 12,498,553
Public Safety	32,214,639	33,710,512	36,648,212	37,382,960
Public Works	7,758,508	10,178,026	9,290,186	11,246,585
Health and welfare	3,981,692	5,281,532	4,884,608	5,734,941
Culture and Recreation	3,553,000	5,662,056	5,085,626	4,516,159
Education	101,072,076	104,143,757	109,575,356	114,075,223
Other	1,701,559	746,206	1,117,770	1,632,640
Interest on long-term debt	2,193,884	2,664,230	3,183,369	3,696,603
Total governmental activities expenses	165,853,663	173,328,827	178,594,349	190,783,664
Business-type activities:				
Sewer	6,950,472	7,679,746	7,932,356	8,475,896
Water	5,150,904	5,452,025	5,685,209	5,542,891
Total business-type activities expenses	12,101,376	13,131,771	13,617,565	14,018,787
Total primary government expenses	177,955,039	186,460,598	192,211,914	204,802,451
Program revenue:				
Governmental activities:				
Charges for services:				
General Government	5,948,658	7,347,101	7,331,519	8,679,296
Public safety	2,420,439	96,414	169,473	146,526
Public works	-	-	-	-
Health and welfare	10,925	1,283,469	3,358,228	3,610,813
Culture and Recreation	1,453,299	19,580	-	-
Education	360,183	5,108,799	5,153,043	5,281,664
Other	5,525,321	-	49,525	148,575
Interest on long-term debt	552,047	-	-	-
Operating grants and contributions:				
General Government	2,422,881	1,011,704	1,177,337	1,439,858
Public safety	1,047,103	290,982	761,254	243,419
Public works	572,273	283,586	176,203	398,753
Health and welfare	1,149,550	1,062,837	996,196	894,121
Culture and Recreation	354,328	381,184	192,262	280,916
Education	31,596,512	32,904,861	33,106,479	38,480,093
Capital grants and contributions:				
General government	232,326	512,983	437,775	528,074
Public safety	273,508	21,421	60,564	-
Public works	-	275,908	1,261,190	1,124,567
Culture and recreation	24,301	-	7,563,300	4,440,124
Education	633,153	1,078,385	1,719,813	-
Total governmental activities program revenue	54,576,807	51,679,214	63,514,161	65,696,799

Source: City CAFR.

	Fiscal Year			
	2002	2003	2004	2005
Business-type activities:				
Charges for services:				
Sewer	8,491,215	7,197,995	8,013,875	10,209,355
Water	4,055,753	4,280,950	5,254,670	6,724,942
Operating grants and contributions:				
Sewer	66,884	631,320	-	-
Water	99,000	179,215	-	-
Capital grants and contributions:				
Sewer	1,139,145	756,051	200,952	910,945
Water	2,784,625	1,126,556	184,604	1,768,890
Total business-type activities program revenues	16,636,622	14,172,087	13,654,101	19,614,132
Total primary government program revenues	71,213,429	65,851,301	77,168,262	85,310,931
Net (expense) revenue:				
Governmental activities	(111,276,856)	(121,649,613)	(115,080,188)	(125,086,865)
Business-type activities	4,535,246	1,040,316	36,536	5,595,345
Total primary government net expense	(106,741,610)	(120,609,297)	(115,043,652)	(119,491,520)
General revenues and other changes in net assets:				
Governmental activities:				
Property taxes	109,623,334	115,197,914	119,765,722	127,888,936
Grants and contributions not restricted to specific programs	8,850,406	7,726,595	6,993,752	16,494,459
Investment earnings	445,257	249,626	437,402	1,335,962
Loss on disposal of capital assets	-	(82,470)	(955,327)	-
Total governmental activities	118,918,997	123,091,665	126,241,549	145,719,357
Business-type activities:				
Grants and contributions not restricted to specific programs	732,427	-	-	-
Investment earnings	427,492	411,795	396,771	494,876
Total business-type activities	1,159,919	411,795	396,771	494,876
Total primary government	120,078,916	123,503,460	126,638,320	146,214,233
Changes in net assets:				
Governmental activities	7,642,141	1,442,052	11,161,361	20,632,492
Business-type activities	5,695,165	1,452,111	433,307	6,090,221
Total primary government	\$ 13,337,306	\$ 2,894,163	\$ 11,594,668	\$ 26,722,713

CITY OF DANBURY, CONNECTICUT

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

	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
General Government	\$ 12,816,880	\$ 12,302,755	\$ 13,961,569	\$ 18,306,617	\$ 16,731,874
Public Safety	39,411,913	41,643,491	48,028,046	44,778,282	50,989,593
Public Works	12,292,573	14,733,747	21,667,733	15,983,893	15,466,697
Health and welfare	6,143,955	4,431,065	6,179,952	5,058,556	6,134,629
Culture and Recreation	4,425,455	4,924,517	5,490,443	5,090,569	4,543,054
Education	123,823,970	122,426,721	139,538,575	150,405,010	148,223,024
Other	1,004,811	39,999	-	-	-
Interest on long-term debt	3,100,300	3,086,056	5,117,557	4,493,919	4,981,825
Total governmental activities expenses	203,019,857	203,588,351	239,983,875	244,116,846	247,070,696
Business-type activities:					
Sewer	8,408,066	8,651,216	9,792,295	10,133,342	9,804,007
Water	5,832,384	6,424,495	7,158,381	6,936,874	7,256,572
Total business-type activities expenses	14,240,450	15,075,711	16,950,676	17,070,216	17,060,579
Total primary government expenses	217,260,307	218,664,062	256,934,551	261,187,062	264,131,275
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	10,069,734	9,237,329	8,119,461	5,921,367	6,924,945
Public safety	403,675	358,545	387,935	4,098,282	4,984,991
Public works	-	-	56,745	6,500	35,493
Health and welfare	3,619,202	2,295,664	2,355,045	21,088	177,406
Culture and Recreation	-	-	-	-	535,290
Education	8,950,343	9,250,052	3,009,421	4,007,877	2,994,188
Other	148,575	148,575	-	-	-
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:					
General Government	747,267	1,040,448	1,900,287	2,848,423	26,357
Public safety	492,472	240,056	589,436	527,560	51,506
Public works	4,884,441	3,428,076	4,209,442	5,736,165	4,229,397
Health and welfare	671,172	710,770	2,729,216	2,498,581	2,276,254
Culture and Recreation	388,621	384,633	225,828	320,543	10,315
Education	33,844,639	36,347,683	55,236,978	50,652,171	52,317,234
Capital grants and contributions:					
General government	333,950	404,946	450,010	1,100,972	1,280,153
Public safety	-	-	-	-	1,230,962
Public works	-	-	117,199	13,952	1,070,163
Health and welfare	-	-	-	-	595,157
Culture and recreation	404,713	397,674	-	557	-
Education	17,632,102	2,765,187	1,039,640	143,125	4,451
Total governmental activities program revenue	82,590,906	67,009,638	80,426,643	77,897,163	78,744,262

	2006	2007	2008	2009	2010
Business-type activities:					
Charges for services:					
Sewer	10,489,592	11,865,132	9,888,001	10,493,329	12,113,299
Water	9,409,315	8,235,807	8,344,079	8,104,719	7,757,354
Operating grants and contributions:					
Sewer	-	-	-	-	-
Water	-	-	-	-	-
Capital grants and contributions:					
Sewer	1,565,618	408,090	1,466,330	296,344	476,174
Water	1,336,408	1,676,546	4,689,422	338,795	403,578
Total business-type activities program revenues	22,800,933	22,185,575	24,387,832	19,233,187	20,750,405
Total primary government program revenues	105,391,839	89,195,213	104,814,475	97,130,350	99,494,667
Net (expense) revenue:					
Governmental activities	(120,428,951)	(136,578,713)	(159,557,232)	(166,219,683)	(168,326,434)
Business-type activities	8,560,483	7,109,864	7,437,156	2,162,971	3,689,826
Total primary government net expense	(111,868,468)	(129,468,849)	(152,120,076)	(164,056,712)	(164,636,608)
General revenues and other changes in net assets:					
Governmental activities:					
Property taxes	129,588,158	136,344,851	140,195,658	153,095,763	154,691,223
Grants and contributions not restricted to specific programs	7,496,197	7,541,729	7,205,184	8,498,315	7,597,755
Investment earnings	2,283,695	3,387,158	3,760,101	1,963,063	399,378
Loss on disposal of capital assets	-	-	-	-	-
Total governmental activities	139,368,050	147,273,738	151,160,943	163,557,141	162,688,356
Business-type activities:					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	716,765	697,346	714,594	592,627	598,687
Total business-type activities	716,765	697,346	714,594	592,627	598,687
Total primary government	140,084,815	147,971,084	151,875,537	164,149,768	163,287,043
Changes in net assets:					
Governmental activities	18,939,099	10,695,025	(8,396,289)	(2,662,542)	(5,638,078)
Business-type activities	9,277,248	7,807,210	8,151,750	2,755,598	4,288,513
Total primary government	\$ 28,216,347	\$ 18,502,235	\$ (244,539)	\$ 93,056	\$ (1,349,565)

CITY OF DANBURY, CONNECTICUT

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

Function / Program	Fiscal Year			
	2002	2003	2004	2005
Governmental activities:				
General Government	\$ 8,603,865	\$ 8,871,788	\$ 8,946,631	\$ 10,647,228
Public safety	3,741,050	408,817	991,291	389,945
Public works	583,198	559,494	1,437,393	1,523,320
Health and welfare	2,602,849	2,346,306	4,354,424	4,504,934
Culture and Recreation	738,812	400,764	7,755,562	4,721,040
Education	37,754,986	39,092,045	39,979,335	43,761,757
Other	552,047	-	49,525	148,575
Total governmental activities	54,576,807	51,679,214	63,514,161	65,696,799
Business-type activities:				
Water	6,939,378	5,586,721	5,439,274	8,493,832
Sewer	9,697,244	8,585,366	8,214,827	11,120,300
Total business-type activities	16,636,622	14,172,087	13,654,101	19,614,132
Total government	\$ 71,213,429	\$ 65,851,301	\$ 77,168,262	\$ 85,310,931

GASB Statement No. 34 implemented in fiscal year 2002.

Source: City CAFR.

	2006	2007	2008	2009	2010
\$	11,150,951	\$ 10,682,723	\$ 10,469,758	\$ 11,211,707	\$ 8,231,455
	896,147	598,601	977,371	806,897	6,267,459
	4,884,441	3,428,076	4,383,386	5,756,617	5,335,053
	4,290,374	3,006,434	5,084,261	4,997,669	3,048,817
	793,334	782,307	225,828	321,100	545,605
	60,427,084	48,362,922	59,286,039	54,803,173	55,315,873
	148,575	148,575	-	-	-
	82,590,906	67,009,638	80,426,643	77,897,163	78,744,262
	10,745,723	9,912,353	13,033,501	8,443,514	8,160,932
	12,055,210	12,273,222	11,354,331	10,789,673	12,589,473
	22,800,933	22,185,575	24,387,832	19,233,187	20,750,405
\$	105,391,839	\$ 89,195,213	\$ 104,814,475	\$ 97,130,350	\$ 99,494,667

CITY OF DANBURY, CONNECTICUT

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

	Fiscal Year			
	2001	2002	2003	2004
General Fund:				
Reserved/designated	\$ 2,037,841	\$ 788,134	\$ 1,576,475	\$ 1,080,103
Unreserved/undesignated	6,064,400	11,406,086	11,216,189	11,761,929
Total General Fund	\$ 8,102,241	\$ 12,194,220	\$ 12,792,664	\$ 12,842,032
All Other Governmental Funds:				
Reserved	\$ 4,496,449	\$ 8,803,445	\$ 4,220,289	\$ 7,967,863
Unreserved, reported in:				
Special revenue funds	952,243	1,437,016	1,642,245	1,364,284
Capital projects funds	(13,419,639)	(13,575,471)	(4,837,798)	(6,796,180)
Permanent fund	53,659	57,062	54,189	20,050
Total all other government funds	\$ (7,917,288)	\$ (3,277,948)	\$ 1,078,925	\$ 2,556,017

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 1,697,289	\$ 1,348,297	\$ 6,915,844	\$ 5,205,086	\$ 5,390,780	\$ 4,153,536
18,228,923	22,959,075	21,403,829	21,776,017	20,919,615	21,250,848
\$ 19,926,212	\$ 24,307,372	\$ 28,319,673	\$ 26,981,103	\$ 26,310,395	\$ 25,404,384
\$ 3,041,123	\$ 17,235,283	\$ 50,395,006	\$ 26,264,651	\$ 9,520,697	\$ 6,669,414
2,229,784	1,174,142	2,981,388	(1,530,426)	(458,213)	(190,068)
(3,958,989)	(19,904,624)	(46,859,686)	(32,563,480)	(28,388,175)	(10,391,909)
41,834	210,205	286,374	350,742	253,618	159,187
\$ 1,353,752	\$ (1,284,994)	\$ 6,803,082	\$ (7,478,513)	\$ (19,072,073)	\$ (3,753,376)

CITY OF DANBURY, CONNECTICUT

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2001	2002	2003	2004
Revenues:				
Property taxes, interest and liens, net	\$ 101,866,512	\$ 109,011,992	\$ 114,944,665	\$ 119,645,762
Intergovernmental	49,076,212	50,225,184	47,651,256	50,623,295
Licenses and permits	2,247,033	3,782,967	2,563,553	4,060,155
Charges for services	8,981,137	8,932,383	8,767,480	7,716,872
Fines and penalties	1,135,939	1,194,685	1,004,335	1,210,448
Interest and dividends	866,971	474,148	274,676	467,277
Other	64,250	533,620	587,040	625,528
Installment sale proceeds	-	-	-	-
Total revenues	164,238,054	174,154,979	175,793,005	184,349,337
Expenditures:				
General Government	12,653,610	11,977,569	8,409,966	8,780,297
Public safety	20,854,872	21,893,208	23,346,273	23,288,592
Public works	5,624,435	5,778,129	6,200,904	7,411,398
Health and welfare	1,320,489	1,418,757	1,449,139	6,786,471
Culture and Recreation	3,581,145	3,776,041	3,933,541	4,146,224
State & Federal Programs	15,006,761	18,170,175	19,512,783	-
Education	78,012,768	81,568,606	83,887,723	106,145,585
Pension and Other Employee Benefits	13,341,314	14,184,620	15,529,121	17,506,130
General and administrative	-	-	-	-
Capital outlay	15,552,856	11,984,109	12,932,783	6,318,802
Other	2,301,276	2,146,876	2,248,533	1,560,649
Debt service:				
Principal	5,307,112	4,472,112	5,124,462	5,074,461
Interest and other charges	2,757,677	2,445,012	2,668,995	2,219,285
Total expenditures	176,314,315	179,815,214	185,244,223	189,237,894
Excess of revenues (under) expenditures	(12,076,261)	(5,660,235)	(9,451,218)	(4,888,557)
Other financing sources (uses):				
Transfers in	2,505,311	891,291	1,027,836	1,412,879
Transfers out	(1,657,311)	(891,291)	(1,027,836)	(1,412,879)
Issuance of long-term debt	-	11,792,000	-	-
Issuance of bond anticipation notes	-	-	12,320,000	4,220,000
Issuance of refunding bond	-	-	-	-
Repayment of bond anticipation notes	-	-	-	-
Proceeds of refunding bonds	-	-	1,190,000	14,048,000
Payment to refunded bond escrow agent	-	-	(1,177,816)	(14,955,050)
Premium (discount) on long-term debt	-	-	50,527	1,188,599
Loan Proceeds	-	-	-	-
Lease Financing	796,523	1,123,620	2,023,824	1,913,468
Total other financing sources (uses)	1,644,523	12,915,620	14,406,535	6,415,017
Net changes in fund balance	\$ (10,431,738)	\$ 7,255,385	\$ 4,955,317	\$ 1,526,460
Debt service as a percentage of noncapital expenditures				
	5.3%	4.3%	4.7%	4.2%

						Fiscal Year					
2005		2006		2007		2008		2009		2010	
\$	128,472,290	\$	128,855,805	\$	133,943,860	\$	139,210,955	\$	152,551,430	\$	154,994,853
	54,169,459		69,473,699		60,140,780		70,240,583		72,956,073		74,234,415
	5,409,824		6,119,885		4,921,896		3,908,131		3,342,587		2,482,279
	8,406,607		9,130,663		9,236,606		11,850,608		10,020,317		11,366,970
	984,552		1,222,113		1,330,121		1,325,037		1,186,314		1,350,435
	1,368,920		2,357,383		3,483,454		3,838,758		1,963,063		399,378
	497,721		752,385		514,844		842,558		668,610		452,629
	2,625,000		2,625,000		2,625,000		-		-		-
	201,934,373		220,536,933		216,196,561		231,216,630		242,688,394		245,280,959
	8,796,865		8,772,110		9,248,019		10,824,635		10,438,371		11,909,178
	23,268,264		26,673,001		27,493,478		30,778,325		31,042,636		31,903,678
	7,698,331		8,139,775		8,383,455		12,704,006		11,085,499		9,681,536
	6,325,270		5,928,717		4,153,905		6,214,422		5,978,317		5,523,773
	3,903,134		3,160,072		3,206,707		3,296,714		3,276,915		3,117,477
	-		-		-		-		-		-
	114,626,317		121,160,848		126,004,516		137,525,529		142,973,626		144,554,555
	19,073,801		18,596,490		16,970,377		19,662,590		19,822,162		22,541,813
	-		-		-		-		-		-
	15,122,696		34,966,659		27,775,383		42,901,902		36,615,116		12,408,898
	896,108		-		-		-		-		-
	6,322,511		5,600,612		5,767,350		6,599,850		7,810,350		8,671,800
	2,877,558		2,668,668		3,136,734		3,855,922		4,497,286		5,159,630
	208,910,855		235,666,952		232,139,924		274,363,895		273,540,278		255,472,338
	(6,976,482)		(15,130,019)		(15,943,363)		(43,147,265)		(30,851,884)		(10,191,379)
	682,468		713,880		2,237,551		721,184		744,048		919,361
	(682,468)		(713,880)		(2,237,551)		(721,184)		(744,048)		(919,361)
	3,615,000		15,888,000		18,302,000		-		17,599,450		18,393,000
	10,202,000		10,202,000		24,357,500		17,026,950		15,963,762		18,370,983
	-		-		-		-		-		32,684,000
	(3,615,000)		(10,202,000)		(15,650,000)		(18,302,000)		(17,026,950)		(15,271,762)
	-		-		-		23,480,000		-		-
	-		-		-		-		-		(37,696,163)
	-		745,035		313,112		288,200		1,120,847		6,656,563
	1,500,000		-		-		-		-		-
	1,156,397		239,398		721,128		5,033,950		930,507		1,467,444
	12,858,397		16,872,433		28,043,740		27,527,100		18,587,616		24,604,065
\$	5,881,915	\$	1,742,414	\$	12,100,377	\$	(15,620,165)	\$	(12,264,268)	\$	14,412,686
	5.0%		4.3%		4.6%		4.7%		5.5%		6.0%

CITY OF DANBURY, CONNECTICUT

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

Fiscal Year	Real Estate	Motor Vehicle	Personal Property	Total
2002	91,467,114	10,263,055	7,861,247	109,591,416
2003	95,831,867	10,742,408	8,551,789	115,126,064
2004	100,768,923	10,993,511	8,931,597	120,694,031
2005	109,455,785	11,064,635	8,230,210	128,750,630
2006	110,475,760	11,038,162	8,120,338	129,634,260
2007	114,768,625	11,040,846	7,918,381	133,727,852
2008	118,834,061	10,472,507	8,186,224	137,492,792
2009	133,553,703	10,877,428	8,101,765	152,532,896
2010	136,584,472	10,624,865	8,381,956	155,591,293
Change 2002-2010	49%	4%	7%	42%

Source: City records.

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CITY OF DANBURY, CONNECTICUT

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

Fiscal Year	Real Property				Miscellaneous Land	Personal Property	Motor Vehicle
	Residential	Commercial	Industrial				
2001	\$ 2,333,980,800	\$ 1,061,299,700	\$ 264,548,900	\$ 50,114,450	\$ 338,053,100	\$ 346,765,170	
2002	2,354,721,650	1,146,247,200	266,237,800	221,800	327,611,540	373,272,300	
2003	2,409,642,150	1,158,498,600	267,362,000	243,900	334,632,140	391,644,580	
2004	2,583,763,610	1,247,507,800	322,041,800	515,900	330,035,330	408,352,010	
2005	2,915,705,960	1,233,618,100	319,303,100	376,300	329,968,950	401,484,930	
2006	3,279,814,730	1,246,110,000	325,550,600	792,400	342,432,340	441,104,225	
2007	3,688,875,780	1,280,991,100	321,574,700	793,800	357,497,870	453,490,220	
2008	3,789,927,800	1,331,341,420	333,599,810	1,061,600	373,994,650	449,235,730	
2009	4,329,018,390	1,564,017,220	413,563,900	314,700	379,979,570	459,535,728	
2010	4,287,865,660	1,578,945,220	439,175,300	314,700	393,509,940	438,168,793	

Source: City Records

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

- (1) The General Statutes of Connecticut §12-62a establishes as uniform assessment percentage of 70% of the actual assessed value.

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
\$ 4,394,762,120	-5.83%	23.19	\$ 6,278,231,600	70.00%
4,468,312,290	1.67%	24.30	6,383,303,271	70.00%
4,562,023,370	2.10%	25.24	6,517,176,243	70.00%
4,892,216,450	7.24%	24.59	6,988,880,643	70.00%
5,200,457,340	6.30%	24.86	7,429,224,771	70.00%
5,635,804,295	8.37%	23.03	8,051,148,993	70.00%
6,103,223,470	8.29%	22.20	8,718,890,671	70.00%
6,279,161,010	11.42%	22.20	8,970,230,014	70.00%
7,146,429,508	14.00%	21.35	10,209,185,011	70.00%
7,137,979,613	-0.12%	21.66	10,197,113,733	70.00%

CITY OF DANBURY, CONNECTICUT

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

Taxpayer	2010			2001		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Danbury Mall Associates	\$ 225,871,500	1	3.16%	\$ 114,227,950	2	2.6
Boehringer-Ingelheim	58,975,930	2	0.83	34,617,340	4	.8
Gera Danbury LLC	56,182,950	3	0.79	164,774,800	1	3.7
Avolonbay Communities, Inc.	55,041,360	4	0.77	25,865,800	5	.6
Connecticut Light & Power	49,598,360	5	0.69	22,768,040	9	.47
Melvyn, Mary & Seymour Powers	-		-	-	-	-
Danbury Industrial Corp & MMP Realty	44,229,140	6	0.62	23,580,040	8	.5
WCI Communities, Inc.	43,299,000	7	0.61	-	N/A	N/A
Building 45 Eagle LLC	41,276,980	8	0.58	-	N/A	N/A
Hawley, Ervie, Germantown Plaza Assoc. & Germantown Medical Center	-	9	-	-	-	-
	33,374,470		0.47	-	N/A	N/A
Urstadt Biddle Properties, Inc.	30,654,530	10	0.43	-	N/A	N/A
Total	\$ 638,504,220		8.95%	\$ 385,833,970		8.67

Source: City Records

CITY OF DANBURY, CONNECTICUT

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

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2001	1999	\$ 101,895,249	\$ 99,857,344	98.00%	\$ 1,974,305	\$ 101,831,649	99.94%
2002	2000	108,588,084	107,176,438	98.70%	1,343,873	108,520,311	99.94%
2003	2001	115,150,456	113,192,898	98.30%	1,584,143	114,777,041	99.68%
2004	2002	118,824,972	117,993,198	99.30%	402,092	118,395,290	99.64%
2005	2003	128,446,048	126,519,357	98.50%	1,406,435	127,925,792	99.59%
2006	2004	128,951,428	127,017,517	98.50%	1,368,845	128,386,362	99.56%
2007	2005	134,112,457	132,134,830	98.53%	1,439,008	133,573,838	99.60%
2008	2006	138,522,443	137,492,791	99.26%	440,826	137,933,617	99.57%
2009	2007	152,748,437	150,822,781	98.74%	1,135,939	151,958,720	99.48%
2010	2008	155,630,690	153,187,028	98.43%	-	153,187,028	98.43%

Source: City of Danbury Tax Records

CITY OF DANBURY, CONNECTICUT

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Total Debt Per Capita ⁽³⁾
	Net Bonded Debt	Capital ⁽¹⁾ Leases	Ratio of Net Bonded Debt to Est. Actual Taxable Value	Debt Per Capita	CWF ⁽²⁾ Notes Payable	General Obligation Bonds			
2001	47,600,000	3,966,015	0.76%	686	31,203,987	25,520,000	\$ 108,290,002	5.88%	1,441
2002	55,007,000	3,417,069	0.86%	767	28,584,605	24,918,000	\$ 111,926,674	5.99%	1,467
2003	50,009,500	3,624,928	0.77%	701	25,965,223	23,315,000	\$ 102,914,651	5.48%	1,341
2004	58,126,800	3,496,381	0.83%	796	23,345,842	21,873,200	\$ 106,842,223	5.61%	1,374
2005	56,009,450	3,451,078	0.75%	768	20,726,460	21,595,400	\$ 101,782,388	5.34%	1,307
2006	60,967,100	2,574,247	0.76%	815	18,107,078	20,452,900	\$ 102,101,325	4.26%	1,300
2007	79,652,250	2,097,605	0.91%	1,038	15,487,697	26,027,750	\$ 123,265,302	4.60%	1,555
2008	96,532,400	6,063,439	1.08%	1,295	12,868,315	28,807,600	\$ 144,271,754	5.38%	1,821
2009	106,321,500	5,608,428	1.04%	1,412	10,248,933	28,868,500	\$ 151,047,361	5.67%	1,835
2010	114,147,700	5,473,861	1.12%	1,500	10,294,388	26,772,300	\$ 156,688,249	6.07%	1,965

Note: The City has no revenue bonds.

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

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

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

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

CITY OF DANBURY, CONNECTICUT

**Direct Governmental Activities Debt
For the Year Ended June 30, 2010
(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>
General obligation debt	\$ 114,147,700
Less school construction grants receivable - principal portion only	<u>1,986,872</u>
Total direct debt	<u><u>\$ 112,160,828</u></u>

*No overlapping debt.

Sources: City Records.

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

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

CITY OF DANBURY, CONNECTICUT

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	2001	2002	2003	2004
Debt limit	\$ 725,421	\$ 773,947	\$ 813,688	\$ 852,713
Total net debt applicable to limit	55,199	59,411	61,598	91,110
Legal debt margin	670,222	714,536	752,090	761,603
Total net debt applicable to the limit as a percentage of debt limit	8.24%	8.31%	8.19%	11.96%

	2005	2006	2007	2008	2009	2010
\$	900,490	\$ 902,119	\$ 947,064	\$ 984,120	\$ 1,077,930	\$ 1,094,883
	86,554	77,042	71,737	73,858	86,346	93,488
	813,936	825,077	875,327	910,262	991,584	1,001,395
	10.63%	9.34%	8.20%	8.11%	8.71%	9.34%

CITY OF DANBURY, CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMITATION

June 30, 2010

Total tax collections (including interest and lien fees) for the year ended June 30, 2010	\$ 156,006,302
Reimbursement for revenue loss:	
Tax relief for elderly	<u>405,521</u>
Base	<u>\$ 156,411,823</u>
Debt limit	<u><u>\$ 1,094,882,761</u></u>

Debt Limitation	General Purpose	Schools	Sewer & Water	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 351,926,602	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	703,853,204	-	-	-
3-3/4 times base	-	-	586,544,336	-	-
3-1/4 times base	-	-	-	508,338,425	-
3 times base	-	-	-	-	469,235,469
Total debt limitation	<u>351,926,602</u>	<u>703,853,204</u>	<u>586,544,336</u>	<u>508,338,425</u>	<u>469,235,469</u>
Debt as defined by statute:					
Bonds payable	93,488,462	20,659,238	16,904,667	1,022,000	-
Bond anticipation notes payable	28,954,283	8,718,850	8,319,867	-	-
Capital leases	1,250,175	4,223,686	-	-	-
Bonds authorized but not issued, issue dates not yet established	37,771,950	7,889,971	6,403,185	-	-
Total indebtedness	<u>161,464,870</u>	<u>41,491,745</u>	<u>31,627,719</u>	<u>1,022,000</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 190,461,732</u></u>	<u><u>\$ 662,361,459</u></u>	<u><u>\$ 554,916,617</u></u>	<u><u>\$ 507,316,425</u></u>	<u><u>\$ 469,235,469</u></u>

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

CITY OF DANBURY, CONNECTICUT

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Population **	Personal Income (000s)	Personal (1) Income Per Capita	Median Age	School Enrollment	Unemployment(*) Rate
2001	75,139	1,840,906	24,500	33	9,370	3.0%
2002	76,185	1,866,533	24,500	33	9,567	3.9%
2003	76,499	1,874,226	24,500	35	9,561	4.4%
2004	77,431	1,897,060	24,500	35.2	9,587	3.6%
2005	77,449	1,897,501	24,500	35.2	9,668	4.1%
2006	78,008	2,384,080	30,562	35.2	9,721	4.0%
2007	78,760	2,664,766	33,834	35.2	9,983	3.6%
2008	79,226	2,680,532	33,834	39	10,119	4.5%
2009	79,256	2,566,468	32,382	37.4	10,279	7.1%
2010	79,743	2,582,238	32,382	38	10,497	7.0%

Sources: City Records

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

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

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

CITY OF DANBURY, CONNECTICUT

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

Employer	2010			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Boehringer-Ingelheim Pharmaceuticals	2,547	1	5.81%	-	N/A	N/A
Danbury Hospital (excluding affiliates)	2,310	2	5.27%	3,000	1	8.64%
Danbury School Systems	1,551	3	3.54%	1,600	3	4.61%
Cartus (formerly Cendant Mobility)	1,364	4	3.11%	1,600	2	4.61%
Western CT State University	595	5	1.36%	714	5	2.06%
City of Danbury General Government	535	6	1.22%	539	9	1.55%
Goodrich	501	7	1.14%	557	8	1.60%
Barden Corporation	383	8	0.87%	410	10	1.10%
Praxair	383	9	0.87%	-	N/A	N/A
Ethan Allen, Inc	240	10	0.55%	-	N/A	N/A

Sources: Greater Danbury Chamber of Commerce

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CITY OF DANBURY, CONNECTICUT

Full-Time Equivalent City Government Employees By Functions/Programs

Last Ten Fiscal Years

(Unaudited)

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2010	2009	2008	2007	2006
Governmental Services:					
Legislative	-	-	-	-	1
Mayor's Office	5	6	6	6	6
City Clerk	1	1	1	1	1
Registrars/Jury Committee	2	2	2	2	2
Finance/Insurance	15	15	14	15	15
Info Technology	5	5	4	4	4
Assessments	8	8	8	11	11
Tax Collector	10	10	11	11	11
Purchasing	3	3	3	3	3
Corporation Counsel (Legal)	3	3	3	4	4
Town Clerk	6	6	7	7	7
Permit Coordination	5	5	6	6	6
Building/ Civil Prep	9	9	9	9	9
Planning	6	6	6	6	7
Public Bldgs (Facilities Management)	15	15	16	14	14
Economic Development	-	-	1	1	1
Personnel	2	2	2	2	2
Recreation:					
General & Administrative	2	2	2	2	2
Parks	-	-	-	-	-
Police:					
Officers	156	156	158	155	155
Civilians	10	10	8	8	6
Fire:					
Firefighters and Officers	127	127	127	108	109
Civilians	2	2	2	2	2
Public Works:					
Administration	2	2	6	7	6
Equipment Maintenance	7	7	7	7	7
Park Maintenance	18	18	18	19	19
Forestry	4	4	6	4	4
Street Sweeping, Snow Removal	21	21	22	23	23
Street Maintenance & Lighting	21	21	21	16	15
Recycling/Solid Waste	-	-	-	-	-
Traffic Control (Engineering)	3	3	3	3	3
Construction services	3	3	-	-	-
Water:					
Administration	7	7	7	6	5
Transmission	20	20	21	16	16
Purification	11	11	12	11	11
Sewer Maintenance	-	-	-	-	-
Stormwater	-	-	-	-	-
Other Programs/Functions:					
Consumer Protection	1	1	1	1	-
UNIT	4	4	5	4	1
Engineering	9	9	10	11	12
Library	25	25	27	27	28
Health & Housing	17	17	11	11	13
Social Services	4	4	11	11	10
Airport	5	5	5	5	4
Total	574	575	589	559	555

Source: City Records

Full-Time Equivalent Employees as of June 30

2005	2004	2003	2002	2001
1	1	-	-	-
6	6	6	6	5
1	1	2	2	1
2	2	2	2	2
15	14	18	18	18
4	4	5	5	6
11	10	10	10	10
11	11	11	11	11
3	3	4	5	5
4	4	4	3	3
7	7	8	6	6
6	4	-	-	-
8	10	12	11	10
7	7	10	9	9
14	14	16	16	16
1	-	-	-	-
2	3	4	4	4
2	4	4	4	4
-	22	22	22	21
155	154	155	159	159
6	6	6	6	6
109	108	109	109	109
2	2	2	2	2
6	5	5	5	5
7	7	7	7	7
19	-	-	-	-
4	-	-	-	-
23	23	25	25	25
15	15	15	15	15
-	-	-	-	-
3	3	3	3	3
-	-	-	-	-
5	5	5	5	5
15	16	15	15	14
11	12	12	12	12
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11	11	12	12	12
28	28	30	30	30
13	13	14	14	14
10	10	10	10	10
4	4	4	4	4
551	549	567	567	563

CITY OF DANBURY, CONNECTICUT

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

Function/Program	Calendar Year				
	2001	2002	2003	2004	2005
Police:					
Calls for service	79,147	78,982	81,354	81,374	77,500
Adult arrest	2,470	2,311	2,292	2,299	2,133
Juvenile arrest	412	345	375	397	405
Traffic citations	5,027	2,543	1,771	2,023	1,687
Fire:					
Total fire runs	2,826	2,861	2,851	2,792	2,753
Total rescue runs	3,077	2,742	2,781	3,068	3,183
Building safety:					
Total building permits**	2,755	1,331	1,317	1,620	1,622
Total value all permits**	\$ 103,622,809	\$ 96,171,210	\$ 67,853,574	\$ 132,045,142	\$ 166,334,991
Library, volumes in collection	117,995	117,995	113,483	111,950	112,812

Source: City Records

*Through September 30, 2009. Building permits through October 31, 2009.

**Building permits for 2000 and 2001 include electrical and mechanical permits.

Calendar Year				
2006	2007	2008*	2009*	2010
60,970	66,418	58,248	57,188	43,301
2,097	1,631	1,389	2,316	1,440
426	287	320	511	263
3,201	6,290	2,725	4,112	3,791
2,111	2,339	1,309	3,018	2,542
2,414	2,730	2,740	4,127	3,157
1,583	1,332	912	1,125	868
\$ 155,415,832	\$ 186,779,314	\$ 76,756,396	\$ 85,925,535	\$ 61,142,774
114,415	111,828	120,150	121,342	122,366

CITY OF DANBURY, CONNECTICUT

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

Function/Program	Calendar Year			
	2001	2002	2003	2004
Police:				
Stations	1	1	1	1
Fire, Fire Stations (Career)	4	4	4	4
Fire Stations (Volunteer)	12	12	12	12
Public Works:				
Buildings	4	4	4	4
Streets (Miles)	235	235	235	238
Street Lights	2,818	2,818	2,768	2,768
Parks & Recreation:				
Acreage	1,326	1,326	1,326	1,326
Parks	15	15	15	15
Golf Course	1	1	1	1
Baseball/Softball Diamonds	11	11	11	13
Ice Skating Pond	1	1	1	1
Soccer/Football/Lacrosse Fields	1	1	1	4
Basketball Courts	3	3	3	3
Tennis Courts	10	10	10	10
Spray Park	-	-	-	-
Swimming pools	3	2	2	2
Volleyball Courts	-	-	-	-
Handball Courts	-	-	-	-
Parks with Playground Equipment	6	5	5	5
Picnic Shelters	2	1	1	1
Recreation Building	1	1	1	1
Banquet Hall	1	1	1	1
Band Shell	-	-	1	1
Public Buildings:				
City Buildings	10	10	11	12
Schools	17	17	17	17
Library:				
Facilities	1	1	1	1
Volumes	117,995	117,995	113,483	111,950
Water:*				
Lakes	-	-	-	-
Storage Capacity (MGPD)	2,933	2,933	2,933	2,933
Average Daily Consumption (MGPD)	8.24	8.06	7.61	7.52
Peak Consumption (MGPD)	9.60	10.32	9,378.00	9.57
Wastewater:				
Sanitary Sewers (miles)	119.70	120.30	123.00	124.00

Source: City Records

Calendar Year						
2005	2006	2007	2008	2009	2010	
1	1	1	1	1	1	
4	4	5	5	5	5	
12	12	12	12	12	12	
4	4	6	6	5	5	
238	238	241	241	241	241	
2,768	2,768	2,807	2,868	2,869	2,869	
1,326	1,326	1,326	1,381	1,381	1,326	
15	15	15	15	17	13	
1	1	1	1	1	1	
14	13	13	17	15	15	
1	-	-	-	-	-	
4	6	8	11	8	8	
3	2	2	4	2	23	
10	10	10	16	10	16	
-	-	2	2	2	2	
-	-	-	-	-	-	
-	-	6	6	6	6	
-	-	-	-	2	2	
4	5	7	8	9	8	
1	1	1	1	1	1	
-	-	-	-	-	1	
1	1	1	1	1	1	
1	1	1	1	1	1	
12	12	13	14	14	14	
17	18	18	18	22	22	
1	1	1	1	1	1	
112,812	114,415	111,828	120,150	121,342	121,342	
-	-	-	-	-	-	
2,933	2,933	2,933	2,705	2,792.00	2,415.00	
7.48	7.40	7.20	6.55	6.52	6.35	
9.71	9.70	9.50	8.70	8	8	
128.80	132.30	140.00	133.95	135.36	163.00	

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