

**TOWN OF NEW CANAAN,
CONNECTICUT**

FINANCIAL REPORT
June 30, 2011

TOWN OF NEW CANAAN, CONNECTICUT

FINANCIAL REPORT

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis.....	3-9

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Assets.....	11
Statement of Activities	12

Fund Financial Statements:

Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)– Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Assets – Proprietary Funds.....	16
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Assets – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	20
Notes to Financial Statements	21-50

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Pension Trust Funds.....	51
Schedule of Employer Contributions – Pension Trust Funds	51
Schedule of Funding Progress - OPEB.....	52
Schedule of Employer Contributions - OPEB.....	52
Statement of Revenues and Expenditures – Budget and Actual – Budgetary Basis - General Fund.....	53
Note to Required Supplementary Information.....	54

TOWN OF NEW CANAAN, CONNECTICUT

FINANCIAL REPORT

TABLE OF CONTENTS

	<u>Page</u>
SUPPLEMENTAL AND COMBINING INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES	
<u>GENERAL FUND</u>	
General Fund Revenues – Budgetary Basis – Budget and Actual	55-57
General Fund Expenditures and Other Financing Uses – Budgetary Basis – Budget and Actual.....	58-59
<u>NONMAJOR GOVERNMENTAL FUNDS</u>	
Combining Balance Sheet.....	62-64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits).....	66-68
<u>NONMAJOR ENTERPRISE FUNDS</u>	
Statement of Net Assets.....	69
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	70
Combining Statement of Cash Flows.....	71
<u>PRIVATE PURPOSE TRUST FUNDS</u>	
Combining Statement of Net Assets – Private Purpose Trust Funds	73
Combining Statement of Changes in Net Assets – Private Purpose Trust Funds	74
<u>AGENCY FUNDS</u>	
Statement of Changes in Assets and Liabilities - Agency Funds.....	75
<u>CAPITAL ASSET SCHEDULES</u>	
Schedule By Category	77
Schedule By Function and Activity.....	78
Schedule of Changes By Function and Activity	79

TOWN OF NEW CANAAN, CONNECTICUT

FINANCIAL REPORT

TABLE OF CONTENTS

	<u>Page</u>
<u>OTHER SCHEDULES</u>	
Balance Sheet – By Account – General Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balance – By Account – General Fund	82
Schedule of Property Taxes Levied, Collected and Outstanding – General Fund	83-84
Schedule of Property Taxes Levied, Collected and Outstanding – Sewer Taxing District Fund	86-87

INDEPENDENT AUDITOR'S REPORT

To the Honorable First Selectman
and Members of the Town Council
Town of New Canaan, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Canaan, Connecticut (the "Town"), as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of New Canaan's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Canaan, Connecticut, as of June 30, 2011, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 13 and 14 to the basic financial statements, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting of governmental funds' fund balance classifications and restated the General Fund, the Nonmajor Governmental Funds' and the Enterprise Funds' beginning fund balances.

In accordance with "Government Auditing Standards," we have also issued our report dated January 27, 2012 on our consideration of the Town of New Canaan, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis, the schedules of funding progress, the schedules of employer contributions for pensions and other post-employment benefits and the general fund budgetary comparison information 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 Town's basic financial statements. The budgetary detail and combining and individual nonmajor fund statements, capital asset schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail and 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.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 27, 2012

**Town of New Canaan, Connecticut
Management's Discussion and Analysis
June 30, 2011**

As management of the Town of New Canaan, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements that follow this section.

Financial Highlights – Primary Government

The assets of the Town of New Canaan exceeded its liabilities on June 30, 2011 by \$118,511,405 (net assets). Of this amount, \$19,862,533 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net assets increased by \$2,469,415. The Town received \$538,930 in capital grant contributions and better than expected revenues in taxes. The Town's governmental funds reported combined ending fund balances of \$22,890,858.

At June 30, 2011 the unassigned fund balance of the general fund was \$14,639,863 or approximately 12.4% of general fund budgetary expenditures. In addition, the General Fund had \$4,166,418 of assigned fund balance and \$145,332 of nonspendable fund balance.

The Town's total bonded debt increased by \$7,312,683 during the year. The increase resulted from a bonding net of principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements have three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as useful indicators of improvement or deterioration of the Town's financial position.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally 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). The governmental activities of the Town include general government, education, public safety, public works, human services and parks and recreation activities. Business-type activities consist of the Railroad, the Property Rental Fund, the Waveny Pool Fund and the Movie Theater. The Board of Education's Employee Health Insurance Fund is an internal service fund which adheres to the accounting principles of a business-type activity. However, because its purpose is to account for employee medical insurance, its assets, liabilities, revenues and expenses are included in the "Governmental Activities" sections in the statement of net assets and statement of activities.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements. A fund is a group of related, self-balancing accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of New Canaan, 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 Town 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 Town of New Canaan maintains nineteen (19) 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 and Federal and State Grants, which are considered to be a major funds. Six (6) Special Revenue Funds, ten (10) Capital Project Funds and one (1) Permanent Fund are combined into aggregate funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget. This statement can be found on page 53 as required supplementary information.

The basic governmental fund financial statements can be found on pages 13-14 of this report.

Proprietary funds. Unlike governmental funds, the measurement focus of proprietary funds is on total economic resources. Accordingly, the individual fund statements will reflect transactions and events that increase or decrease net assets. The Town maintains four enterprise funds to account for the activities of the Railroad Fund, the Property Rental Fund, the Waveny Pool Fund and the Movie Theater. Additionally, one internal service fund is used to account for the Board of Education's medical insurance. Internal service funds are an accounting device used to accumulate and allocate intra-governmental costs. Because these activities serve the governmental entity itself, rather than external parties, they have been included within governmental activities in the government-wide financial statements.

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 Railroad Fund, Property Rental Fund, the Waveny Pool Fund and the Movie Theater, and Board of Education Medical Insurance Fund.

The basic proprietary fund financial statements can be found on pages 16-18 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 statements because the resources of these funds are not available to support the Town of New Canaan's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's fiduciary funds are the New Canaan Employees' Retirement Fund, a Private Purpose Trust Fund and Agency Funds.

The basic fiduciary fund financial statements can be found on pages 19-20 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 start on page 21 of this report.

Required Supplementary Information. The required supplementary information to this report contains certain information concerning the Town's progress in funding its obligation to provide pension and other post-employment benefits to its employees, and budgetary comparison information for the Town's General Fund.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of New Canaan, assets exceeded liabilities by \$118,511,405 at the close of the most recent fiscal year.

TOWN OF NEW CANAAN, CONNECTICUT STATEMENT OF NET ASSETS

	June 30, 2011			June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 49,088,841	\$ 512,161	\$ 49,601,002	\$ 37,783,915	\$ 149,564	\$ 37,933,479
Non-current	1,827,018	-	1,827,018	2,157,272	-	2,157,272
Capital assets	225,472,642	103,030	225,575,672	221,745,972	103,030	221,849,002
Total Assets	276,388,501	615,191	277,003,692	261,687,159	252,594	261,939,753
Current liabilities	20,714,485	353,940	21,068,425	19,014,253	28,891	19,043,144
Long-term liabilities outstanding	137,423,862	-	137,423,862	126,854,619	-	126,854,619
Total Liabilities	158,138,347	353,940	158,492,287	145,868,872	28,891	145,897,763
Net assets:						
Invested in capital assets, net of related debt	97,881,549	103,030	97,984,579	97,952,587	103,030	98,055,617
Restricted	664,293	-	664,293	-	-	-
Unrestricted	19,704,312	158,221	19,862,533	17,865,700	120,673	17,986,373
Total Net Assets	\$ 118,250,154	\$ 261,251	\$ 118,511,405	\$ 115,818,287	\$ 223,703	\$ 116,041,990

A large portion of the Town's net assets (83%) 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 Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town 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.

The Town has restricted net assets of \$664,293 for principally Board of Education programs.

The remaining balance of governmental unrestricted net assets, \$19,862,533, may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The same situation holds true for the prior fiscal year.

Governmental activities. Governmental activities increased the Town's net assets by \$2,676,298, thereby accounting for a 2.3% growth.

**TOWN OF NEW CANAAN, CONNECTICUT
STATEMENT OF ACTIVITIES**

	Year Ended					
	June 30, 2011			June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,774,233	\$ 576,444	\$ 8,350,677	\$ 7,035,521	\$ 148,800	\$ 7,184,321
Operating Grants and contributions	10,208,466	-	10,208,466	11,740,828	-	11,740,828
Capital Grants and contributions	538,930	-	538,930	401,963	-	401,963
General Revenues:						
Property Taxes	111,436,914	-	111,436,914	109,344,950	-	109,344,950
Grants and contributions not restricted to specific programs	244,076	-	244,076	183,732	-	183,732
Other	304,790	(57,445)	247,345	325,271	1,700	326,971
Total revenues	130,507,409	518,999	131,026,408	129,032,265	150,500	129,182,765
Expenses:						
General Government	12,702,229	-	12,702,229	10,909,460	-	10,909,460
Public Safety	10,405,453	-	10,405,453	9,455,117	-	9,455,117
Public Works	9,030,067	-	9,030,067	9,538,932	-	9,538,932
Public Health	460,466	-	460,466	429,576	-	429,576
Education	85,991,025	-	85,991,025	83,352,920	-	83,352,920
Parks and Recreation	1,387,523	-	1,387,523	1,560,467	-	1,560,467
Payments to Others	2,626,090	-	2,626,090	2,432,650	-	2,432,650
Operation of Plant	1,116,728	-	1,116,728	1,082,178	-	1,082,178
Interest on Long-term Debt	4,111,530	-	4,111,530	4,773,955	-	4,773,955
Railroad	-	135,176	135,176	-	177,836	177,836
Property Rental	-	647	647	-	6,374	6,374
Pool	-	470,331	470,331	-	-	-
Movie	-	119,728	119,728	-	-	-
Total expenses	127,831,111	725,882	128,556,993	123,535,255	184,210	123,719,465
Change in net assets	2,676,298	(206,883)	2,469,415	5,497,010	(33,710)	5,463,300
Net assets – beginning, as restated, (Note 13)	115,573,856	468,134	116,041,990	110,321,277	257,413	110,578,690
Net assets - ending	\$ 118,250,154	\$ 261,251	\$ 118,511,405	\$ 115,818,287	\$ 223,703	\$ 116,041,990

Major revenue factors include:

For governmental activities, more than \$111 million or 85% of the revenues were derived from property taxes (up from \$109 million in the prior year), followed by \$18.5 million from program revenues, (\$19.1 million in the prior year). The remaining revenue is consistent with the prior year. The Town received approximately \$.5 million in capital grants from the State for various building projects.

Major expense factors include:

For governmental activities, \$86.0 million of the Town's expenditures relate to education, \$10.4 million relates to public safety, \$12.7 million for general government, \$9.0 million for public works, \$1.4 million for parks and recreation, \$4.1 million for interest on long-term debt.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town'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 fiscal year, the Town's governmental funds reported combined ending fund balances of \$22,890,858; of the total fund balance \$14,004,020 (61%) is unassigned. The remainder of fund balance, \$8,886,838, is either assigned, committed or nonspendable.

General fund. At the end of the current fiscal year, the fund balance of the General Fund is \$18,951,613 of which \$14,639,863 is unassigned; \$4,166,418 is assigned, of which \$2,878,282 is assigned for fiscal 2012. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance of \$14,639,863 is approximately 11.7% of expenditures, while the total fund balance is 15.1% of expenditures.

The fund balance decreased by \$1,712,038 primarily due to a transfer to the capital project funds.

Federal and State Grants Fund. This fund accounts for revenues from federal and state grants for education. Revenues and expenses were \$2,843,625 as compared to \$4,307,611 from the prior year.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget (budgetary basis) was \$4,648,342. The following table summarizes the operating result.

	Original Budget	Amended Budget	Actual	Positive (Negative) Variance
Revenues	\$ 116,377,442	\$ 116,377,442	\$ 119,462,190	\$ 3,084,748
Expenditures	(118,849,317)	(121,597,659)	(118,156,374)	(3,441,285)
Other Financing Uses	(76,125)	(1,976,125)	(1,976,125)	-
Result	\$ (2,548,000)	\$ (7,196,342)	\$ (670,309)	\$ 6,526,033

- The original budget was amended for the following purposes: operating transfers out of \$1,900,000 and special appropriations of \$1,720,395.
- Property tax revenues recorded for the fiscal year 2011 reflect a higher than budgeted collection rate and increase in supplemental tax billing due to construction and renovations.
- Capital outlay expenditures were favorable when compared to budget primarily due to lower than anticipated construction costs and the timing of projects.
- Debt service costs were lower than budget due to lower interest costs from a refunding.

Details of budget variances are shown on pages 55 through 59 of this report.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets as of June 30, 2010, is \$225,575,672 (net of accumulated depreciation). This investment includes land, buildings and other improvements to land, machinery and equipment, roads, highways, bridges, and other infrastructure. Major capital asset additions during the current fiscal year were principally attributable to road paving and the acquisition of the movie theater.

TOWN OF NEW CANAAN, CONNECTICUT
CAPITAL ASSETS (Net of Depreciation)

	June 30, 2011			June 30, 2010		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 71,304,044	\$ 103,030	\$ 71,407,074	\$ 71,304,044	\$ 103,030	\$ 71,407,074
Land improvements	5,565,848	-	5,565,848	4,340,238	-	4,340,238
Buildings and other improvements	114,792,218	-	114,792,218	92,885,162	-	92,885,162
Machinery and equipment	6,511,842	-	6,511,842	5,544,620	-	5,544,620
Infrastructure	25,455,946	-	25,455,946	20,473,890	-	20,473,890
Construction in Progress	182,652	-	182,652	24,869,641	-	24,869,641
Vehicles	1,660,092	-	1,660,092	2,328,377	-	2,328,377
Total	<u>\$ 225,472,642</u>	<u>\$ 103,030</u>	<u>\$ 225,575,672</u>	<u>\$ 221,745,972</u>	<u>\$ 103,030</u>	<u>\$ 221,849,002</u>

Additional information on the Town's capital assets can be found in Note 6.

Long-term debt. At the end of the fiscal year, the Town had total bonded debt outstanding of \$128,526,098 all of which is backed by the full faith and credit of the government.

Town of New Canaan, Connecticut
Changes in Bonded Debt During Fiscal 2011

	<u>Bonds</u>
Outstanding at June 30, 2010	\$ 121,213,415
Issuance of bonds	32,830,000
Bond principal payments	<u>(25,517,317)</u>
Outstanding at June 30, 2011	<u>\$ 128,526,098</u>

The Town maintains an "AAA" rating from Moody's Investors Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. At June 30, 2011 debt limitation for the Town is \$789,630,308, which is significantly in excess of the Town's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

The Net Taxable Grand List of October 1, 2009 on which the fiscal 2011 mill rate was based was \$8,189,245,010, an increase of approximately .6% over the October, 2008 Grand List.

Inflationary trends in the region compare favorably to national indices.

The Town receives relatively little state aid in comparison to other Connecticut municipalities. As a result, the Town is considerably insulated from the impact of State revenue shortfalls and corresponding cuts in state grants to municipalities.

Primarily a residential community, wealth and income indicators for the Town are among the strongest in the state. Based on 2000 census figures, median family income and per capita income for the Town are approximately twice that of the same categories for Fairfield County as a whole.

For fiscal 2011, collection of current property taxes, on the modified accrual basis, was 99.4% of the adjusted tax levy. Back tax collections were 52.8% of the adjusted receivable outstanding on July 1, 2010.

All of these factors were considered in preparing the Town of New Canaan's fiscal 2012 General Fund budget.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Finance Department, Town of New Canaan, 77 Main Street, New Canaan, CT 06840, (203)-594-3024.

This page intentionally left blank.

Basic Financial Statements

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 31,771,252	\$ 508,331	\$ 32,279,583
Investments	14,482,174	-	14,482,174
Receivables, net of allowances for collection losses:			
Property taxes	1,625,643	-	1,625,643
Other	1,039,066	3,830	1,042,896
Inventories	25,374	-	25,374
Prepays	145,332	-	145,332
OPEB asset	160,365	-	160,365
Federal and state governmental receivables	1,666,653	-	1,666,653
Capital assets, non-depreciable	71,486,696	103,030	71,589,726
Capital assets, net of accumulated depreciation	153,985,946	-	153,985,946
Total assets	276,388,501	615,191	277,003,692
Liabilities			
Accounts payable and accrued liabilities	13,232,105	155,051	13,387,156
Internal balances	(7,745)	7,745	-
Accrued interest payable	1,145,692	-	1,145,692
Unearned revenues	6,344,433	191,144	6,535,577
Noncurrent liabilities:			
Due within one year	9,110,307	-	9,110,307
Due in more than one year	128,313,555	-	128,313,555
Total liabilities	158,138,347	353,940	158,492,287
Net Assets			
Investment in capital assets, net of related debt	97,881,549	103,030	97,984,579
Restricted	664,293	-	664,293
Unrestricted	19,704,312	158,221	19,862,533
Total net assets	\$ 118,250,154	\$ 261,251	\$ 118,511,405

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

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (12,702,229)	\$ 1,831,582	\$ 364,489	\$ -	\$ (10,506,158)	\$ -	\$ (10,506,158)
Public safety and protection	(10,405,453)	1,183,925	-	-	-	-	-
Operation of plant	(1,116,728)	1,930,579	-	-	-	-	-
Public works	(9,030,067)	639,202	-	400,232	-	-	-
Public health	(460,466)	-	-	-	-	-	-
Education	(85,991,025)	1,877,149	9,843,977	138,698	-	-	-
Payments to others	(2,626,090)	-	-	-	-	-	-
Parks and recreation	(1,387,523)	311,796	-	-	-	-	-
Interest on long-term debt	(4,111,530)	-	-	-	-	-	-
Total governmental activities	(127,831,111)	7,774,233	10,208,466	538,930	(109,309,482)	-	(109,309,482)
Business-type activities:							
Railroad	(135,176)	123,904	-	-	-	(11,272)	(11,272)
Property rental	(647)	9,600	-	-	-	8,953	8,953
Pool	(470,331)	336,525	-	-	-	(133,806)	(133,806)
Movie	(119,728)	106,415	-	-	-	(13,313)	(13,313)
Total business-type activities	(725,882)	576,444	-	-	-	(149,438)	(149,438)
Total primary government	\$ (128,556,993)	\$ 8,350,677	\$ 10,208,466	\$ 538,930	(109,309,482)	(149,438)	(109,458,920)
General revenues:							
Property taxes					111,436,914	-	111,436,914
Grants and contributions not restricted to specific programs					244,076	-	244,076
Unrestricted investment earnings					244,790	2,555	247,345
Transfers					60,000	(60,000)	-
Total general revenues					111,985,780	(57,445)	111,928,335
Change in net assets					2,676,298	(206,883)	2,469,415
Net assets - beginning, as restated (Note 13)					115,573,856	468,134	116,041,990
Net assets - ending					\$ 118,250,154	\$ 261,251	\$ 118,511,405

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

TOWN OF NEW CANAAN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	Major Funds			Total Governmental Funds
	General Fund	Federal and State Grants	Non-Major Governmental Funds	
Assets				
Cash and cash equivalents	\$ 16,113,330	\$ 4,546,717	\$ 7,591,792	\$ 28,251,839
Investments	11,478,996	-	-	11,478,996
Receivables, net of allowances for collection losses:				
Property taxes	1,625,643	-	-	1,625,643
Intergovernmental and other	2,283,238	-	129,481	2,412,719
Inventories and Prepaids	145,332	-	25,374	170,706
Due from other funds	1,509,652	-	14,360	1,524,012
Total assets	\$ 33,156,191	\$ 4,546,717	\$ 7,761,007	\$ 45,463,915
Liabilities				
Accounts payable and accruals	\$ 10,367,548	\$ -	\$ 1,135,078	\$ 11,502,626
Due to other funds	78,704	16,317	1,469,596	1,564,617
Deferred revenues	3,161,381	-	-	3,161,381
Unearned revenues	596,945	4,530,400	1,217,088	6,344,433
Total liabilities	14,204,578	4,546,717	3,821,762	22,573,057
Fund Balances				
Nonspendable	145,332	-	25,374	170,706
Restricted	-	-	664,293	664,293
Committed	-	-	3,801,284	3,801,284
Assigned	4,166,418	-	84,137	4,250,555
Unassigned	14,639,863	-	(635,843)	14,004,020
Total fund balances	18,951,613	-	3,939,245	22,890,858
Total liabilities and fund balances	\$ 33,156,191	\$ 4,546,717	\$ 7,761,007	

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

Capital assets purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	225,472,642
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds.	3,161,381
Internal service funds are used by management to charge the costs of BOE Health Insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,134,462
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(137,423,862)
Accrued interest payable	(1,145,692)
OPEB asset	160,365

Net assets of governmental activities \$ 118,250,154

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

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2011

	Major Funds		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Federal and State Grants		
REVENUES				
Property taxes	\$ 111,935,834	\$ -	\$ -	\$ 111,935,834
Sewer assessments and usage	-	-	1,194,104	1,194,104
Intergovernmental	7,694,430	2,843,625	459,784	10,997,839
Licenses and permits	782,287	-	30,829	813,116
Income from investments	228,976	-	15,814	244,790
Fines and forfeitures	281,185	-	-	281,185
Use of money and property	1,188,321	-	-	1,188,321
Charges for services	2,616,134	-	1,877,149	4,493,283
Reimbursements and refunds	287,049	-	-	287,049
Total revenues	125,014,216	2,843,625	3,577,680	131,435,521
EXPENDITURES				
Current:				
General government	10,411,265	-	522,190	10,933,455
Public safety and protection	9,175,472	-	-	9,175,472
Operation of plant	-	-	1,116,728	1,116,728
Public works	7,259,808	-	-	7,259,808
Social services	460,466	-	-	460,466
Parks and recreation	1,273,928	-	-	1,273,928
Education	77,196,076	2,843,625	2,114,651	82,154,352
Payments to others	2,626,090	-	-	2,626,090
Debt service	12,663,640	-	92,599	12,756,239
Bond issuance cost	82,000	-	-	82,000
Capital outlay	4,088,383	-	6,459,793	10,548,176
Total expenditures	125,237,128	2,843,625	10,305,961	138,386,714
Revenues over (under) expenditures	(222,912)	-	(6,728,281)	(6,951,193)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,532,647	2,532,647
Transfers out	(1,976,125)	-	(496,522)	(2,472,647)
Bond proceeds	-	-	16,500,000	16,500,000
Payments to escrow agent	(17,586,200)	-	-	(17,586,200)
Bond premium	1,338,199	-	-	1,338,199
Refunding bond proceeds	16,330,000	-	-	16,330,000
Proceeds from capital leases	405,000	-	-	405,000
Total other financing sources (uses)	(1,489,126)	-	18,536,125	17,046,999
Net Change in fund balances (deficits)	(1,712,038)	-	11,807,844	10,095,806
FUND BALANCES (DEFICITS), beginning, as restated (Note 13)	20,663,651	-	(7,868,599)	12,795,052
FUND BALANCES, ending	\$ 18,951,613	\$ -	\$ 3,939,245	\$ 22,890,858

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

TOWN OF NEW CANAAN, 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, 2011**

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

Net change in fund balances – total governmental funds \$ 10,095,806

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. 3,726,670

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (728,112)

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. (8,117,957)

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. (2,541,153)

The net revenue of certain activities of internal service funds is reported with governmental activities. 241,044

Change in net assets of governmental activities \$ 2,676,298

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

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities <u>Enterprise Funds</u>	Governmental Activities <u>Internal Service Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 508,331	\$ 3,519,413
Investments, at fair value:		
U.S. government securities	-	3,003,178
Receivables, net of allowances for collection losses	3,830	293,000
Total current assets	<u>512,161</u>	<u>6,815,591</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	103,030	-
Total noncurrent assets	<u>103,030</u>	<u>-</u>
Total assets	<u>615,191</u>	<u>6,815,591</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	155,051	1,681,129
Due to other funds	7,745	-
Unearned revenue	191,144	-
Total current liabilities	<u>353,940</u>	<u>1,681,129</u>
NET ASSETS		
Invested in capital assets	103,030	-
Unrestricted	158,221	5,134,462
Total net assets	<u>\$ 261,251</u>	<u>\$ 5,134,462</u>

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

TOWN OF NEW CANAAN, CONNECTICUT

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

For the Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Parking meters and rent	\$ 133,504	\$ -
Charges for services	442,940	12,029,273
Total operating revenues	<u>576,444</u>	<u>12,029,273</u>
OPERATING EXPENSES		
Costs of services	725,882	-
Claims incurred	-	9,697,911
Administration	-	581,609
Purchased insurance	-	1,486,906
Service fees	-	50,659
Total operating expenses	<u>725,882</u>	<u>11,817,085</u>
Operating (loss) income	<u>(149,438)</u>	<u>212,188</u>
NONOPERATING REVENUES		
Interest income	2,555	28,856
(Loss) income before transfers out	(146,883)	241,044
Transfers out	(60,000)	-
Change in net assets	(206,883)	241,044
FUND NET ASSETS, beginning, as restated (Note 13)	<u>468,134</u>	<u>4,893,418</u>
FUND NET ASSETS, ending	<u>\$ 261,251</u>	<u>\$ 5,134,462</u>

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

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 578,056	\$ 12,029,273
Payments to suppliers and personnel	(695,051)	(11,922,491)
Net cash (used in) provided by operating activities	<u>(116,995)</u>	<u>106,782</u>
Cash Flows From Investing Activities		
Interest received on investments	2,555	28,856
Purchase of Investments	-	(3,182)
Net cash provided by investing activities	<u>2,555</u>	<u>25,674</u>
Cash Flows From Noncapital and Related Financing Activities		
Transfers to other funds	(60,000)	-
Net cash used in noncapital and related financing activities	<u>(60,000)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(174,440)	132,456
Cash and Cash Equivalents		
Beginning	682,771	3,386,957
Ending	<u>\$ 508,331</u>	<u>\$ 3,519,413</u>
Reconciliation of Operating (Loss) Income to Net Cash (Used in) Provided by Operating Activities		
Operating (loss) income	\$ (149,438)	\$ 212,188
Adjustments to reconcile operating (loss) income to cash (used in) provided by operating activities:		
Changes in assets and liabilities:		
Decrease in accounts receivable	1,612	-
Increase (decrease) in accrued expenses	23,551	(105,406)
Increase in due to other funds	7,745	-
Decrease in unearned revenue	(465)	-
Net cash (used in) provided by operating activities	<u>\$ (116,995)</u>	<u>\$ 106,782</u>

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

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2011

	Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 3,373	\$ 395,205	\$ 932,391
Investments, at fair value			
U.S. government securities	19,197,792	-	-
Mutual funds - equity	91,500,075	266,465	-
Common stock	-	526,505	-
	<u>110,697,867</u>	<u>792,970</u>	<u>-</u>
Investment income receivable	27,427	-	-
Other receivables	-	948	15,000
Due from other funds	-	78,704	-
	<u>110,728,667</u>	<u>1,267,827</u>	<u>947,391</u>
Total assets			
	<u>110,728,667</u>	<u>1,267,827</u>	<u>947,391</u>
LIABILITIES			
Due to other funds	26,896	-	3,458
Amount held as agent	-	-	943,933
Total liabilities	<u>26,896</u>	<u>-</u>	<u>947,391</u>
Net Assets Held in Trust for Pension Benefits and Other Purposes	<u>\$ 110,701,771</u>	<u>\$ 1,267,827</u>	<u>\$ -</u>

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

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS

For the Year Ended June 30, 2011

	Trust Funds	Private Purpose Trust Funds
Additions		
Contributions:		
Plan members	\$ 292,102	\$ -
Employer	1,338,729	-
Fees	-	293,630
Total contributions	<u>1,630,831</u>	<u>293,630</u>
Investment Income:		
Dividend and interest	2,306,109	17,380
Net appreciation in fair value of investments	16,863,221	128,441
Total investment income	<u>19,169,330</u>	<u>145,821</u>
Total additions	<u>20,800,161</u>	<u>439,451</u>
Deductions		
Benefits	5,500,150	-
Administrative expenses	369,453	-
Operating expenses	-	18,706
Total deductions	<u>5,869,603</u>	<u>18,706</u>
Change in net assets	14,930,558	420,745
Net Assets		
Beginning of year	<u>95,771,213</u>	<u>847,082</u>
End of year	<u>\$ 110,701,771</u>	<u>\$ 1,267,827</u>

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

TOWN OF NEW CANAAN, CONNECTICUT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2011

Note 1. Summary of Significant Accounting Policies

Reporting entity

The Town of New Canaan, Connecticut (the "Town") was incorporated as a town in 1801. The Town operates under a Town Council, Board of Selectmen and Board of Finance form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, combined in the financial statements of the Town.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus and follow 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 for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting, however, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and assessment revenue, 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 only when cash is received by the Town, or specifically identified.

The Town reports the following major governmental funds:

The *General Fund* is the Town'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 *Federal and State Grants Fund* is used to account for revenues from federal and state grants for education.

Additionally, the Town reports the following fund types:

Proprietary Funds:

The Enterprise Funds - are used to account for operations:

- that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Internal Service Fund accounts for revenues and related expenses of the health insurance plan for employees of the Board of Education.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

Fiduciary Funds:

The *Pension Trust Fund* accounts for the activities of the Town's defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees.

The *Other Post-Employment Benefits Trust Fund* accounts for other post-employment benefits given to Town employees. Income from this fund may only be used for payment of other post-employment benefits, most notably health insurance for Town retirees.

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

The *Agency Funds* account for monies held as a custodian for outside groups and agencies and do not involve measurement of results of operations.

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 the business-type activities and enterprise fund financial statements, subject to this same limitation. The Town 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 the fund's principal ongoing operations. The principal operating revenues of the funds are charges to customers for services and other Town funds for premiums. Operating expenses for the funds include the cost of operations and maintenance, administrative expenses, claim expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Accounting estimates

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

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

Property taxes and sewer assessments

Property taxes are assessed as of October 1, levied on the following July 1, and billed and due in two installments, July 1 and January 1. Taxes less than \$100 are due in full on July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

Sewer assessments are levied and assessed to the users as projects are completed. Assessments are due and payable following the levy. All properties are liened until the assessment is paid in full.

Cash equivalents

The Town considers all certificates of deposit and highly liquid short-term investment funds with original maturities of three months or less, when purchased, to be cash equivalents.

Investments

Investments are stated at fair value, based on quoted market prices. 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 value of the pool shares is reported at amortized cost.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The value of the pool shares is reported at amortized cost.

Allowance for doubtful accounts

Accounts receivable, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$160,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history.

Inventories

Inventories are stated at lower of cost on FIFO method or market. Governmental fund type inventory consists of expendable foods and supplies and is recorded as an expenditure when consumed.

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 interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such 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. Net interest expense incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	50
Infrastructure	20-65
Vehicles	8
Machinery and equipment	5-15

In the governmental fund financial statements, capital outlay (assets) is reported as an expenditure and no depreciation expense is recorded.

Compensated absences

Town 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 amounts expected to be paid (matured), for example, as a result of employee resignations and retirements.

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 Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when paid. Administrative costs are financed through investment earnings.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

Governmental Funds

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of Governmental Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. A net pension asset (obligation) would be recorded as a non-current asset (liability) in the government-wide financial statements.

Funding Policy

The Town funds the contributions to its pension plans based on the actuarially required contribution.

OPEB Accounting

OPEB Trust

Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide the contributions.

Governmental Funds/Activities

In governmental funds, expenditures are recognized when they are paid or expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation (asset), the cumulative difference between annual OPEB cost and the Town's contributions to the plan since 7/1/08, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation/asset (OPEB) is recorded as a noncurrent liability/asset in the government-wide financial statements.

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 budgeted governmental fund types. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

Fund Equity and Net Assets

In the Government-Wide and Proprietary Fund Financial Statements, net assets are classified in the following categories:

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

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

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

In the fund financial statements, the Town reported the following governmental fund balances:

- **Nonspendable Fund Balance** – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed Fund Balance** – This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of New Canaan Town Council).
- **Assigned Fund Balance** – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.
- **Unassigned Fund Balance** – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

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

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

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

Bonds payable	\$ (128,526,098)
Deferred refunding amounts, net	(2,714,682)
Capital leases payable	(670,562)
Compensated absences	(2,179,151)
Landfill closure	(450,000)
Net pension obligation	<u>(2,883,369)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ (137,423,862)</u></u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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

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

Capital outlay	\$ 10,036,243
Depreciation expense	(6,298,950)
Loss on disposal of capital asset	<u>(10,623)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,726,670</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.” The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (32,830,000)
Deferred items	(761,545)
Financing through capital leases	(405,000)
Debt principal and capital lease repayments:	
Principal repayments	25,517,317
Payment of capital lease	<u>361,271</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (8,117,957)</u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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

Changes in accrued liabilities for:	
Compensated absences	\$ 27,083
Landfill closure	405,000
Accrued interest	(41,062)
OPEB asset	(48,805)
Pension obligaton	<u>(2,883,369)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,541,153)</u>

Note 3. Cash and Investments

Deposits: The Town does not have a policy for deposits. The Town also does not have a custodial credit risk policy. However, as a practice, the Town follows State statutes. 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.

Investments: The Town and the Trust Funds do not have a custodial credit risk policy for investments. The Town and the Trust Funds do not have a policy for investments or related credit risk for debt securities, however, it is their practice to follow State statutes. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (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 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.

Interest rate risk: The Town does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, including its Pension Trust, OPEB Trust Fund and Private Purpose Trust Fund. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations or pension payments, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations: The Town, including its Trust Funds, does not have a formal policy that limits the amounts invested in any one issuer. However, its practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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, 2011, \$25,786,354 of the entity's bank balance of \$27,098,503 was uninsured and uncollateralized.

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

Cash and investments of the Town consist of the following at June 30, 2011:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 27,729,674
State of Connecticut Short-Term Investment fund	4,416,049
Cutwater - Connecticut Class Account	1,464,829
Total cash and cash equivalents	<u>33,610,552</u>
Investments	
Trust Funds	
U.S. Government Securities	19,197,792 *
Mutual Funds	91,500,075
	<u>110,697,867</u>
Private Purpose Trust Fund	
Mutual Funds	<u>792,970</u>
Internal Service Fund	
U.S. Government Securities	<u>3,003,178</u> *
General Fund	
U.S. Government Securities	<u>11,478,996</u> *
Total Investments	<u>125,973,011</u>
Total cash, cash equivalents and investments	<u>\$ 159,583,563</u>

* These investments are uninsured and unregistered, with securities held by the counterparty, in the Town's name.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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

Statement of Net Assets	
Cash and cash equivalents	\$ 32,279,583
Investments	14,482,174
Total Statement of Net Assets	<u>46,761,757</u>
Fiduciary Funds:	
Cash and cash equivalents	1,330,969
Investments	111,490,837
	<u>112,821,806</u>
Total cash, cash equivalents and investments	<u>\$ 159,583,563</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 entity'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	5-10 Years	Over 10 Years
Pooled Fixed Income	\$ 5,880,878	\$ 5,880,878	\$ -	\$ -	\$ -
U.S. Government Securities	33,679,966	2,638,361	7,581,628	14,527,260	8,932,717
TOTAL	<u>\$ 39,560,844</u>	<u>\$ 8,519,239</u>	<u>\$ 7,581,628</u>	<u>\$ 14,527,260</u>	<u>\$ 8,932,717</u>

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. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Pooled Income
AAAm	<u>\$ 5,880,878</u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 4. Unearned Revenue/Deferred Revenue

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

	Deferred Revenue	Unearned Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 1,494,728	\$ -
Other receivables	-	596,945
School construction receivable	1,666,653	-
Federal and State Grants		
Grants and other receivables	-	4,530,400
Nonmajor Funds:		
Other receivables	-	1,217,088
	<u>\$ 3,161,381</u>	<u>\$ 6,344,433</u>

Note 5. Interfund Receivables and Payables

As of June 30, 2011, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
Due from:		
General Fund	\$ 1,509,652	\$ 78,704
Federal and State Grants	-	16,317
Non-Major Governmental	14,360	1,469,596
Fiduciary Funds	78,704	30,354
Enterprise Funds	-	7,745
Total	<u>\$ 1,602,716</u>	<u>\$ 1,602,716</u>

Balances resulted principally from the funding of capital and other expenditures by the general fund; in addition, the balances resulted from short-term advances from the General Fund to various other funds.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Interfund transfers during the year ended June 30, 2011 were as follows:

	Transfers From Other Funds	Transfers to Other Funds
General Fund	\$ -	\$ 1,976,125
Non-Major Governmental Funds	2,532,647	496,522
Enterprise Funds	-	60,000
Totals	<u>\$ 2,532,647</u>	<u>\$ 2,532,647</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.

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 71,304,044	\$ -	\$ -	\$ 71,304,044
Construction in progress	24,869,641	43,030	(24,730,019)	182,652
Total capital assets, not being depreciated	<u>96,173,685</u>	<u>43,030</u>	<u>(24,730,019)</u>	<u>71,486,696</u>
Capital assets, being depreciated:				
Land improvements	7,771,722	1,517,355	-	9,289,077
Buildings and improvements	124,183,636	25,245,673	-	149,429,309
Machinery and equipment	13,393,846	1,887,484	-	15,281,330
Vehicles	7,384,160	564,253	(88,700)	7,859,713
Infrastructure	52,347,842	5,508,467	(6,188)	57,850,121
Total capital assets being depreciated	<u>205,081,206</u>	<u>34,723,232</u>	<u>(94,888)</u>	<u>239,709,550</u>
Less accumulated depreciation for:				
Land improvements	3,431,484	291,745	-	3,723,229
Buildings and improvements	31,298,474	3,338,617	-	34,637,091
Machinery and equipment	7,849,226	920,262	-	8,769,488
Vehicles	5,055,783	1,228,103	(84,265)	6,199,621
Infrastructure	31,873,952	520,223	-	32,394,175
Total accumulated depreciation	<u>79,508,919</u>	<u>6,298,950</u>	<u>(84,265)</u>	<u>85,723,604</u>
Total capital assets, being depreciated, net	<u>125,572,287</u>	<u>28,424,282</u>	<u>(10,623)</u>	<u>153,985,946</u>
Governmental activities capital assets, net	<u>\$ 221,745,972</u>	<u>\$ 28,467,312</u>	<u>\$ (24,740,642)</u>	<u>\$ 225,472,642</u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 103,030	\$ -	\$ -	\$ 103,030
Total capital assets, not being depreciated	<u>103,030</u>	<u>-</u>	<u>-</u>	<u>103,030</u>
Capital assets, being depreciated:				
Buildings and improvements	324,102	-	-	324,102
Machinery and equipment	35,385	-	-	35,385
Total capital assets, being depreciated	<u>359,487</u>	<u>-</u>	<u>-</u>	<u>359,487</u>
Less accumulated depreciation for:				
Buildings and improvements	324,102	-	-	324,102
Machinery and equipment	35,385	-	-	35,385
Total accumulated depreciation	<u>359,487</u>	<u>-</u>	<u>-</u>	<u>359,487</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 103,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,030</u>

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

Governmental activities:	
General government	\$ 975,575
Public safety	363,685
Public works	1,712,165
Parks and recreation	113,595
Education	<u>3,133,930</u>
Total depreciation expense – governmental activities	<u>\$ 6,298,950</u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 7. Long-Term Obligations

A summary of changes in outstanding long-term debt during the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 121,213,415	\$ 32,830,000	\$ (25,517,317)	\$ 128,526,098	\$ 8,140,283
Deferred refunding amounts, net	1,953,137	857,940	(96,395)	2,714,682	274,618
Total bonds payable	123,166,552	33,687,940	(25,613,712)	131,240,780	8,414,901
Capital leases	626,833	405,000	(361,271)	670,562	370,406
Landfill post-closure care	855,000	-	(405,000)	450,000	25,000
Compensated absences	2,206,234	-	(27,083)	2,179,151	300,000
Net pension obligation	-	2,883,369	-	2,883,369	-
Governmental activity long-term liabilities	\$ 126,854,619	\$ 36,976,309	\$ (26,407,066)	\$ 137,423,862	\$ 9,110,307

General obligation bonds

As of June 30, 2011, the outstanding general obligation bonded indebtedness of the Town, payable from its governmental activities, was as follows:

	Outstanding Amount
School and Public Improvement Bonds; due 4/1/27; annual principal payments ranging from \$950,000 to \$1,425,000; plus interest, due semi-annually ranging from 3.625% to 4.125%.	\$ 8,075,000
Clean Water Fund bond; issue of \$185,063; due 7/31/13; annual principal payments of \$9,757; plus interest due at 2%	22,480
Clean Water Fund bond; issue of \$12,440,686; due 5/30/19; monthly payments of principal and interest at 2%	5,473,618
School and Public Improvement Bonds; due 6/15/24; annual principal payments ranging from \$15,000 to \$1,405,000; plus interest, due semi-annually ranging from 3.0% to 4.375%.	15,270,000
School and Public Improvement Bond Refunding bond; due 4/1/23; annual principal payments ranging from \$2,600,000 to \$6,480,000; plus interest, due semi-annually ranging from 2.0% to 5.0%.	59,405,000

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

	Outstanding Amount
School and Public Improvement Bond Refunding bond; due 4/1/25; annual principal payments ranging from \$220,000 to \$3,600,000, plus interest, due semi-annually ranging from 2.0% to 5.0%.	23,780,000
School and Public Improvement Bond Refunding bond; due 4/15/31; annual principal payments ranging from \$675,000 to \$1,000,000, plus interest, due semi-annually ranging from 2.0% to 5.0%	16,500,000
	\$ 128,526,098

The Town has pledged its full faith and credit as collateral for its bonded indebtedness. General obligation bonds will be paid from taxes levied on taxable property in the Town.

The following is a summary of general obligation bond debt and Clean Water Fund bond debt maturities:

Year Ending June 30,	Debt Service Requirement		
	Principal	Interest	Total
2012	\$ 8,140,283	\$ 5,310,244	\$ 13,450,527
2013	8,923,509	5,018,867	13,942,376
2014	9,186,811	4,738,909	13,925,720
2015	9,734,435	4,379,966	14,114,401
2016	10,023,250	4,011,751	14,035,001
2017	10,362,342	3,640,457	14,002,799
2018	10,551,426	3,217,960	13,769,386
2019	9,309,042	2,759,240	12,068,282
2020	7,570,000	2,343,620	9,913,620
2021	7,815,000	1,986,151	9,801,151
2022	7,915,000	1,695,589	9,610,589
2023	7,030,000	1,391,989	8,421,989
2024	7,190,000	1,120,039	8,310,039
2025	6,000,000	682,764	6,682,764
2026	2,400,000	286,939	2,686,939
2027	2,400,000	198,907	2,598,907
2028	975,000	110,876	1,085,876
2029	1,000,000	80,626	1,080,626
2030	1,000,000	48,750	1,048,750
2031	1,000,000	16,250	1,016,250
Total	\$ 128,526,098	\$ 43,039,894	\$ 171,565,992

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

2010 General Obligation Bond – In-substance Defeasance

In July 2010, the Town issued \$16,330,000 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 Town dated March 15, 2005 (the "Refunding Bonds"). Of the net proceeds of \$17,734,418 (after payment of \$148,219 in underwriters fees and other costs), \$17,586,200 was placed in an irrevocable trust fund under an Escrow Agreement dated July 2010 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1.0 million, and a savings of approximately \$1.2 million between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$16 million at June 30, 2011. The balance of the defeased bonds was approximately \$16 million at June 30, 2011. 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 Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase 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 Town's government-wide financial statements. As of June 30, 2011, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements, is approximately \$42 million.

Capital lease obligations

The Town has various capital leases in which they acquire capital assets. Interest rates on these leases range from 3.58% to 3.66%. The capital leases are for various computer equipment. The leases are payable in monthly installments through 2013. Original cost of capital assets under such lease agreements are as follows:

Machinery and equipment	\$ 2,195,000
Accumulated depreciation	(466,700)
Net book value	<u>\$ 1,728,300</u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Future minimum lease payments under capital leases as of June 30, 2011 are as follows:

Year Ending June 30,		
2012	\$	387,021
2013		197,814
2014		106,768
Total minimum lease payments		<u>691,603</u>
Less amount representing interest		<u>21,041</u>
	\$	<u><u>670,562</u></u>

Accrued liabilities, primarily compensated absences

In accordance with GASB No. 16, Accounting for Compensated Absences, the Town accrues compensated absences as they are earned by employees if the leave is attributable to past service and it is probable that the employer will compensate the employee by cash payments at termination or retirement. The amount of this estimated obligation at June 30, 2011 is recorded in the government-wide statements since the benefits are to be funded from future financial resources and will be paid from the General Fund.

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2011 was approximately \$320,000. Additional reimbursements of principal and interest aggregating approximately \$1,800,000 are expected to be received through the bonds' maturity dates.

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2011 consists of the following:

Schools	\$	<u>690,000</u>
General Purpose	\$	<u><u>8,260,000</u></u>

Debt limitation

The Town's indebtedness does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 254,361,417	\$ 62,020,467	\$ 192,340,950
Schools	508,722,834	74,927,912	433,794,922
Sewers	423,935,695	6,507,056	417,428,639
Urban renewal	367,410,936	-	367,410,936
Pension deficit	339,148,556	-	339,148,556

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$789,630,308. All long-term debt obligations are retired through General Fund appropriations.

Note 8. Contingency

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by Town management and legal counsel would result in a judgment or judgments which would have a material adverse effect on the Town's financial position.

Note 9. Fund Deficits

The following funds had fund deficits as of June 30, 2011:

Capital Project Funds:

Police Related Work	\$ (442,740)
Bridge Replacement	(60,469)
School Energy Efficiency	(132,634)

The fund deficits are expected to be funded through revenues, future transfers or bond proceeds.

Note 10. Employee Retirement Plans

Retirement Plan for the Employees of the Town

Plan Description

The Town has a contributory defined benefit retirement plan (the "Plan") covering substantially all employees. The certified faculty and administrative personnel ("teachers") of the Board of Education participate in a contributory retirement plan administered by the State Teachers Retirement Board. Separately issued financial statements for the pension trust fund are not issued.

The Town is the administrator of a single employer public employee retirement system (PERS) established and administered to provide pension benefits for its employees. The Plan provides retirement, disability, and death benefits through a single employer, contributory defined benefit plan to plan members and beneficiaries.

The authority under which the Plan is established was the action of a special Town meeting held on March 13, 1962. The Town shall have the right by action of the Board of Finance to amend this Plan within guidelines stipulated in the pension plan document.

An employee's eligibility starts after the first month of employment. Prior to January 1, 1988, individuals hired after the maximum eligibility age (45 years of age for police officers and firefighters, and 60 years of age for all other employees) were not eligible to participate.

The normal retirement date for employees other than a police officer, firefighter or Department of Public Works employee (50th birthday and 20 years of service for police officers, 55th birthday and 25 years of service for firefighters, 60th birthday and 25 years of service for Department of Public Works employees) is the first of the month coinciding with or next following the employee's 65th birthday, provided not less than 10 years of service have been completed.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

Effective January 1, 2007, the Plan benefit formula for DPW employees and non-bargained Town employees changed to 2% times their highest single year earnings out of the last 10 years of employment times years of service at retirement up to a maximum of 30 years. Certain Town employees who would be projected to experience a decrease in benefits due to this change will receive the greater of the new formula and old formula still in effect for BOE and library employees.

All other employees receive benefits at normal retirement, calculated at 2-1/2% of their highest three years' average earnings out of the last 10 years of employment, except for police officers who attain the age of 55 on or after July 1, 1998, which will be calculated using the highest year times years of service at retirement up to a maximum of 30 years adjusted for 65% of average earnings up to covered compensation (offset applicable only to members covered under the Social Security Act) times years of service at retirement up to a maximum of 30 years.

On January 1, 2007, the monthly retirement benefit payable to each retired member receiving a retirement benefit under the Plan, including those retirees for whom annuities were purchased in 1986, was increased by 2% for each full year of retirement completed since the previous cost of living adjustment in 2004, up to a maximum increase of 6%.

Benefits vest after ten years of service, however all employees are vested as of June 30, 1997 due to a change in the Plan provisions. Employees are required to contribute .25% of base compensation (.75% of base compensation for police officers and firefighters) and 2% for BOE and library employees. The Town is required to contribute the remaining amounts necessary to finance the benefits.

The Town had no annual required contribution, annual pension cost or net pension obligation for the current year.

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the entry age normal - frozen initial liability method. The actuarial assumptions included (a) 6.50% investment rate of return and (b) projected salary increases of 4.0% per year and (c) annual inflation rate of 3.00%. The actuarial value of assets was determined using techniques that smooth fluctuations in the market value of investments by spreading unrecognized gains and losses over a four year period.

The Town's annual pension cost and the net obligation was as follows:

Net pension obligation

Annual required contribution	\$ 2,883,369
Interest on net pension obligation	-
Annual pension cost	<u>2,883,369</u>
Contributions made	-
Increase in net liability	<u>2,883,369</u>
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ 2,883,369</u></u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Membership in the Retirement Plan consisted of the following at June 30, 2010, the date of the last actuarial valuation:

Annuity participants receiving payments	14
Retirees and beneficiaries receiving benefits	205
Terminated plan members entitled to, but not yet receiving benefits	179
Active plan members	<u>457</u>
Total	<u><u>855</u></u>

Trend Information:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	\$ -	0.0%	\$ -
6/30/10	\$ -	0.0%	\$ -
6/30/11	\$ 2,883,369	0.0%	\$ 2,883,369

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Covered Payroll
June 30, 2010	\$ 107,442,090	\$ 103,621,969	103.7%	\$ 21,263,790

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

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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

Valuation date	June 30, 2010
Actuarial cost method	Entry Age Normal - Frozen Initial Liability
Asset valuation method	Long-Range Yield Method
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	4.0%
Mortality	RP 2000 Mortality Table Projected to 2017.
Inflation rate	3.00%

Other post-retirement benefits

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

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town 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 Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Projected Unit Credit Method. For fiscal year 2011, the Town contributions were \$1,723,899.

Membership in the plan consisted of the following at July 1, 2010, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	276
Active plan members	572
Total	<u>848</u>

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

The Town'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/ (Asset)
6/30/11	\$ 1,772,704	\$ 1,723,899	97.2%	\$ (160,365)
6/30/10	\$ 2,003,080	\$ 4,603,081	229.0%	\$ (209,170)
6/30/09	\$ 3,461,309	\$ 1,070,478	31.0%	\$ 2,390,831

OPEB Obligation/Asset

Annual required contribution	\$ 1,772,704
Interest on net pension obligation	-
Annual OPEB cost	<u>1,772,704</u>
Contributions made	<u>1,723,899</u>
Increase in net OPEB liability	48,805
Net OPEB (asset), beginning of year	<u>(209,170)</u>
Net OPEB (asset), end of year	<u><u>\$ (160,365)</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2010 is \$15,369,964.

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2010	\$ 3,452,023	\$ 15,369,964	\$ 11,917,941	22%	N/A	N/A

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

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Valuation Date:	July 1, 2010
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Payments
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount rate	7.00%
Inflation rate	N/A
Salary Increases	3%
Medical trend rate	8.0% graded to 4.5% over 18 years
Dental cost trend rate	5.63% graded to 4.5% over 7 years

Separate Plan Financial Information

	Schedule of Plan Net Assets - Trust Funds For the Year Ended June 30, 2011		
	Pension	OPEB	Total Trust Funds
Assets:			
Cash and cash equivalents	\$ -	\$ 3,373	\$ 3,373
Investments, at fair value:			
U.S. Government Securities	19,197,792	-	19,197,792
Mutual funds	86,723,113	4,776,962	91,500,075
Receivables:			
Investment income	27,427	-	27,427
Total assets	105,948,332	4,780,335	110,728,667
Liabilities:			
Due to other funds	22,496	4,400	26,896
Total liabilities	22,496	4,400	26,896
Net Assets:			
Net assets held in trust	\$ 105,925,836	\$ 4,775,935	\$ 110,701,771

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Schedule of Changes in Plan Net Assets - Trust Funds For the Year Ended June 30, 2011			
	Pension	OPEB	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ -	\$ 1,723,899	\$ 1,723,899
Plan members	292,102	-	292,102
Total contributions	292,102	1,723,899	2,016,001
Investment income:			
Net appreciation in fair value of investments	16,140,736	722,485	16,863,221
Interest and dividends	2,193,407	112,702	2,306,109
Total Investment Income	18,334,143	835,187	19,169,330
Deductions:			
Benefits	4,661,421	1,223,899	5,885,320
Administration	358,179	11,274	369,453
Total deductions	5,019,600	1,235,173	6,254,773
Net increase	13,606,645	1,323,913	14,930,558
Net assets, beginning of year	92,319,191	3,452,022	95,771,213
Net Assets, end of year	\$ 105,925,836	\$ 4,775,935	\$ 110,701,771

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a multiple employer cost sharing 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 financial statements of the plan are available from the Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06105.

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 Town does not and is not legally responsible to contribute to the plan. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual town basis.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

In addition, the Town 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 \$5,526,000 for the year ended June 30, 2011.

Note 11. Landfill Closure and Post-closure Care Costs

The Town of New Canaan, Connecticut has entered into a Consent Order with the State of Connecticut Department of Environmental Protection regarding the operation of the Town's landfill located on Route 123. The provisions of the Consent Order required the Town to place a final cover on its Route 123 landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site after its closure. In addition, the Town is required to perform investigations into the solid wastes currently at the site, including any potential impact of such wastes on human health and the environment.

In accordance with the provisions of the Consent Order, the Town completed the final cap of the landfill during 2001. In addition, the Town has estimated the costs to monitor the landfill for approximately 18 years after final closure at \$450,000, which is recorded in the government-wide statements.

Note 12. Risk Management

Town

The Town is a member in Connecticut Interlocal Risk Management Agency (CIRMA), (a public entity risk management program established pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes) for liability-automobile property pool coverage and for workers compensation. The Town pays annual premiums for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. The Town also carries \$10 million of umbrella insurance and \$15 million of excess umbrella insurance with commercial insurance for which it pays annual premiums. The Town has retained various self-insured deductibles ranging from \$1,000 to \$25,000. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws. Coverage has not been reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters. The Town purchases commercial insurance for all risks of loss and for health insurance for non-Board of Education employees.

Board of Education

The Board of Education is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health and medical; and natural disasters. The Board of Education purchases commercial insurance for all risks other than employee health and medical.

On July 1, 1989, the Board of Education converted from an insured hospital, major medical, and dental insurance program to a self-insured minimum premium plan. The Board of Education is fully insured after the first \$100,000 in medical claims per covered participant and after approximately the first \$7,561,000 in aggregate medical claims in any single fiscal year.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

The self-insurance program is being administered by a third party administrator ("the administrator") and is reported as an internal service fund. The plan is funded monthly by Board of Education budget appropriations and employee contributions as required. The claims liability of \$1,681,129, included in accrued claims payable in the internal service fund at June 30, 2011, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be recorded if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Claims payable are estimated based on claims paid for the year. Claim transactions for the last two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
Board of Education:				
2010	\$ 1,672,192	\$ 9,355,624	\$ 9,241,281	\$ 1,786,535
2011	\$ 1,786,535	\$ 9,697,911	\$ 9,803,317	\$ 1,681,129

Note 13. Accounting Change/Restatement

Governmental accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented as of July 1, 2010. The effect of fund type reclassification is as follows:

	General	Nonmajor Governmental Funds	Business-Type Activities Enterprise Funds	Governmental Activities
Fund balance (deficit)/Net Assets, June 30, 2010, as previously reported	\$ 20,647,418	\$ (7,607,935)	\$ 223,703	\$ 115,818,287
Change in fund type classification per implementation of GASB Statement No. 54	16,233	(260,664)	244,431	(244,431)
Fund balance (deficit)/Net Assets, July 1, 2010, as restated	\$ 20,663,651	\$ (7,868,599)	\$ 468,134	\$ 115,573,856

Under GASB No. 54, two nonmajor governmental funds, the Waveny Pool Fund and the Movie Theater, were reclassified as enterprise funds.

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 14. Fund Balance

Below is a table of fund balance categories and classifications at June 30, 2011 for the Town governmental funds:

	General Fund	Nonmajor Governmental Funds
Fund balances:		
Non-spendable:		
Inventory and prepaids	\$ 145,332	\$ 25,374
Total Non-spendable	<u>145,332</u>	<u>25,374</u>
Restricted:		
Corpus of trust fund	-	57,775
Education	-	606,518
Total Restricted	<u>-</u>	<u>664,293</u>
Committed:		
Sewer operations	-	185,433
Facility rental	-	91,141
Capital outlay	-	3,524,710
Total Committed	<u>-</u>	<u>3,801,284</u>
Assigned:		
General government	441,706	-
Capital outlay	-	84,137
Education	846,430	-
Subsequent years budget	2,878,282	-
Total Assigned	<u>4,166,418</u>	<u>84,137</u>
Unassigned:		
General government	14,639,863	(635,843)
Total Unassigned	<u>14,639,863</u>	<u>(635,843)</u>
Total fund balance	<u>\$ 18,951,613</u>	<u>\$ 3,939,245</u>

Note 15. Governmental Accounting Standards Board (GASB Statements)

The Town adopted the following statements during the year ended June 30, 2011:

- GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.** This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Notes 13 and 14 to the basic financial statements, the Town reclassified the fund balances for governmental funds

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

and restated the General Fund and Nonmajor Governmental Funds fund balance by \$16,233 as a result of the implementation of this Statement.

- **GASB Statement No. 59, *Financial Instruments Omnibus*.** This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, Accounting and Financial Reporting for Derivative Instruments, and applying the reporting provisions for interest-earning investment contracts of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

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

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

- **GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*,** was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement amends Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requirement that a defined benefit OPEB plan obtain an actuarial valuation. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2012.
- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*,** issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*,** issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially

TOWN OF NEW CANAAN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- **GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*** (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the Town beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectability of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

**Required Supplementary
Information**

TOWN OF NEW CANAAN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION – PENSION TRUST FUNDS
June 30, 2011

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Cpvered Payroll
June 30, 2010	\$ 107,442,090	\$ 103,621,969	103.7%	\$ 21,263,790
July 1, 2008	111,383,887	84,806,594	131.3%	20,112,605
December 31, 2006	107,261,695	76,219,839	140.7%	18,937,113
December 31, 2005	99,764,661	69,315,132	143.9%	18,427,713
December 31, 2004	92,905,161	66,151,007	140.4%	16,871,127
December 31, 2003	85,493,457	58,690,207	145.7%	15,886,626

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 2,883,369	0.0%
2010	-	0.0%
2009	-	0.0%
2008	-	0.0%
2007	-	0.0%
2006	-	0.0%

TOWN OF NEW CANAAN, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
June 30, 2011**

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/10	\$ 3,452,023	\$ 15,369,964	\$ 11,917,941	22.0%	N/A	N/A
07/01/08	-	29,413,011	29,413,011	0.0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 1,772,704	97.2%
2010	2,003,080	229.0%
2009	3,461,309	31.0%

TOWN OF NEW CANAAN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
 BUDGETARY BASIS - GENERAL FUND
 For the Year Ended June 30, 2011

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes, interest and lien fees	\$ 109,402,442	\$ 109,402,442	\$ 111,935,833	\$ 2,533,391
Intergovernmental	2,060,427	2,060,427	2,009,401	(51,026)
Licenses and permits	759,250	759,250	755,026	(4,224)
Income from investments	400,000	400,000	228,910	(171,090)
Fines and forfeitures	319,500	319,500	281,185	(38,315)
Use of money and property	1,126,000	1,126,000	1,210,496	84,496
Charges for services	2,091,709	2,091,709	2,624,682	532,973
Reimbursements and refunds	218,114	218,114	416,657	198,543
Total revenues	116,377,442	116,377,442	119,462,190	3,084,748
EXPENDITURES				
General government	11,260,284	12,833,879	12,075,027	758,852
Public safety and protection	9,149,528	9,357,714	9,163,316	194,398
Public works	7,221,577	7,360,796	7,027,624	333,172
Social services	472,863	480,183	460,465	19,718
Parks and recreation	1,424,423	1,444,672	1,273,871	170,801
Education	71,016,250	71,016,250	70,994,113	22,137
Payments to others	2,642,531	2,642,531	2,636,457	6,074
Capital outlay	2,115,811	2,915,584	1,861,861	1,053,723
Debt service	13,546,050	13,546,050	12,663,640	882,410
Total expenditures	118,849,317	121,597,659	118,156,374	3,441,285
Revenues over (under) expenditures	(2,471,875)	(5,220,217)	1,305,816	6,526,033
OTHER FINANCING SOURCES (USES)				
Transfers out	(76,125)	(1,976,125)	(1,976,125)	-
Total other financing sources (uses)	(76,125)	(1,976,125)	(1,976,125)	-
Revenues and other financing sources over (under) expenditures and other financing (uses)	\$ (2,548,000)	\$ (7,196,342)	\$ (670,309)	\$ 6,526,033

See note to required supplementary information.

TOWN OF NEW CANAAN, CONNECTICUT

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011**

Note 1. Budgets and Budgetary Accounting

Budgets for the General Fund and Sewer Taxing District Fund (special revenue fund) are authorized annually by the Town. Budgetary control is exercised at the department level. The Board of Finance is authorized to transfer budget amounts between departments within any fund, however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

Reported budgeted amounts are as originally adopted or as amended by Council resolution at various times throughout the year. Unencumbered appropriations lapse at year-end except for capital appropriations. The Town is not required to prepare budgets for special revenue funds, other than the sewer taxing district, capital projects, proprietary and trust funds.

Fund balance of the General Fund may be assigned for continued capital appropriations. Continued appropriations represent unexpended appropriations for capital improvements which, by Town Charter, may be continued with the approval of the Board of Finance for one fiscal year after the expiration of the fiscal year for which such appropriations were originally made.

Except for encumbrances, continued capital appropriations and on-behalf payments, the budget is prepared on a modified accrual basis of accounting. Encumbrance accounting (under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation) is utilized in the governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

A reconciliation of General Fund budgetary basis is as follows:

	General Fund	
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Balance, budgetary basis, June 30, 2011	\$ 119,462,190	\$ 120,132,499
On-behalf payments for state teachers retirement	5,526,000	5,526,000
Changes in reserves for encumbrances, continued appropriations and liquidation of encumbrances	-	1,047,671
Reclassification to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54	26,026	20,083
Bond issuance cost	-	82,000
Refunding bond proceeds	16,330,000	-
Bond premium	1,338,199	-
Payments to escrow agent	-	17,586,200
Capital leases	405,000	405,000
Balance, GAAP Basis, June 30, 2011	<u>\$ 143,087,415</u>	<u>\$ 144,799,453</u>

There were \$4,648,342 of additional appropriations made during the year.

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

General Fund

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
TAX - CURRENT YEAR				
Tax Collections	\$ 108,502,442	\$ 108,502,442	\$ 110,367,289	1,864,847
Total	108,502,442	108,502,442	110,367,289	1,864,847
TAX - OTHER THAN LEVY				
Tax Collections - Prior Yrs	500,000	500,000	959,281	459,281
Lien Fees and Interest	400,000	400,000	609,263	209,263
Total	900,000	900,000	1,568,544	668,544
INTERGOVERNMENTAL				
Road Maintenance	166,029	166,029	166,090	61
Casino Revenue Sharing	7,514	7,514	7,091	(423)
State Reimb School Proj - P&I	384,598	384,598	319,445	(65,153)
State Aid Grant (ECS)	1,495,604	1,495,604	1,511,368	15,764
Boat Registration Refund	6,682	6,682	5,407	(1,275)
Total	2,060,427	2,060,427	2,009,401	(51,026)
LICENSES AND PERMITS				
Amusement Permits	200	200	220	20
Refuse Collectors Licenses	3,000	3,000	3,600	600
Liquor Licenses	50	50	54	4
Restaurant Permits	25,000	25,000	32,401	7,401
Barbers and Salons	4,000	4,000	2,900	(1,100)
Fish and Game Licenses	200	200	-	(200)
Dog Lic. Clerk Fees	2,500	2,500	2,804	304
Building Permits	650,000	650,000	626,533	(23,467)
Building Permit Revisions	6,000	6,000	9,669	3,669
Driveway Permits	500	500	200	(300)
Pistol Permits	750	750	2,800	2,050
Sewer and Water Permits	15,000	15,000	13,125	(1,875)
Sewer Connection Permits	50	50	-	(50)
Well Permits	1,500	1,500	5,775	4,275
Sign Permits	1,500	1,500	1,200	(300)
Street Opening Permits	1,500	1,500	-	(1,500)
Zoning Permits	30,000	30,000	37,585	7,585
Lot Testing	7,500	7,500	9,000	1,500
Plan Review	10,000	10,000	7,160	(2,840)
Total	759,250	759,250	755,026	(4,224)
INVESTMENT EARNINGS				
Interest on Investments	400,000	400,000	228,910	(171,090)
Total	400,000	400,000	228,910	(171,090)

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL -
 GENERAL FUND, Continued
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
FINES AND FORFEITURES				
False Alarm Fines	42,000	42,000	55,414	13,414
Parking Tickets	250,000	250,000	182,035	(67,965)
Parking Tickets On-line	27,500	27,500	27,720	220
CT Judicial Revenue Distribution	-	-	16,016	16,016
Total	319,500	319,500	281,185	(38,315)
USE OF MONEY AND PROPERTY				
Waveny Custodial Fees	5,000	5,000	3,610	(1,390)
Rental of Property	250,000	250,000	246,807	(3,193)
Concessions and Commissions	2,000	2,000	-	(2,000)
Parking Meters	160,000	160,000	202,463	42,463
Parking Cards	15,000	15,000	3,797	(11,203)
Parking-Day Passes	10,000	10,000	13,001	3,001
Parking Permits	625,000	625,000	662,627	37,627
Parking Newsrack Permits	2,000	2,000	1,300	(700)
Copier Revenue	15,000	15,000	19,552	4,552
Paddle Tennis Fees	32,000	32,000	37,339	5,339
School Rental Fees	10,000	10,000	20,000	10,000
Total	1,126,000	1,126,000	1,210,496	84,496
CHARGES FOR SERVICES				
Transfer Station Dump Fees	40,000	40,000	32,328	(7,672)
Transfer Station Tipping Fee	517,000	517,000	436,572	(80,428)
Transfer Station Recycling	25,000	25,000	59,340	34,340
Transfer Station Sticker Fee	120,000	120,000	151,102	31,102
Sales of Codes and Regulation	7,500	7,500	6,204	(1,296)
Senior Citizens Program	90,000	90,000	89,613	(387)
Zoning Board of Appeals Fee	5,000	5,000	6,050	1,050
Wetlands Septic Review Fee	2,000	2,000	3,450	1,450
Wetlands Demo Review Fee	200	200	150	(50)
Planning and Zoning Applica	5,000	5,000	8,700	3,700
Building Dept-Work w/o Perm	2,000	2,000	1,600	(400)
Env App/Violation Fees	20,000	20,000	16,873	(3,127)
Vital Statistics Fees	10,000	10,000	20,118	10,118
State Telephone Line Grant	95,000	95,000	73,389	(21,611)
Park and Recreation Fees	235,000	235,000	212,478	(22,522)
Recording Fees	125,000	125,000	166,677	41,677
Senior Program Lunches	4,000	4,000	3,350	(650)
Miscellaneous Income	32,509	32,509	-	(32,509)
Conveyance Fees	750,000	750,000	1,329,533	579,533
Fingerprint Fees	6,500	6,500	7,155	655
Total	2,091,709	2,091,709	2,624,682	532,973

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL -
 GENERAL FUND, Continued
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REIMBURSEMENTS AND REFUNDS				
Elderly Tax Exempt Frozen	2,000	2,000	203	(1,797)
LOCIP	117,075	117,075	234,142	117,067
Homeowner Tax Relief	38,203	38,203	35,157	(3,046)
State Property Rebate	41,812	41,812	41,853	41
State of CT-PILOT	-	-	8,627	8,627
Dep Administrative Cost Rev	50	50	92	42
Dep Admin Cost Revenue-P&Z	60	60	646	586
Additional Veterans Exemption	1,872	1,872	1,358	(514)
Municipal Video Grant	-	-	77,959	77,959
State Mfg, New Machine & EQ	56	56	159	103
School H&W Reimbursements	16,986	16,986	16,461	(525)
Total	218,114	218,114	416,657	198,543
Total Revenues	\$ 116,377,442	\$ 116,377,442	\$ 119,462,190	\$ 3,084,748

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT:				
Selectmen	\$ 387,068	\$ 390,863	\$ 385,128	\$ 5,735
Town Clerk	282,673	306,781	306,600	181
Finance	592,782	609,035	551,731	57,304
Information Technology	136,243	138,361	138,998	(637)
Human Resources	218,426	222,951	208,078	14,873
Cetral services	155,300	155,300	144,611	10,689
Professional Services	301,000	301,000	323,150	(22,150)
Tax Collector	185,954	186,039	184,148	1,891
Assessor	252,915	261,280	245,144	16,136
Registrar	89,925	102,787	102,571	216
Parking	285,330	289,036	252,371	36,665
Probate	10,800	10,800	8,973	1,827
Planning and Zoning	245,913	250,542	239,381	11,161
Health and sanitation	346,465	349,950	300,955	48,995
Inland Wetlands	129,730	131,550	129,493	2,057
Health and security benefits	6,275,560	6,290,057	6,287,693	2,364
Insurance	1,014,200	1,014,200	860,316	153,884
Contingency	350,000	102,952	30,000	72,952
Special Appropriations	-	1,720,395	1,375,686	344,709
Total	11,260,284	12,833,879	12,075,027	758,852
PUBLIC SAFETY AND PROTECTION:				
Police	5,155,929	5,170,438	5,046,257	124,181
Animal Control	78,642	79,886	73,707	6,179
Fire	2,901,665	3,086,257	3,037,603	48,654
Ambulance	543,454	543,454	545,459	(2,005)
Fire Marshal	161,921	164,100	163,081	1,019
Civil Preparedness	31,600	32,435	29,741	2,694
Building	276,317	281,144	267,468	13,676
Total	9,149,528	9,357,714	9,163,316	194,398
PUBLIC WORKS:				
Directors Office	286,694	292,356	290,523	1,833
Engineering	154,166	156,929	166,780	(9,851)
Town Buildings	293,163	294,600	317,722	(23,122)
Highway	2,725,054	2,774,167	2,759,254	14,913
Transfer Station	1,680,109	1,699,255	1,434,035	265,220
Parks	1,180,616	1,222,094	1,222,597	(503)
Nature Center	103,775	103,775	101,131	2,644
Utilities	363,000	363,000	369,650	(6,650)
Tree Service	435,000	454,620	365,932	88,688
Total	7,221,577	7,360,796	7,027,624	333,172
SOCIAL SERVICES:				
Administration	340,969	345,797	324,002	21,795
Youth Services	131,894	134,386	136,463	(2,077)
Total	472,863	480,183	460,465	19,718

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS -
BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
RECREATION:				
Administration and programs	550,352	550,352	458,073	92,279
Waveny House	138,397	144,419	118,533	25,886
Paddle Tennis	28,100	28,910	32,621	(3,711)
Park Buildings	343,700	354,440	340,510	13,930
Civic activities	20,700	20,700	17,273	3,427
Lapham Community Center	252,824	255,501	234,302	21,199
Special persons	17,650	17,650	10,970	6,680
Kiwanis operations	72,700	72,700	61,589	11,111
Total	1,424,423	1,444,672	1,273,871	170,801
BOARD OF EDUCATION	71,016,250	71,016,250	70,994,113	22,137
OTHER AGENCIES				
Library	1,838,815	1,838,815	1,838,815	-
Health Services - Private Schools	229,500	229,500	233,579	(4,079)
Other Agencies	407,716	407,716	398,756	8,960
Total Other Agencies	2,476,031	2,476,031	2,471,150	4,881
HUMAN SERVICES AGENCIES				
Chores	7,500	7,500	5,940	1,560
Getabout	40,000	40,000	40,000	-
Norwalk Transit Authority (Transfer from Insurance)	10,000	10,000	10,367	(367)
Kids in Crisis	50,000	50,000	50,000	-
New Canaan Cares	15,000	15,000	15,000	-
Child Guidance Center	5,000	5,000	5,000	-
Family and Children's Aid	2,000	2,000	2,000	-
Outback Teen Center	28,000	28,000	28,000	-
Domestic Violence Crisis Center	5,000	5,000	5,000	-
Meals on Wheels	4,000	4,000	4,000	-
Total Human Service Agencies	166,500	166,500	165,307	1,193
CAPITAL OUTLAY	2,115,811	2,915,584	1,861,861	1,053,723
DEBT SERVICE	13,546,050	13,546,050	12,663,640	882,410
Total expenditures	118,849,317	121,597,659	118,156,374	3,441,285
OTHER FINANCING USES				
Transfers out	76,125	1,976,125	1,976,125	-
Total other financing uses	76,125	1,976,125	1,976,125	-
Total expenditures and other financing uses	\$ 118,925,442	\$ 123,573,784	\$ 120,132,499	\$ 3,441,285

This page intentionally left blank.

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 a specific purpose.

Sewer Taxing District Fund - is used to account for revenues generated from property taxes specifically designated for the maintenance and operation of the distribution system and sewer plant.

School Lunch Fund - is used to account for the operations of the schools' cafeterias, including the receipt and expenditure of related state funding.

Subrecipient Grants Fund - is used to account for revenues received and paid to subrecipients.

Summer Learning Fund - is used to account for registration and textbook revenues related to summer school and related expenditures.

Town Grants Fund – is used to account for revenues from federal and state grants.

Facilities Rental Fund – is used to account for revenues and expenditures related to the rental of school properties to third parties.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for the acquisition of major capital facilities or improvements other than those financed by proprietary funds.

School Energy Efficiency – is used to account for energy efficiency programs in the schools.

Bridge Replacement – is used to account for bridge replacements in Town.

Special Bonding Fund - is used to account for projects to be funded from bond proceeds.

EMS - is used to account for expenditures related to the EMS Building.

Police Related Work - is used to account for additional expenditures relating to the police building renovations.

NCHS Phase 1 Renovation – accounts for expenditures relating to the renovation of the Town of New Canaan High School.

Police Station Renovations – is used to account for expenditures related to renovations at the Police Station.

Town Hall Renovations – is used to account for expenditures related to renovations at the Town Hall.

Capital and Nonrecurring Fund – is used to account for capital acquisitions which, by their nature, occur over the course of multiple years.

Road Paving Fund – is used to account for expenditures relating to various road paving projects throughout the Town.

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 Town's programs.

Sydney Weisner Fund – is used to account for investment earnings in the Sydney Weisner Endowment Fund to be used for special education programs.

This page intentionally left blank.

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	Special Revenue					
	Sewer	School	Subrecipient	Summer	Town	Facilities
	Taxing District	Lunch	Grant	Learning	Grants Fund	Rental
ASSETS						
Cash and cash equivalents	\$ 1,193,484	\$ 836,802	\$ -	\$ 556,230	\$ -	\$ 161,244
Other receivables	63,847	-	-	-	34,379	1,785
Inventories	-	25,374	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 1,257,331	\$ 862,176	\$ -	\$ 556,230	\$ 34,379	\$ 163,029
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts payable	\$ 23,101	\$ -	\$ -	\$ -	\$ 26,914	\$ -
Unearned revenue	1,048,797	-	-	126,310	-	-
Due to other funds	-	665,926	-	1,743	-	71,888
Total liabilities	1,071,898	665,926	-	128,053	26,914	71,888
Fund Balances (Deficits)						
Nonspendable	-	25,374	-	-	-	-
Restricted	-	170,876	-	428,177	7,465	-
Committed	158,182	-	-	-	-	91,141
Assigned	27,251	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	185,433	196,250	-	428,177	7,465	91,141
Total liabilities and fund balances (deficits)	\$ 1,257,331	\$ 862,176	\$ -	\$ 556,230	\$ 34,379	\$ 163,029

Capital Projects

School Energy Efficiency	Bridge Replacement	Special Bonding	EMS	Police Related Work	NCHS Phase I Renovation	Police Station Renovations	Town Hall Renovations
\$ 62,402	\$ 4,666	\$ 50,503	\$ 3,809	\$ -	\$ 1,010,382	\$ 430,000	\$ -
-	29,470	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	14,360	-	-	-	-	-	-
<u>\$ 62,402</u>	<u>\$ 48,496</u>	<u>\$ 50,503</u>	<u>\$ 3,809</u>	<u>\$ -</u>	<u>\$ 1,010,382</u>	<u>\$ 430,000</u>	<u>\$ -</u>
\$ -	\$ 42,729	\$ 7,713	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
195,036	66,236	-	-	442,740	6,000	-	-
<u>195,036</u>	<u>108,965</u>	<u>7,713</u>	<u>-</u>	<u>442,740</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	42,790	3,809	-	1,004,382	430,000	-
-	-	-	-	-	-	-	-
(132,634)	(60,469)	-	-	(442,740)	-	-	-
<u>(132,634)</u>	<u>(60,469)</u>	<u>42,790</u>	<u>3,809</u>	<u>(442,740)</u>	<u>1,004,382</u>	<u>430,000</u>	<u>-</u>
<u>\$ 62,402</u>	<u>\$ 48,496</u>	<u>\$ 50,503</u>	<u>\$ 3,809</u>	<u>\$ -</u>	<u>\$ 1,010,382</u>	<u>\$ 430,000</u>	<u>\$ -</u>

(Continued)

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	Capital Projects		Permanent	Totals
	Capital and Nonrecurring	Road Paving	Fund Sydney Weisner Fund	
ASSETS				
Cash and cash equivalents	\$ 2,020,768	\$ 1,203,727	\$ 57,775	\$ 7,591,792
Other receivables	-	-	-	129,481
Inventories	-	-	-	25,374
Due from other funds	-	-	-	14,360
Total assets	<u>\$ 2,020,768</u>	<u>\$ 1,203,727</u>	<u>\$ 57,775</u>	<u>\$ 7,761,007</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 39,220	\$ 995,401	\$ -	\$ 1,135,078
Unearned revenue	41,981	-	-	1,217,088
Due to other funds	14,360	5,667	-	1,469,596
Total liabilities	<u>95,561</u>	<u>1,001,068</u>	<u>-</u>	<u>3,821,762</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	25,374
Restricted	-	-	57,775	664,293
Committed	1,868,321	202,659	-	3,801,284
Assigned	56,886	-	-	84,137
Unassigned	-	-	-	(635,843)
Total fund balances (deficits)	<u>1,925,207</u>	<u>202,659</u>	<u>57,775</u>	<u>3,939,245</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,020,768</u>	<u>\$ 1,203,727</u>	<u>\$ 57,775</u>	<u>\$ 7,761,007</u>

This page intentionally left blank.

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	Special Revenue					
	Sewer Taxing District	School Lunch	Subrecipient Grants	Summer Learning	Town Grants Fund	Facilities Rental
REVENUES						
Sewer assessment and usage	\$ 1,194,104	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	265,803	-	93,279	-
Licenses and permits	30,829	-	-	-	-	-
Income from investments	1,839	-	-	-	-	-
Charges for services	-	1,464,859	-	249,926	-	162,364
Total revenues	1,226,772	1,464,859	265,803	249,926	93,279	162,364
EXPENDITURES						
General government	61,405	-	265,803	-	101,383	-
Operation of plant	1,116,728	-	-	-	-	-
Education	-	1,661,946	-	222,454	-	230,128
Capital outlay	65,646	-	-	-	-	-
Debt service	92,599	-	-	-	-	-
Total expenditures	1,336,378	1,661,946	265,803	222,454	101,383	230,128
Revenues over (under) expenditures	(109,606)	(197,087)	-	27,472	(8,104)	(67,764)
OTHER FINANCING SOURCES						
Transfers in	76,125	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Total other financing sources	76,125	-	-	-	-	-
Net change in fund balance (deficits)	(33,481)	(197,087)	-	27,472	(8,104)	(67,764)
FUND BALANCES (DEFICITS), beginning	218,914	393,337	-	400,705	15,569	158,905
FUND BALANCES (DEFICITS), ending	\$ 185,433	\$ 196,250	\$ -	\$ 428,177	\$ 7,465	\$ 91,141

Capital Projects							
School Energy Efficiency	Bridge Replacement	Special Bonding	EMS	Police Related Work	NCHS Phase I Renovation	Police Station Renovations	Town Hall Renovations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,702	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100,702	-	-	-	-	-	-	-
-	60,469	33,130	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,343,336	-	-	11,522	-	46,000	-	-
-	-	-	-	-	-	-	-
1,343,336	60,469	33,130	11,522	-	46,000	-	-
(1,242,634)	(60,469)	(33,130)	(11,522)	-	(46,000)	-	-
-	-	-	-	-	-	-	-
-	-	(300,000)	-	-	-	-	(196,522)
1,110,000	-	-	1,420,000	-	-	1,666,000	-
1,110,000	-	(300,000)	1,420,000	-	-	1,666,000	(196,522)
(132,634)	(60,469)	(333,130)	1,408,478	-	(46,000)	1,666,000	(196,522)
-	-	375,920	(1,404,669)	(442,740)	1,050,382	(1,236,000)	196,522
\$ (132,634)	\$ (60,469)	\$ 42,790	\$ 3,809	\$ (442,740)	\$ 1,004,382	\$ 430,000	\$ -

(Continued)

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	Capital Projects		Permanent Fund	Totals
	Capital and Nonrecurring	Road Paving	Sydney Weisner Fund	
REVENUES				
Sewer assessment and usage	\$ -	\$ -	\$ -	\$ 1,194,104
Intergovernmental	-	-	-	459,784
Licenses and permits	-	-	-	30,829
Income from investments	13,975	-	-	15,814
Charges for services	-	-	-	1,877,149
Total revenues	13,975	-	-	3,577,680
EXPENDITURES				
General government	-	-	-	522,190
Operation of plant	-	-	-	1,116,728
Education	-	-	123	2,114,651
Capital outlay	2,195,691	2,797,598	-	6,459,793
Debt service	-	-	-	92,599
Total expenditures	2,195,691	2,797,598	123	10,305,961
Revenues over (under) expenditures	(2,181,716)	(2,797,598)	(123)	(6,728,281)
OTHER FINANCING SOURCES				
Transfers in	2,260,000	196,522	-	2,532,647
Transfers out	-	-	-	(496,522)
Bond proceeds	-	12,304,000	-	16,500,000
Total other financing sources	2,260,000	12,500,522	-	18,536,125
Net change in fund balance (deficits)	78,284	9,702,924	(123)	11,807,844
FUND BALANCES (DEFICITS), beginning	1,846,923	(9,500,265)	57,898	(7,868,599)
FUND BALANCES (DEFICITS), ending	\$ 1,925,207	\$ 202,659	\$ 57,775	\$ 3,939,245

Nonmajor Enterprise Funds

ENTERPRISE FUNDS

Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

Railroad Fund - is used to account for revenues and expenditures related to the operation of the railway station.

Property Rental Fund - is used to account for revenues and expenditures related to the Town's rental of property.

Waveny Pool Fund – is used to account for Waveny Pool revenues and related expenditures.

Movie Theater – is used to account for Movie Theater revenues and expenditures.

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS

June 30, 2011

	Business-Type Activities - Enterprise Funds				Total
	Railroad	Property Rental	Waveny Pool Fund	Movie Theatre	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 86,184	\$ 8,089	\$ 284,739	\$ 129,319	\$ 508,331
Receivable, net of allowance for collection losses	3,030	800	-	-	3,830
Total current assets	89,214	8,889	284,739	129,319	512,161
Noncurrent assets:					
Capital assets, net of accumulated depreciation	-	103,030	-	-	103,030
Total noncurrent assets	-	103,030	-	-	103,030
Total assets	89,214	111,919	284,739	129,319	615,191
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	29,123	950	97,267	27,711	155,051
Due to Other Funds	7,745	-	-	-	7,745
Unearned revenue	-	-	186,724	4,420	191,144
Total current liabilities	36,868	950	283,991	32,131	353,940
NET ASSETS					
Invested in capital assets	-	103,030	-	-	103,030
Unrestricted	52,346	7,939	748	97,188	158,221
Total net assets	\$ 52,346	\$ 110,969	\$ 748	\$ 97,188	\$ 261,251

TOWN OF NEW CANAAN, CONNECTICUT

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Total
	Railroad	Property Rental	Waveny Pool Fund	Movie Theater	
OPERATING REVENUES					
Parking meters and rent	\$ 123,904	\$ 9,600	\$ -	\$ -	\$ 133,504
Charges for services	-	-	336,525	106,415	442,940
Total operating revenues	123,904	9,600	336,525	106,415	576,444
OPERATING EXPENSES					
Costs of services	135,176	647	470,331	119,728	725,882
Total operating expenses	135,176	647	470,331	119,728	725,882
Operating income (loss)	(11,272)	8,953	(133,806)	(13,313)	(149,438)
NONOPERATING REVENUES					
Interest income	1,592	339	624	-	2,555
Total nonoperating revenues	1,592	339	624	-	2,555
Income before transfers out	(9,680)	9,292	(133,182)	(13,313)	(146,883)
Transfers out	-	(60,000)	-	-	(60,000)
Change in net assets	(9,680)	(50,708)	(133,182)	(13,313)	(206,883)
FUND NET ASSETS, beginning	62,026	161,677	133,930	110,501	468,134
FUND NET ASSETS, ending	\$ 52,346	\$ 110,969	\$ 748	\$ 97,188	\$ 261,251

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				
	Railroad	Property Rental	Waveny	Movie Theater	Total
			Pool Fund		
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 122,024	\$ 8,800	\$ 336,525	\$ 110,707	\$ 578,056
Payments to suppliers and personnel	(126,347)	(549)	(469,423)	(98,732)	(695,051)
Net cash provided by (used in) operating activities	(4,323)	8,251	(132,898)	11,975	(116,995)
Cash Flows From Investing Activities					
Interest received on investments	1,592	339	624	-	2,555
Net cash provided by investing activities	1,592	339	624	-	2,555
Cash Flows From Noncapital and Related Financing Activities					
Transfer to other funds	-	(60,000)	-	-	(60,000)
Net cash used in investing activities	-	(60,000)	-	-	(60,000)
Net decrease in cash and cash equivalents	(2,731)	(51,410)	(132,274)	11,975	(174,440)
Cash and Cash Equivalents					
Beginning	88,915	59,499	417,013	117,344	682,771
Ending	<u>\$ 86,184</u>	<u>\$ 8,089</u>	<u>\$ 284,739</u>	<u>\$ 129,319</u>	<u>\$ 508,331</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ (11,272)	\$ 8,953	\$ (133,806)	\$ (13,313)	\$ (149,438)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,880)	(800)	-	4,292	1,612
Increase in accrued expenses	1,084	98	5,193	17,176	23,551
Increase in due to other funds	7,745	-	-	-	7,745
(Decrease) increase in unearned revenue	-	-	(4,285)	3,820	(465)
Net cash provided by (used in) operating activities	\$ (4,323)	\$ 8,251	\$ (132,898)	\$ 11,975	\$ (116,995)

This page intentionally left blank.

Private Purpose Trust Funds

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds – are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments. The Town's Private Purpose Trust Funds are listed below:

Marcelly Scholarship
Affordable Housing Trust

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS - PRIVATE PURPOSE TRUST FUNDS

June 30, 2011

	Private Purpose Trust Funds		
	Marcelly Scholarship	Affordable Housing Trust	Total Private Purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 395,205	\$ 395,205
Investments	792,970	-	792,970
Other Receivables	-	948	948
Due from other funds	-	78,704	78,704
Total assets	792,970	474,857	1,267,827
Net Assets Held in Trust	\$ 792,970	\$ 474,857	\$ 1,267,827

TOWN OF NEW CANAAN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN NET ASSETS - PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2011

	Private Purpose Trust Funds		
	Marcely Scholarship	Affordable Housing Trust	Total Private Purpost Trust Funds
Additions			
Fees	\$ -	\$ 293,630	\$ 293,630
Investment Income			
Net appreciation in fair value of investments	128,441	-	128,441
Interest and dividends	17,380	-	17,380
Total additions	145,821	293,630	439,451
Deductions			
Administrative expenses	18,706	-	18,706
Total deductions	18,706	-	18,706
Net change in net assets	127,115	293,630	420,745
Net Assets Held in Trust			
Beginning of year	665,855	181,227	847,082
End of year	<u>\$ 792,970</u>	<u>\$ 474,857</u>	<u>\$ 1,267,827</u>

Agency Funds

AGENCY FUNDS

Agency Funds - are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

The Town's agency funds are as follows:

Special Projects Fund

Student Activity Fund

TOWN OF NEW CANAAN, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
SPECIAL PROJECTS FUND				
Assets:				
Cash and cash equivalents	\$ 831,170	\$ 646,657	\$ 545,436	\$ 932,391
Accounts receivable	7,832	54,213	47,045	15,000
	<u>\$ 839,002</u>	<u>\$ 700,870</u>	<u>\$ 592,481</u>	<u>\$ 947,391</u>
Liabilities:				
Amount held as agent	\$ 839,002	\$ 451,910	\$ 346,979	\$ 943,933
Due to Other Funds	-	3,458	-	3,458
	<u>\$ 839,002</u>	<u>\$ 455,368</u>	<u>\$ 346,979</u>	<u>\$ 947,391</u>
STUDENT ACTIVITY FUND				
Assets:				
Cash and cash equivalents	\$ 356,943	\$ 1,080,079	\$ 1,059,083	\$ 377,939
Liabilities:				
Due to student group	\$ 356,943	\$ 1,080,079	\$ 1,059,083	\$ 377,939
Total Assets	<u>\$ 1,195,945</u>	<u>\$ 1,780,949</u>	<u>\$ 1,651,564</u>	<u>\$ 1,325,330</u>
Total Liabilities	<u>\$ 1,195,945</u>	<u>\$ 1,535,447</u>	<u>\$ 1,406,062</u>	<u>\$ 1,325,330</u>

This page intentionally left blank.

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

TOWN OF NEW CANAAN, CONNECTICUT

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

June 30, 2011

Governmental funds capital assets:

Land	\$	71,304,044
Land improvements		9,289,077
Buildings and improvements		149,429,309
Machinery and equipment		15,281,330
Infrastructure		57,850,121
Vehicles		7,859,713
Construction in progress		182,652
Total governmental funds capital assets	\$	311,196,246

TOWN OF NEW CANAAN, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2011

	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Vehicles	Construction in Progress	Total
General Government	\$ 58,091,790	\$ 1,596,921	\$ 2,998,252	\$ 2,929,644	\$ 30,176,162	\$ -	\$ 182,652	\$ 95,975,421
Public Safety and Protection	-	183,622	5,667,825	576,499	83,349	3,750,655	-	10,261,950
Public Works	13,212,254	3,759,130	29,762,142	4,615,953	27,299,673	3,531,373	-	82,180,525
Health & Sanitation	-	-	-	-	-	74,493	-	74,493
Parks and Recreation	-	612,196	3,686,222	603,966	11,800	-	-	4,914,184
Education	-	3,137,208	107,314,868	6,555,268	279,137	503,192	-	117,789,673
Total	\$ 71,304,044	\$ 9,289,077	\$ 149,429,309	\$ 15,281,330	\$ 57,850,121	\$ 7,859,713	\$ 182,652	\$ 311,196,246

TOWN OF NEW CANAAN, CONNECTICUT

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

For the Year Ended June 30, 2011

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2010	Additions	Deletions	June 30, 2011
General Government	\$ 95,985,682	\$ -	\$ (10,261)	\$ 95,975,421
Public Safety and Protection	10,312,414	-	(50,464)	10,261,950
Public Works	74,290,801	7,923,887	(34,163)	82,180,525
Health and Sanitation	73,400	1,093	-	74,493
Parks and Recreation	4,751,392	162,792	-	4,914,184
Education	115,841,202	1,948,471	-	117,789,673
Total	\$ 301,254,891	\$ 10,036,243	\$ (94,888)	\$ 311,196,246

This page intentionally left blank.

Other Schedules

TOWN OF NEW CANAAN, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND
June 30, 2011

	General Fund	Dog License Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 16,075,156	\$ 38,174	\$ 16,113,330
Investments	11,478,996	-	11,478,996
Receivables:			
Property taxes	1,625,643	-	1,625,643
Other receivables	2,282,952	286	2,283,238
Inventories	145,332	-	145,332
Due from other funds	1,509,652	-	1,509,652
Total assets	\$ 33,117,731	\$ 38,460	\$ 33,156,191
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 10,351,264	\$ 16,284	\$ 10,367,548
Deferred revenue	3,161,381	-	3,161,381
Unearned revenue	596,945	-	596,945
Due to other funds	78,704	-	78,704
Total liabilities	14,188,294	16,284	14,204,578
Fund Balances			
Nonspendable	145,332	-	145,332
Assigned	4,144,242	22,176	4,166,418
Unassigned	14,639,863	-	14,639,863
Total fund balances	18,929,437	22,176	18,951,613
Total liabilities and fund balances	\$ 33,117,731	\$ 38,460	\$ 33,156,191

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND
 For the Year Ended June 30, 2011

	General Fund	Dog License Fund	Totals
REVENUES			
Property taxes	\$ 111,935,834	\$ -	\$ 111,935,834
Intergovernmental	7,694,430	-	7,694,430
Licenses and permits	756,327	25,960	782,287
Income from investments	228,910	66	228,976
Fines and forfeitures	281,185	-	281,185
Use of money and property	1,188,321	-	1,188,321
Charges for services	2,616,134	-	2,616,134
Reimbursements and refunds	287,049	-	287,049
Total revenues	124,988,190	26,026	125,014,216
EXPENDITURES			
General government	10,391,182	20,083	10,411,265
Public safety and protection	9,175,472	-	9,175,472
Public works	7,259,808	-	7,259,808
Social services	460,466	-	460,466
Parks and recreation	1,273,928	-	1,273,928
Education	77,196,076	-	77,196,076
Payments to others	2,626,090	-	2,626,090
Debt service	12,663,640	-	12,663,640
Bond issuance cost	82,000	-	82,000
Capital outlay	4,088,383	-	4,088,383
Total expenditures	125,217,045	20,083	125,237,128
Revenues over (under) expenditures	(228,855)	5,943	(222,912)
OTHER FINANCING SOURCES			
Transfers out	(1,976,125)	-	(1,976,125)
Payments to escrow agent	(17,586,200)	-	(17,586,200)
Bond premium	1,338,199	-	1,338,199
Refunding bond proceeds	16,330,000	-	16,330,000
Proceeds from capital leases	405,000	-	405,000
Total other financing sources	(1,489,126)	-	(1,489,126)
Net change in fund balance	(1,717,981)	5,943	(1,712,038)
FUND BALANCES, beginning	20,647,418	16,233	20,663,651
FUND BALANCES, ending	\$ 18,929,437	\$ 22,176	\$ 18,951,613

This page intentionally left blank.

TOWN OF NEW CANAAN, CONNECTICUT

**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND
OUTSTANDING - GENERAL FUND
For the Year Ended June 30, 2011**

Grand List Year	Balance Uncollected July 1, 2010	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected
			Additions	Deletions		
2009	\$ -	\$ 111,066,878	\$ 90,111	\$ 146,526	\$ -	\$ 111,010,463
2008	869,647	-	11,997	14,899	-	866,745
2007	313,242	-	51,712	3,647	13,773	347,534
2006	101,162	-	67	1,269	5,683	94,277
2005	48,208	-	-	1,677	1,431	45,100
2004	48,386	-	-	1,622	1,307	45,457
2003	48,261	-	-	387	-	47,874
2002	56,726	-	-	880	-	55,846
2001	51,967	-	-	99	-	51,868
2000	86,651	-	-	1	-	86,650
1999	7,697	-	25	323	6,327	1,072
1998	18,224	-	-	36	11,210	6,978
1997	10,218	-	-	124	9,086	1,008
1996	93	-	-	-	-	93
	<u>\$ 1,660,482</u>	<u>\$ 111,066,878</u>	<u>\$ 153,912</u>	<u>\$ 171,490</u>	<u>\$ 48,817</u>	<u>\$ 112,660,965</u>

Refunds	Collections				Total	Balance Uncollected June 30, 2011
	Taxes	Interest	Fees			
\$ 48,632	\$ 110,367,289	\$ 318,373	\$ 448	\$ 110,686,110	\$ 691,806	
10,529	552,999	114,062	1,128	668,189	324,275	
62	264,523	111,866	408	376,797	83,073	
-	48,902	21,111	96	70,109	45,375	
-	1,875	1,639	-	3,514	43,225	
-	2,740	2,594	-	5,334	42,717	
-	2,001	2,236	-	4,237	45,873	
-	471	609	-	1,080	55,375	
-	238	378	-	616	51,630	
-	375	664	-	1,039	86,275	
28	-	-	-	-	1,100	
69	2,121	1,344	-	3,465	4,926	
81	853	782	-	1,635	236	
-	7	37	-	44	86	
\$ 59,401	\$ 111,244,394	\$ 575,695	\$ 2,080	\$ 111,822,169	\$ 1,475,972	

TOWN OF NEW CANAAN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND
 OUTSTANDING - SEWER TAXING DISTRICT FUND
 For the Year Ended June 30, 2011

Grand List Year	Balance Uncollected July 1, 2010	Current Levy	Lawful Corrections		Balance To Be Collected
			Additions	Deletions	
2009	\$ -	\$ 1,189,028	\$ 511	\$ 728	\$ 1,188,811
2008	9,400	-	-	1,938	7,462
2007	2,275	-	-	10	2,265
	<u>\$ 11,675</u>	<u>\$ 1,189,028</u>	<u>\$ 511</u>	<u>\$ 2,676</u>	<u>\$ 1,198,538</u>

Refunds	Collections			Balance Uncollected June 30, 2011
	Taxes	Interest	Total	
\$ 30	\$ 1,181,953	\$ 2,795	\$ 1,184,748	\$ 6,888
-	4,125	1,262	5,387	3,337
-	1,402	655	2,057	863
<u>\$ 30</u>	<u>\$ 1,187,480</u>	<u>\$ 4,712</u>	<u>\$ 1,192,192</u>	<u>\$ 11,088</u>

This page intentionally left blank.