

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2015



**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Table of Contents

---

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds and Reconciliation of Governmental Funds	
Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	15
Notes to Financial Statements	17
Individual Fund Financial Statements and Schedules	
General Fund	
Comparative Balance Sheet	30
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	31
Parking Fund	
Comparative Balance Sheet	35
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	36
Capital Projects Fund	
Comparative Balance Sheet	37
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	38
Other Supplemental Information	
Schedule of General Fund Tax Collector's Activity	39
Schedule of Debt Limitation	40

**(This page intentionally left blank)**

## Independent Auditors' Report

### The Board of Commissioners of the Sixth Taxing District of the City of Norwalk, Connecticut (Rowayton)

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sixth Taxing District of the City of Norwalk, Connecticut (Rowayton) ("District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

O'CONNOR DAVIES, LLP

3001 Summer Street - 5th Floor, East, Stamford, CT 06905 | Tel: 203.323.2400 | Fax: 203.967.8733 | [www.odpkf.com](http://www.odpkf.com)

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position, 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.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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

*O'Connor Davies, LLP*

**O'Connor Davies, LLP**

Stamford, Connecticut

December 22, 2015

## **Sixth Taxing District, City of Norwalk, Connecticut (Rowayton)**

### **Management's Discussion and Analysis (MD&A) For the Year ended June 30, 2015**

---

The management of Sixth Taxing District of the City of Norwalk, Connecticut (Rowayton) ("District") provides this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to read the narrative presented in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

#### **Introduction**

The District was formally established in 1921 as one of the six taxing districts of the City of Norwalk, Connecticut, to provide its residents with street lighting, firefighting equipment, and waste collection. Today, the Fire Department is located in the village "downtown" and is staffed by the volunteer firefighters of Rowayton Hose Company No.1. Over time the District has acquired Neville Bayley Beach Park, Pinkney Park, the Community Center (that also houses the Library) and repurposed the building, which was formerly the library, that is now the Arts Center. In addition, the District maintains parking facilities "downtown" as well as at the leased Rowayton Railroad station serving area commuters.

The District's operations and administration are focused on five main areas:

- Home and Community Services—providing street lighting and solid waste collection
- Public Safety—providing fire protection to the District
- Transportation—providing downtown and railroad station parking
- Culture and Recreation—maintaining Bayley Beach, Community Center, the Arts Center, and Pinkney Park
- General Government Support—providing personnel services, commissioner services and administration

#### **Overview of the Financial Statements of the District**

This discussion and analysis (MD&A) serves as an introduction to the District's financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

## ***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide the readers with a broad, all inclusive, overview of the District's finances in a manner similar to private-sector business financial statements.

The Statement of Net Position presents the total assets and liabilities with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing the change in the net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, later receipt of presently uncollected taxes). The focus of this statement is on the net cost of providing various activities to the residents of the District.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include general government support, public safety, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements can be found immediately following this discussion and analysis.

## ***Fund Financial Statements***

Governmental Funds: Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the District's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The District has three individual governmental funds; General Fund, Parking Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund schedule of revenues, expenditures and changes in fund balances.

The District adopts an annual budget for the General Fund through a formal process involving the District electors who choose to attend the Annual District Meeting. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The Parking Fund is restricted to the operation of the station parking lots and the maintenance of the station and parking facilities. Per the leasing agreement with the Connecticut Department of Transportation, revenue received into the Parking Fund cannot be transferred to the District for other uses. The Parking Fund is self-supporting via the collection of annual parking permit sales and daily parking fees.

The District electors also formally approve and appropriate funds for capital projects which are then transferred to the Capital Projects Fund from the General Fund. Capital Project funds not expended are returned to the General Fund.

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

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

### ***Other Information***

Additional statements and schedules can be found immediately following the notes to the financial statements.

### **Government-wide Financial Analysis Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2015, are as follows:

- The government-wide financial statements reflect a net position of \$2,552,959 at June 30, 2015, and reflected \$2,499,450 at June 30, 2014 (resulting in a net position increase of \$53,509).
- The governmental funds reported combined ending fund balances of \$707,914, an increase of \$67,266 from the prior year amount of \$640,648.
- The General Fund reported ending fund balance of \$178,771, the portion of this balance Restricted for Debt Service was \$45,585. The unassigned portion was \$133,186 (75%) and was available for future uses specified by the district electors.
- During the fiscal year ending June 30, 2015, the District retired \$108,370 of loans payable. The total outstanding loans payable to the City of Norwalk at June 30, 2015 totaled \$1,097,620.
- During the fiscal year ending June 30, 2015, \$206,606 was transferred from the General Fund to the Capital Projects Fund to finance the cost of ongoing projects.
- The Capital Projects Fund's ending fund balance was \$391,138: an increase of \$104,182 from the previous fiscal year.

### Condensed Statement of Net Position

	2015	2014	\$ Change	% Change
Current Assets	\$ 914,276	\$ 853,323		
Capital Assets	\$ 2,958,210	\$ 3,082,035		
<b>Total Assets</b>	<b>\$ 3,872,486</b>	<b>\$ 3,935,358</b>	<b>\$ (62,872)</b>	<b>-2%</b>
Current Liabilities	\$ 332,832	\$ 338,288		
Long-term Liabilities	\$ 986,695	\$ 1,097,620		
<b>Total Liabilities</b>	<b>\$ 1,319,527</b>	<b>\$ 1,435,908</b>	<b>\$ 116,381</b>	<b>9%</b>
Net Investment in				
Capital Assets	\$ 1,860,590	\$ 1,876,045		
Restricted	\$ 574,728	\$ 466,293		
Unrestricted	\$ 117,641	\$ 157,112		
<b>Total Net Position</b>	<b>\$ 2,552,959</b>	<b>\$ 2,499,450</b>	<b>\$ 53,509</b>	<b>2%</b>

The restricted net position of \$574,728, or approximately 22% of total Net Position represent resources that are subject to external restrictions on their use. The restrictions are:

Debt Service	\$ 45,585
Capital Projects	391,138
Railroad Parking Fund balance	<u>138,005</u>
	<u>\$ 574,728</u>

The remaining balance representing unrestricted net position of \$117,641, or 5%, may be used to meet the District's ongoing obligations to citizens and creditors.

## Changes in Net Position

	2015	2014	\$ Change	% Change
Program Revenues				
Charges for Services	\$ 257,213	\$ 260,072		
Operating Grants and Contributions	\$ -	\$ 138		
General Revenues				
Property Taxes	\$ 1,535,272	\$ 1,456,314		
Rebate Provision	\$ 6,558	\$ 9,653		
Interest and Penalties on Taxes	\$ 5,095	\$ 5,335		
Unrestricted interest	\$ 176	\$ 44		
Miscellaneous	\$ 33,892	\$ 1,160		
Gain on Sale of Property	\$ -	\$ 6,000		
<b>Total Revenues</b>	<b>\$ 1,838,206</b>	<b>\$ 1,738,716</b>	<b>\$ 99,490</b>	<b>5%</b>
Program Expenses				
General Government Support	\$ 252,087	\$ 250,966		
Public Safety	\$ 194,102	\$ 206,661		
Transportation	\$ 230,292	\$ 240,082		
Culture and Recreation	\$ 668,898	\$ 553,775		
Home and Community Services	\$ 369,119	\$ 353,430		
Community Grants	\$ 32,287	\$ 18,237		
Interest	\$ 37,912	\$ 41,805		
<b>Total Expenses</b>	<b>\$ 1,784,697</b>	<b>\$ 1,664,956</b>	<b>\$ 119,741</b>	<b>7%</b>
<b>Change in Net Position</b>	<b>\$ 53,509</b>	<b>\$ 73,760</b>	<b>\$ (20,251)</b>	<b>-27%</b>
<b>Net Position – Beginning</b>	<b>\$ 2,499,450</b>	<b>\$ 2,425,690</b>	<b>\$ 73,760</b>	<b>3%</b>
<b>Net Position – Ending</b>	<b>\$ 2,552,959</b>	<b>\$ 2,499,450</b>	<b>\$ 53,509</b>	<b>2%</b>

### Sources of Revenues for Fiscal Year Ending June 30, 2015 Governmental Activities

For the fiscal year ended June 30, 2015, revenues from governmental activities totaled \$1,838,206. Tax revenues comprised of real property taxes, the rebate provision and interest and penalties on taxes, represented the largest revenue source at 84% of total revenue. The District expenses were \$1,770,940.

### Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

##### General Fund Budgetary Highlights

The General Fund is the primary operating fund of the District. As of June 30, 2015, the total fund balance of the General Fund was \$178,771.

Actual results of operations resulted in an excess of revenues over expenditures of \$165,482, before the transfer out to the Capital Projects Fund of \$206,606, resulting in a net change in Fund Balance of (\$41,124). Note also, that revenues were \$35,816 more than budget and expenditures were more than budget, this was mostly due to an insurance claim submitted by the District.

Parking Fund Budgetary Highlights

The Parking Fund is restricted and can only be used for daily expenses and maintenance incurred by the Rowayton Railroad parking lots. As of June 30, 2015 the restricted fund balance was \$138,005 which was \$4,208 higher than the previous fiscal year.

Capital Projects Fund Budgetary Highlights

The Capital Projects Fund is used for capital project activity throughout the District. The Capital Projects Fund's ending fund balance was \$391,138 and \$286,956 for fiscal years ending June 30, 2015 and 2014, respectively and consisted of the following capital projects grouped and valued by cost center:

	<u>2015</u>	<u>2014</u>
Arts Center Building	\$ 2,500	\$ 2,500
Bayley Beach	29,928	38,301
Community Center	218,518	146,960
District Wide	7,658	(15,381)
Fire Department	36,296	23,788
Fire Hydrant Repair	6,156	6,156
Municipal Lot	25,700	24,450
Pinkney Park	39,982	40,782
Reserve for Little League	10,000	5,000
Reserve for Future Projects	<u>14,400</u>	<u>14,400</u>
	<u>\$ 391,138</u>	<u>\$ 286,956</u>

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2015 was \$2,958,210, net of accumulated depreciation of \$2,004,881. This investment includes land, buildings and improvements, machinery and equipment and construction in-progress. The year-to-year change in the fund balance was primarily attributable to the restoration and renovation of the Community Center as well as the completion of construction that was in progress during the prior year.

	<u>2015</u>	<u>2014</u>
Land	\$ 573,108	\$ 573,108
Buildings and Improvements	1,708,487	1,831,027
Construction in Progress	162,789	123,847
Machinery and Equipment	<u>513,826</u>	<u>554,053</u>
Total	<u>\$ 2,958,210</u>	<u>\$ 3,082,035</u>

Additional information on the District's capital assets can be found in Note 3,D of this report.

### **Long-term Debt**

At June 30, 2015, the District had total debt outstanding of \$1,097,620.

Additional information on the District's long-term debt can be found in Note 6 of this report.

### **Requests for Information**

This financial report is designed to provide a general overview of the District'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 Jim Hendrickson, Treasurer, Sixth Taxing District of the City of Norwalk, PO Box 246, Rowayton, Connecticut 06853. The telephone number is (203) 854-6666 Ext.3.

**(This page intentionally left blank)**

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Statement of Net Position  
June 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 913,276
Accounts receivable	1,000
Capital assets	
Not being depreciated	735,897
Being depreciated, net	<u>2,222,313</u>
Total Assets	<u>3,872,486</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	62,158
Due to City of Norwalk	4,721
Unearned revenues	139,483
Accrued interest payable	15,545
Non-current liabilities	
Due within one year	
Loans payable - City of Norwalk	110,925
Due in more than one year	
Loans payable - City of Norwalk	<u>986,695</u>
Total Liabilities	<u>1,319,527</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,860,590
Restricted	
Debt service	45,585
Capital projects	391,138
Parking Fund	138,005
Unrestricted	<u>117,641</u>
Total Net Position	<u>\$ 2,552,959</u>

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

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Statement of Activities  
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government support	\$ 252,087	\$ -	\$ -	\$ (252,087)
Public safety	194,102	310	-	(193,792)
Transportation	230,292	211,023	-	(19,269)
Culture and recreation	668,898	45,880	-	(623,018)
Home and community services	369,119	-	-	(369,119)
Community grants	32,287	-	-	(32,287)
Interest	37,912	-	-	(37,912)
 Total Governmental Activities	 \$ 1,784,697	 \$ 257,213	 \$ -	 (1,527,484)
General revenues				
Property taxes				1,535,272
Rebate provision				6,558
Interest and penalties on taxes				5,095
Unrestricted interest				176
Miscellaneous				33,892
Total General Revenues				1,580,993
Change in Net Position				53,509
Net Position - Beginning				2,499,450
Net Position - Ending				\$ 2,552,959

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

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Balance Sheet  
Governmental Funds and Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2015

	General	Parking	Capital Projects	Totals Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 569,064	\$ 335,491	\$ 8,721	\$ 913,276
Receivables				
Accounts	1,000	-	-	1,000
Due from other funds	631,826	-	983,397	1,615,223
	<u>632,826</u>	<u>-</u>	<u>983,397</u>	<u>1,616,223</u>
Total Assets	<u>\$ 1,201,890</u>	<u>\$ 335,491</u>	<u>\$ 992,118</u>	<u>\$ 2,529,499</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable and accrued expenses	\$ 35,001	\$ 7,017	\$ 20,140	\$ 62,158
Due to City of Norwalk	4,721	-	-	4,721
Unearned revenues	-	139,483	-	139,483
Due to other funds	983,397	50,986	580,840	1,615,223
Total Liabilities	<u>1,023,119</u>	<u>197,486</u>	<u>600,980</u>	<u>1,821,585</u>
Fund balances				
Restricted	45,585	-	391,138	436,723
Assigned	-	138,005	-	138,005
Unassigned	133,186	-	-	133,186
Total Fund Balances	<u>178,771</u>	<u>138,005</u>	<u>391,138</u>	<u>707,914</u>
Total Liabilities and Fund Balances	<u>\$ 1,201,890</u>	<u>\$ 335,491</u>	<u>\$ 992,118</u>	

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 2,958,210

Long-term liabilities that are not due and payable in the current period are not reported in the funds.

Accrued interest payable (15,545)

Loans payable (1,097,620)

Net Position of Governmental Activities

\$ 2,552,959

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

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2015

	General	Parking	Capital Projects	Totals Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 1,535,272	\$ -	\$ -	\$ 1,535,272
Rebate provision	6,558	-	-	6,558
Interest and penalties on taxes	5,095	-	-	5,095
Parking fees	-	211,023	-	211,023
Interest	14	162	-	176
Rentals	18,305	-	-	18,305
Beach permits - Residents	13,030	-	-	13,030
Beach permits - Non-residents	11,355	-	-	11,355
Camp fees	3,500	-	-	3,500
Miscellaneous	32,642	-	1,250	33,892
<b>Total Revenues</b>	<b>1,625,771</b>	<b>211,185</b>	<b>1,250</b>	<b>1,838,206</b>
<b>EXPENDITURES</b>				
Current				
General government support	163,471	-	-	163,471
Public safety	51,690	-	-	51,690
Transportation	8,328	206,977	-	215,305
Culture and recreation	369,428	-	-	369,428
Home and community services	369,119	-	-	369,119
Community grants	32,287	-	-	32,287
Employee benefits	317,986	-	-	317,986
Debt service				
Principal	108,370	-	-	108,370
Interest	39,610	-	-	39,610
Capital outlay	-	-	103,674	103,674
<b>Total Expenditures</b>	<b>1,460,289</b>	<b>206,977</b>	<b>103,674</b>	<b>1,770,940</b>
Excess (Deficiency) of Revenues Over Expenditures	165,482	4,208	(102,424)	67,266
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	206,606	206,606
Transfers out	(206,606)	-	-	(206,606)
<b>Total Other Financing Sources (Uses)</b>	<b>(206,606)</b>	<b>-</b>	<b>206,606</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(41,124)</b>	<b>4,208</b>	<b>104,182</b>	<b>67,266</b>
<b>FUND BALANCES</b>				
Beginning of Year	219,895	133,797	286,956	640,648
End of Year	<u>\$ 178,771</u>	<u>\$ 138,005</u>	<u>\$ 391,138</u>	<u>\$ 707,914</u>

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

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 Year Ended June 30, 2015

---

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 67,266</u>
<p>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 amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlay in the current period.</p>	
Capital outlay expenditures	89,395
Depreciation expense	<u>(213,220)</u>
	<u>(123,825)</u>
<p>Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on loans	<u>108,370</u>
<p>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.</p>	
Accrued interest	<u>1,698</u>
Change in Net Position of Governmental Activities	<u><u>\$ 53,509</u></u>

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

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
General Fund  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 1,587,955	\$ 1,522,955	\$ 1,535,272	\$ 12,317
Rebate provision	10,000	10,000	6,558	(3,442)
Interest and penalties on taxes	5,000	5,000	5,095	95
Interest	150	150	14	(136)
Rentals	15,000	15,000	18,305	3,305
Beach permits - Residents	17,250	17,250	13,030	(4,220)
Beach permits - Non-residents	15,600	15,600	11,355	(4,245)
Camp fees	3,500	3,500	3,500	-
Miscellaneous	500	500	32,642	32,142
<b>Total Revenues</b>	<b>1,654,955</b>	<b>1,589,955</b>	<b>1,625,771</b>	<b>35,816</b>
<b>EXPENDITURES</b>				
Current				
General government support				
District	25,600	25,600	24,463	1,137
Insurance	77,225	73,725	74,071	(346)
Legal services	4,000	500	441	59
Audit	14,000	14,000	11,493	2,507
Administrative expenses	51,380	39,385	39,118	267
Technology	10,776	10,776	13,885	(3,109)
	<b>182,981</b>	<b>163,986</b>	<b>163,471</b>	<b>515</b>
Public safety				
Fire department	62,100	34,900	35,700	(800)
Rebates to firefighters	10,000	10,000	6,558	3,442
Fire hydrant rental	7,500	7,500	7,560	(60)
Fire marshal expense	2,440	2,440	1,872	568
	<b>82,040</b>	<b>54,840</b>	<b>51,690</b>	<b>3,150</b>
Transportation				
Municipal parking lot	17,900	7,900	8,328	(428)
Culture and recreation				
Nelville Bayley Park	33,200	40,700	44,675	(3,975)
Community center	88,950	84,950	106,968	(22,018)
Library	187,000	187,000	187,000	-
Arts center	2,700	2,700	4,231	(1,531)
Witch Lane Park	500	500	-	500
Pinkney Park	46,250	26,250	26,554	(304)
	<b>358,600</b>	<b>342,100</b>	<b>369,428</b>	<b>(27,328)</b>

(Continued)

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Continued)  
General Fund  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Current				
Home and community services				
Refuse collection	\$ 159,500	\$ 159,500	\$ 160,500	\$ (1,000)
Street lighting	38,000	38,000	39,031	(1,031)
Disposal fees	160,000	155,000	169,588	(14,588)
	<u>357,500</u>	<u>352,500</u>	<u>369,119</u>	<u>(16,619)</u>
Community grants	<u>72,287</u>	<u>32,287</u>	<u>32,287</u>	<u>-</u>
Employee benefits	<u>301,772</u>	<u>317,267</u>	<u>317,986</u>	<u>(719)</u>
Debt service				
Principal	108,372	108,372	108,370	2
Interest	42,503	39,703	39,610	93
	<u>150,875</u>	<u>148,075</u>	<u>147,980</u>	<u>95</u>
Total Expenditures	<u>1,523,955</u>	<u>1,418,955</u>	<u>1,460,289</u>	<u>(41,334)</u>
Excess of Revenues Over Expenditures	131,000	171,000	165,482	(5,518)
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(131,000)</u>	<u>(206,606)</u>	<u>(206,606)</u>	<u>-</u>
Net Change in Fund Balance	-	(35,606)	(41,124)	(5,518)
<b>FUND BALANCE</b>				
Beginning of Year	<u>-</u>	<u>35,606</u>	<u>219,895</u>	<u>184,289</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,771</u>	<u>\$ 178,771</u>

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

**(This page intentionally left blank)**

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements  
June 30, 2015

---

**Note 1 - Summary of Significant Accounting Policies**

The Sixth Taxing District of the City of Norwalk, Connecticut (Rowayton) ("District") consists of Norwalk's Sixth (excluding sewered portion) and Seventh (sewered portion of the Sixth) Taxing Districts. The District provides library, fire protection, recreation, parking facilities and refuse services to its residents. The District is within the City of Norwalk, Connecticut ("City") and levies and collects all property taxes through the Norwalk Tax Collector's office which remits the collections to the District.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant accounting policies:

**A. Financial Reporting Entity**

The financial reporting entity consists of a) the primary government which is the District, b) organizations for which the District is financially accountable and c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by the Governmental Accounting Standards Board ("GASB").

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities' which would be included in the financial statements.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The District does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Fund Financial Statements**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the same page or the page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The District's resources are reflected in the fund financial statements in one broad category, in accordance with generally accepted accounting principles as follows:

**Fund Category**

Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the District's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The District has the following Special Revenue Fund -

The Parking Fund - The Parking Fund is used to account for the receipts and operations of the Rowayton Railroad Station parking lot.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured

**Note 1 - Summary of Significant Accounting Policies (Continued)**

such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**E. Assets, Liabilities, Deferred Outflows/Inflows or Resources and Net Position or Fund Balances**

**Deposits and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit and money market funds with original maturities of less than three months.

The District's custodial risk policy is only to allow the District to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

The District was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Property Taxes Receivable/Payable** - The District's property tax is levied and payable each July 1 on the assessed value listed as of the prior October 1 for all real property located in the District. Liens are effective on the assessment date and are continued by filing prior to the following levy date. Assessed values are established at 70 percent of estimated market value to conform to State statutes.

The District's real property tax levy is collected by the City of Norwalk's Collector of Taxes and Assessments. The City is responsible for the billing and collection of all taxes and foreclosure proceedings. The City remits payments to the District based upon collections. The District reconciles the property tax revenue to the City's Annual Tax Collector's Report which showed a property tax payable for \$4,721 at June 30, 2015 and is reported in the General Fund as Due to City of Norwalk.

**Other Receivables** - Other receivables include amounts due from other governments and individuals for services provided by the District. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

**Due From/To Other Funds** - During the course of its operations, the District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund accounts receivable or payable have been recorded in the fund financial statements.

**Capital Assets** - Capital assets have been acquired for general governmental purposes. Assets are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-40
Machinery and equipment	5-10

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Unearned Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criterion has been satisfied. In government-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The District has reported unearned revenues of \$139,483 for amounts received in advance for permits in the Parking Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2015, no amounts were required to be reported as deferred outflows/inflows of resources.

**Long-Term Liabilities** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

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

**Net Position** - Net Position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net Position on the Statement of Net Position includes net investment in capital assets, restricted for debt service, capital projects and Parking Fund. The balance is classified as unrestricted.

**Fund Balance** - Generally, fund balance represents the difference between current assets, deferred outflows of resources, current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy

**Note 1 - Summary of Significant Accounting Policies (Continued)**

based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance, if any, includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance, if any, is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation.

Committed fund balance, if any, is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Commissioners are the District's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Commissioners.

Assigned fund balance, in the General Fund, represent amounts constrained by the Commissioners. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Unlike commitments, assignments generally only exist temporarily in that additional action does not normally have to be taken for the removal of an assignment. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is

**Note 1 - Summary of Significant Accounting Policies (Continued)**

the District's policy to use fund balance in the following order: committed, assigned, and unassigned.

**F. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities and deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**G. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 22, 2015.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

The District generally establishes the budgetary data reflected in the financial statements as follows:

- Prior to the commencement of a fiscal year, an estimate of proposed expenditures and the means of financing them for that year are prepared.
- A public hearing is held at a location within the District to obtain taxpayers' votes.
- Historically, the District's approved budget is submitted for approval to the City of Norwalk Board of Estimate and Taxation; however, the Commissioners of the Sixth District perform all of the business functions of the District without intervention by the Board of Estimate and Taxation.
- All expenditures over budgeted appropriations are approved at the next annual budget meeting.
- The General and Capital Projects funds are under budgetary control. All unencumbered appropriations lapse at year-end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of the applicable projects, even when projects extend more than one fiscal year.

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements (Continued)  
June 30, 2015

---

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**B. Budgetary Overexpenditures**

The following General Fund functional expenditure categories exceeded their budgetary authorization by the amounts indicated:

General Government Support	
Insurance	\$ 346
Technology	3,109
Public Safety	
Fire department	800
Fire hydrant rental	60
Transportation	
Municipal parking lot	428
Culture and Recreation	
Neville Bayley Park	3,975
Community center	22,018
Arts center	1,531
Pinkney Park	304
Home and Community Services	
Refuse collection	1,000
Street Lighting	1,031
Disposal fees	14,588
Employee Benefits	719

**Note 3 - Detailed Notes on All Funds**

**A. Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging institution's trust department but not in the District's name.

As of June 30, 2015, the District's bank balance of \$932,080 was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 500,000
Covered by Connecticut State Statues	43,208
Uninsured and uncollateralized	<u>388,872</u>
Total	<u>\$ 932,080</u>

**B. Property Taxes**

The tax levy for the District is collected by the Tax Collector of the City and remitted to the District. At June 30, 2015, the City Tax Collector's report showed a payable to the City of \$4,721, which has been reported in Due to City of Norwalk in the General Fund.

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

**C. Due From/To Other Funds**

The balances reflected as due from/to other funds at June 30, 2015, were as follows:

Fund	Due From	Due To
General	\$ 631,826	\$ 983,397
Parking	-	50,986
Capital Projects	983,397	580,840
	\$ 1,615,223	\$ 1,615,223

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

**D. Capital Assets**

Changes in the District's capital assets are as follows:

	Balance July 1, 2014	Additions	Balance June 30, 2015
Capital Assets, not being depreciated			
Land	\$ 573,108	\$ -	\$ 573,108
Construction in progress	123,847	38,942	162,789
Total Capital Assets, not being depreciated	\$ 696,955	\$ 38,942	\$ 735,897
Capital Assets, being depreciated			
Buildings and improvements	\$ 2,625,634	\$ 39,500	\$ 2,665,134
Machinery and equipment	1,551,107	10,953	1,562,060
Total Capital Assets, being depreciated	4,176,741	50,453	4,227,194
Less Accumulated Depreciation for			
Buildings and improvements	794,607	162,040	956,647
Machinery and equipment	997,054	51,180	1,048,234
Total Accumulated Depreciation	1,791,661	213,220	2,004,881
Capital Assets, being depreciated, net	\$ 2,385,080	\$ (162,767)	\$ 2,222,313
Capital Assets, net	\$ 3,082,035	\$ (123,825)	\$ 2,958,210

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements (Continued)  
 June 30, 2015

---

**Note 3 - Detailed Notes on All Funds (Continued)**

For the government-wide financial statements, depreciation expense was charged to the District's functions and programs as follows:

General Government Support	\$ 2,408
Public Safety	43,524
Transportation	14,987
Culture and Recreation	<u>152,301</u>
	<u>\$ 213,220</u>

**E. Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

	<u>Transfers In</u>
	Capital
	Projects
<u>Transfers Out</u>	<u>Fund</u>
General Fund	<u>\$ 206,606</u>

Transfers were used to move funds from the General Fund to the Capital Projects Fund to fulfill commitments for Capital Projects Fund expenditures.

**F. Net Position**

The components of Net Position are detailed below:

*Net Investment in Capital Assets* - the component of Net Position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted for Debt Service* - the component of Net Position that reflects funds set aside in accordance with District Commissioners.

*Restricted for Capital Projects* - the component of Net Position that reflects funds set aside for capital projects exclusive of unexpended loan proceeds and unrestricted interest earnings.

*Restricted for Parking Fund* - the component of Net Position set aside for operations of the Rowayton Station parking lot.

*Unrestricted* - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

**G. Fund Balances**

	2015				2014			
	General Fund	Parking Fund	Capital Projects Fund	Total	General Fund	Parking Fund	Capital Projects Fund	Total
Restricted								
Debt service	45,585	\$ -	\$ -	\$ 45,585	\$ 45,540	\$ -	\$ -	\$ 45,540
Capital projects	-	-	391,138	391,138	-	-	286,956	286,956
Total Restricted	45,585	-	391,138	436,723	45,540	-	286,956	332,496
Assigned								
Parking lot	-	138,005	-	138,005	-	133,797	-	133,797
Unassigned	133,186	-	-	133,186	174,355	-	-	174,355
Total Fund Balances	<u>\$ 178,771</u>	<u>\$ 138,005</u>	<u>\$ 391,138</u>	<u>\$ 707,914</u>	<u>\$ 219,895</u>	<u>\$ 133,797</u>	<u>\$ 286,956</u>	<u>\$ 640,648</u>

**Note 4 - Contingent Amount Payable to the State of Connecticut**

The Parking Fund ("Fund") is used to account for the proceeds of revenue sources of the Rowayton Railroad Station parking lot. The Rowayton Railroad Station parking lot is located on property owned by the State of Connecticut ("State"). The State has leased this property to the City which in turn has assigned the lease to the District. Under the lease agreement, the District may be required to pay the State fifty percent of any surplus generated by the Fund if it is not used for maintenance and improvements to the lot. At June 30, 2015, the fund balance amounted to \$138,005. The current lease period is March 1998 through March 2008, with an option for an additional ten year renewal. Though the District has informed the State of Connecticut that it is availing itself of the automatic 10 year renewal, the State Department of Transportation is honoring the lease on a month to month basis until a renewal document is available for execution.

**Note 5 - Risk Management**

The District purchases various insurance coverages to reduce its exposure to loss. The District maintains general liability insurance with policy limits of \$3 million and public officials' liability insurance coverage of \$1 million per occurrence and \$1 million in the aggregate. The District also maintains an umbrella policy which provides coverage up to \$10 million per claim (\$10 million in the aggregate). Workers' compensation is secured with statutory coverages. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is self-insured for claims arising from unemployment benefit cases. Unemployment benefits are accounted for in the General Fund.

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 6 - Long-Term Liabilities**

The following table summarizes changes in the District's long-term indebtedness for the year ended June 30, 2015:

	Balance July 1, 2014	Maturities and/or Payments	Balance June 30, 2015	Due Within One Year
Loans Payable	\$ 1,205,990	\$ 108,370	\$ 1,097,620	\$ 110,925

Loans payable at June 30, 2015 that are borrowed from the City of Norwalk, Connecticut were comprised of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2015
Various capital projects	2001	\$ 300,000	2016	4.36 %	\$ 26,199
Ambler project	2004	130,000	2017	4.22	24,837
Ambler project	2006	150,000	2026	4.41	104,670
Fire truck	2009	300,000	2029	2.45	255,244
Community center	2011	400,000	2031	3.43	340,000
Community center Phase II	2012	400,000	2032	2.08	346,670
					<u>\$ 1,097,620</u>

Interest expenditures of \$39,610 were recorded in the fund financial statements in the General Fund. Interest expense of \$37,912 was recorded in the government-wide financial statements.

**Payments to Maturity**

The annual requirements to amortize all outstanding debt as of June 30, 2015, including interest payments of \$248,080 are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 110,925	\$ 33,261	\$ 144,186
2017	84,924	29,388	114,312
2018	72,405	27,035	99,440
2019	72,405	24,955	97,360
2020	72,405	22,841	95,246
2021-2025	362,026	81,573	443,599
2026-2030	282,530	27,655	310,185
2031-2032	40,000	1,372	41,372
	<u>\$ 1,097,620</u>	<u>\$ 248,080</u>	<u>\$ 1,345,700</u>

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Notes to Financial Statements (Concluded)  
June 30, 2015

---

**Note 6 - Long-Term Liabilities (Continued)**

The above loans are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

The District's overall debt limitation cannot exceed seven times the total of taxes, interest and penalties on taxes and the rebate provision collected during the fiscal year. For the year ended June 30, 2015, this limitation was \$10,828,475. The category of debt pertinent to the District's operations is restricted to 2.25 times, or \$3,480,581.

**Note 7 - Pension Plan and Other Post Employment Benefit Obligations**

The District does not participate in the State of Connecticut Municipal Employees Retirement System and does not offer any deferred compensation plan or other post employment benefits.

**Note 8 - Litigation**

The District receives notices of claims for money damages occurring, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the District's financial position if adversely settled.

\*\*\*\*\*

**(This page intentionally left blank)**

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

General Fund  
 Comparative Balance Sheet  
 June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 569,064	\$ 513,942
Receivables		
Accounts	1,000	1,000
Due from other funds	<u>631,826</u>	<u>586,459</u>
	<u>632,826</u>	<u>587,459</u>
Total Assets	<u>\$ 1,201,890</u>	<u>\$ 1,101,401</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 35,001	\$ 62,857
Due to City of Norwalk	4,721	4,342
Deposits	-	2,516
Due to other funds	<u>983,397</u>	<u>811,791</u>
Total Liabilities	<u>1,023,119</u>	<u>881,506</u>
Fund balance		
Restricted	45,585	45,540
Unassigned	<u>133,186</u>	<u>174,355</u>
Total Fund Balance	<u>178,771</u>	<u>219,895</u>
Total Liabilities and Fund Balance	<u>\$ 1,201,890</u>	<u>\$ 1,101,401</u>

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

General Fund  
Comparative Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Years Ended June 30,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 1,587,955	\$ 1,522,955	\$ 1,535,272	\$ 12,317
Rebate provision	10,000	10,000	6,558	(3,442)
Interest and penalties on taxes	5,000	5,000	5,095	95
Interest	150	150	14	(136)
Rentals	15,000	15,000	18,305	3,305
Beach permits - Residents	17,250	17,250	13,030	(4,220)
Beach permits - Non-residents	15,600	15,600	11,355	(4,245)
Camp fees	3,500	3,500	3,500	-
Miscellaneous	500	500	32,642	32,142
<b>Total Revenues</b>	<b>1,654,955</b>	<b>1,589,955</b>	<b>1,625,771</b>	<b>35,816</b>
<b>EXPENDITURES</b>				
Current				
General government support				
District	25,600	25,600	24,463	1,137
Insurance	77,225	73,725	74,071	(346)
Legal services	4,000	500	441	59
Audit	14,000	14,000	11,493	2,507
Administrative expenses	51,380	39,385	39,118	267
Technology	10,776	10,776	13,885	(3,109)
	<b>182,981</b>	<b>163,986</b>	<b>163,471</b>	<b>515</b>
Public safety				
Fire department	62,100	34,900	35,700	(800)
Rebates to firefighters	10,000	10,000	6,558	3,442
Fire hydrant rental	7,500	7,500	7,560	(60)
Fire marshal expense	2,440	2,440	1,872	568
	<b>82,040</b>	<b>54,840</b>	<b>51,690</b>	<b>3,150</b>
Transportation				
Municipal parking lot	17,900	7,900	8,328	(428)
Culture and recreation				
Nelville Bayley Park	33,200	40,700	44,675	(3,975)
Community center	88,950	84,950	106,968	(22,018)
Library	187,000	187,000	187,000	-
Arts center	2,700	2,700	4,231	(1,531)
Witch Lane Park	500	500	-	500
Pinkney Park	46,250	26,250	26,554	(304)
	<b>358,600</b>	<b>342,100</b>	<b>369,428</b>	<b>(27,328)</b>

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,411,979	\$ 1,411,979	\$ 1,456,314	\$ 44,335
12,000	12,000	9,653	(2,347)
5,700	5,700	5,335	(365)
150	150	44	(106)
35,000	35,000	18,430	(16,570)
17,250	17,250	15,185	(2,065)
15,600	15,600	11,715	(3,885)
1,750	1,750	1,750	-
300	300	1,125	825
<u>1,499,729</u>	<u>1,499,729</u>	<u>1,519,551</u>	<u>19,822</u>
15,350	60,350	58,973	1,377
72,171	72,171	70,337	1,834
5,000	5,000	3,267	1,733
12,875	12,875	9,243	3,632
50,120	50,120	56,075	(5,955)
3,500	3,500	6,985	(3,485)
<u>159,016</u>	<u>204,016</u>	<u>204,880</u>	<u>(864)</u>
65,390	65,390	57,070	8,320
12,000	12,000	9,653	2,347
7,500	7,500	7,560	(60)
2,440	2,440	2,466	(26)
<u>87,330</u>	<u>87,330</u>	<u>76,749</u>	<u>10,581</u>
<u>16,300</u>	<u>16,300</u>	<u>11,009</u>	<u>5,291</u>
31,700	31,700	28,810	2,890
51,530	51,530	52,959	(1,429)
181,500	181,500	181,500	-
2,700	2,700	2,908	(208)
500	500	-	500
53,350	53,350	22,065	31,285
<u>321,280</u>	<u>321,280</u>	<u>288,242</u>	<u>33,038</u>

(Continued)

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

General Fund  
Comparative Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Continued)  
Years Ended June 30,

	2015			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Current				
Home and community services				
Refuse collection	\$ 159,500	\$ 159,500	\$ 160,500	\$ (1,000)
Street lighting	38,000	38,000	39,031	(1,031)
Disposal fees	160,000	155,000	169,588	(14,588)
	<u>357,500</u>	<u>352,500</u>	<u>369,119</u>	<u>(16,619)</u>
Community grants	<u>72,287</u>	<u>32,287</u>	<u>32,287</u>	<u>-</u>
Employee benefits	<u>301,772</u>	<u>317,267</u>	<u>317,986</u>	<u>(719)</u>
Debt service				
Principal	108,372	108,372	108,370	2
Interest	42,503	39,703	39,610	93
	<u>150,875</u>	<u>148,075</u>	<u>147,980</u>	<u>95</u>
Total Expenditures	<u>1,523,955</u>	<u>1,418,955</u>	<u>1,460,289</u>	<u>(41,334)</u>
Excess of Revenues Over Expenditures	131,000	171,000	165,482	(5,518)
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(131,000)</u>	<u>(206,606)</u>	<u>(206,606)</u>	<u>-</u>
Net Change in Fund Balance	-	(35,606)	(41,124)	(5,518)
<b>FUND BALANCE</b>				
Beginning of Year	<u>-</u>	<u>35,606</u>	<u>219,895</u>	<u>184,289</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,771</u>	<u>\$ 178,771</u>

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 169,000	\$ 169,000	\$ 155,833	\$ 13,167
40,000	40,000	37,104	2,896
<u>170,000</u>	<u>170,000</u>	<u>160,493</u>	<u>9,507</u>
379,000	379,000	353,430	25,570
18,237	18,237	18,237	-
<u>287,377</u>	<u>287,377</u>	<u>286,228</u>	<u>1,149</u>
81,367	81,367	108,063	(26,696)
<u>46,822</u>	<u>46,822</u>	<u>43,483</u>	<u>3,339</u>
128,189	128,189	151,546	(23,357)
<u>1,396,729</u>	<u>1,441,729</u>	<u>1,390,321</u>	<u>51,408</u>
103,000	58,000	129,230	71,230
<u>(103,000)</u>	<u>(243,000)</u>	<u>(243,000)</u>	<u>-</u>
-	(185,000)	(113,770)	71,230
-	185,000	333,665	148,665
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,895</u>	<u>\$ 219,895</u>

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Parking Fund  
 Comparative Balance Sheet  
 June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 335,491	\$ 312,544
Accounts receivable	-	1,300
 Total Assets	 <u>\$ 335,491</u>	 <u>\$ 313,844</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 7,017	\$ 1,145
Unearned revenues	139,483	123,283
Due to other funds	50,986	55,619
 Total Liabilities	 197,486	 180,047
 Fund balance		
Assigned	 <u>138,005</u>	 <u>133,797</u>
 Total Liabilities and Fund Balance	 <u>\$ 335,491</u>	 <u>\$ 313,844</u>

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Parking Fund  
 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
 Years Ended June 30,

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Parking fees	\$ 211,023	\$ 212,992
Interest	162	138
Miscellaneous	<u>-</u>	<u>35</u>
Total Revenues	211,185	213,165
<b>EXPENDITURES</b>		
Current		
Transportation	<u>206,977</u>	<u>209,786</u>
Excess of Revenues Over Expenditures	4,208	3,379
<b>FUND BALANCE</b>		
Beginning of Year	<u>133,797</u>	<u>130,418</u>
End of Year	<u><u>\$ 138,005</u></u>	<u><u>\$ 133,797</u></u>

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Capital Project Fund  
Comparative Balance Sheet  
June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 8,721	\$ 24,537
Due from other funds	<u>983,397</u>	<u>861,791</u>
Total Assets	<u>\$ 992,118</u>	<u>\$ 886,328</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 20,140	\$ 18,532
Due to other funds	<u>580,840</u>	<u>580,840</u>
Total Liabilities	600,980	599,372
Fund balance		
Restricted	<u>391,138</u>	<u>286,956</u>
Total Liabilities and Fund Balance	<u>\$ 992,118</u>	<u>\$ 886,328</u>

**Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)**

Capital Projects Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Miscellaneous	\$ 1,250	\$ -
<b>EXPENDITURES</b>		
Capital outlay	<u>103,674</u>	<u>196,835</u>
Deficiency of Revenues Over Expenditures	<u>(102,424)</u>	<u>(196,835)</u>
<b>OTHER FINANCING SOURCES</b>		
Sale of property	-	6,000
Transfers in	<u>206,606</u>	<u>243,000</u>
Total Other Financing Sources	<u>206,606</u>	<u>249,000</u>
Net Change in Fund Balance	104,182	52,165
<b>FUND BALANCE</b>		
Beginning of Year	<u>286,956</u>	<u>234,791</u>
End of Year	<u>\$ 391,138</u>	<u>\$ 286,956</u>

**Sixth Taxing District**  
**City of Norwalk, Connecticut (Rowayton)**

Schedule of General Fund Tax Collector's Activity  
 Year Ended June 30, 2015

Grand List Year	Uncollected Taxes at June 30, 2013	(+) Net Abatements	(+) (-) Net Adjustments	(-) Taxes Collected	Net Taxes Receivable (Payable) at June 30, 2015	Interest Collected
1999	\$ (763)	\$ -	\$ (763)	\$ -	\$ -	\$ -
2000	(1,436)	-	-	-	(1,436)	-
2001	(1,496)	-	-	-	(1,496)	-
2002	(1,373)	-	-	-	(1,373)	-
2003	(1,619)	-	-	-	(1,619)	-
2004	(739)	-	-	-	(739)	-
2005	(727)	(12)	-	-	(739)	-
2006	(534)	(93)	-	-	(627)	-
2007	(623)	(155)	-	-	(778)	-
2008	(1,365)	-	-	-	(1,365)	-
2009	(1,575)	-	-	5	(1,580)	2
2010	(52)	(433)	(319)	(47)	(119)	10
2011	377	(477)	(629)	2,223	(1,694)	674
2012	7,582	(581)	362	5,858	781	1,098
	(4,343)	(1,751)	(1,349)	8,039	(12,784)	1,784
2013	1,563,893	(606)	539	1,554,480	8,063	3,311
	<u>\$ 1,559,550</u>	<u>\$ (2,357)</u>	<u>\$ (810)</u>	<u>\$ 1,562,519</u>	<u>\$ (4,721)</u>	<u>\$ 5,095</u>

Sixth Taxing District  
City of Norwalk, Connecticut (Rowayton)

Schedule of Debt Limitation  
June 30, 2015

Receipts - Year ended June 30, 2015					
Taxes, interest and penalties on taxes and rebate provision					<u>\$ 1,546,925</u>
Base					<u>\$ 1,546,925</u>
	<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>
Debt Limitation:					
2-1/4 times base	\$ 3,480,581	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	6,961,163	-	-	-
3-3/4 times base	-	-	5,800,969	-	-
3-1/4 times base	-	-	-	5,027,506	-
3 times base	-	-	-	-	4,640,775
Total Limitation	3,480,581	6,961,163	5,800,969	5,027,506	4,640,775
Indebtedness -					
Loans outstanding	<u>1,097,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Limitation Over					
Indebtedness at					
June 30, 2015	<u>\$ 2,382,961</u>	<u>\$ 6,961,163</u>	<u>\$ 5,800,969</u>	<u>\$ 5,027,506</u>	<u>\$ 4,640,775</u>

Note - The total indebtedness for all classes cannot exceed seven times the base, or \$10,828,475. The category of debt pertinent to the District's operations is restricted to 2.25 times, or \$3,480,581.

