



November 12, 2025

MEMORANDUM TO PROSPECTIVE BIDDERS

**Re: TOWN OF NORFOLK, CONNECTICUT
\$4,000,000 General Obligation Bond Anticipation Notes
(Bank Qualified)**

**Dated: December 3, 2025 Date of Sale: Wednesday, November 19, 2025
Due: September 2, 2026 Time of Sale: 11:00 A.M. (Eastern Time)**

*****Phone Number to Place Bid: (203) 878-4945*****

As per the Notice of Telephone Sale, proposals may be submitted by telephone on Wednesday, November 19, 2025. Please note that a representative of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., will be available until 11:00 A.M. (Eastern Time) on the day of the sale to assist with telephone bids. We ask that you submit your final bid by telephone at **(203) 878-4945 no later than 11:00 A.M. on Wednesday, November 19, 2025.**

The issue of notes is exempt from the provisions of Rule 15c2-12, as amended, of the Securities and Exchange Commission. No Official Statement has been prepared by or on behalf of the Issuer for this sale.

The General Purpose Financial Statements have been excerpted from the Annual Financial Report of The Town of Norfolk, Connecticut as of June 30, 2024. These excerpts are included in this package. Copies of the complete reports for June 30th are available upon request from Phoenix Advisors, Attention: Matthew A. Spoerndle, Senior Managing Director, 53 River Street, Suite 1, Milford, Connecticut, telephone (203) 878-4945.

We trust we may be of service.

PHOENIX ADVISORS, a division of First Security Municipal Advisors, Inc.



Telephone Sale Term Sheet
\$4,000,000
General Obligation Bond Anticipation Notes
Town of Norfolk, Connecticut

Date of Sale: Wednesday, November 19, 2025 at 11:00 A.M. (Eastern Time).

Location of Sale: The Offices of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone: (203) 878-4945.

Issuer: Town of Norfolk, Connecticut (the “Town”).

Issue: \$4,000,000 General Obligation Bond Anticipation Notes (the “Notes”).

Dated Date: December 3, 2025.

Principal and Interest Due: At maturity on September 2, 2026.

Purpose: The Notes are being issued to finance a Firehouse project.

Denominations: \$100,000 or whole multiples thereof.

Redemption: The Notes are not subject to redemption prior to maturity.

Security: The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.

Credit Rating: No application for a rating on this Note issue has been made to any credit rating agency. The Town has an outstanding bond rating from S&P Global of “AA”.

Basis of Award: Lowest Net Interest Cost (NIC), as of dated date.

Form of Legal Opinion and Tax Exemption: See attached Appendix - Opinion of Bond Counsel and Tax Exemption.

Bank Qualification: The Notes shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Continuing Disclosure The Notes are being offered subject to the exemption of certain requirements under Rule 15c2-12, as amended, of the Securities and Exchange Commission. An Official Statement has not been prepared by or on behalf of the Issuer for this sale, nor does the Issuer intend to enter into a continuing disclosure agreement with respect to the Notes.

Registrar, Transfer Agent, Certifying Agent and Paying Agent: U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103, unless the winning bidder is so designated. See “Option for No Book Entry” in the Notice of Sale.

Municipal Advisor: Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.

Legal Opinion: Shipman & Goodwin LLP, of Hartford, Connecticut\ will act as Bond Counsel.

Delivery and Payment: It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about December 3, 2025. Delivery of the Notes will be made against payment in immediately available Federal Funds.

Option for No Book Entry: A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC. See “Option for No Book Entry” in the Notice of Sale.

Issuer Official: Questions concerning the Official Statement should be addressed to the Town’s Municipal Advisor: Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, 53 River Street, Milford, Connecticut, Telephone: (203) 878-4945.

NOTICE OF SALE

\$4,000,000

TOWN OF NORFOLK, CONNECTICUT

GENERAL OBLIGATION BOND ANTICIPATION NOTES

TELEPHONE PROPOSALS will be received by the Town of Norfolk, Connecticut (the "Town") and by TELEPHONE BID by an authorized agent of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., the Town's Municipal Advisor at Telephone (203) 878-4945 until **11:00 A.M. (Eastern Time) on WEDNESDAY,**

NOVEMBER 19, 2025

for the purchase, when issued, of the Town's \$4,000,000 General Obligation Bond Anticipation Notes dated December 3, 2025, maturing September 2, 2026 (the "Notes"). The Notes are not subject to redemption prior to maturity. The Notes will be due and payable as to both principal and interest at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum. Interest shall be computed on the basis of a 30-day month and a 360-day year. The Notes will be delivered against payment in Federal funds in New York, New York on or about December 3, 2025. The Notes will be general obligations of the Town payable, as to both principal and interest, unless paid from other sources, from *ad valorem* taxes levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

Certifying Agent, Registrar, Transfer and Paying Agent. Unless the successful bidder on the Notes is designated as the certifying agent, registrar, paying and transfer agent for the Notes as provided in "Option For No Book Entry" below, the Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

DTC Book-Entry. The Notes will be issued by means of a book-entry-only system with no physical distribution of note certificates made to the public (except as may be requested, as described below in "Option For No Book Entry"). The Notes will be issued in registered form and one note certificate for each interest rate will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Notes will be evidenced in principal amounts of \$100,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Notes and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the Town will authenticate and deliver replacement Notes in the form of fully registered certificates. Any such replacement Notes, will provide that principal of and interest on the Notes will be payable to the registered owner upon presentation and surrender of the Notes at the principal office of the Paying Agent, or of its successors as paying agent for the Notes.

Option For No Book Entry. A bidder for the Notes may request that the Notes be issued in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the certifying agent, registrar and paying and transfer agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in the form of a fully-registered physical certificate, rather than in book-entry form, or to be designated as certifying agent, registrar and paying and transfer agent for such Notes, shall indicate this preference to the Town at the time of the submission of the bid. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as certifying agent, registrar and paying and transfer agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. The successful bidder seeking the issuance of the Notes in this manner, and any subsequent registered owner of the Notes, shall bear any and all costs, including counsel fees, of any re-registration or transfer of Notes from time to time, including any costs to convert the Notes to book-entry form and shall not impose or charge the Town for any costs or expenses related to the services as certifying agent, registrar and paying and transfer agent for the Notes if the successful bidder is so designated.

Telephone Proposals Bidding Procedure. Telephone proposals for the purchase of the Notes must be given by telephone call to Phoenix Advisors, a division of First Security Municipal Advisors, Inc., the Town's Municipal Advisor, at (203) 878-4945 by **11:00 A.M. (Eastern Time), on Wednesday, November 19, 2025**. All telephone bids must be completed by 11:00 A.M. (Eastern Time) on Wednesday, November 19, 2025, and shall be submitted in the form of the Bid Form attached hereto as Attachment A. All telephone bids shall be deemed to incorporate the provisions of this Notice of Sale. For the purpose of the bidding process, the time maintained by the Town's Municipal Advisor shall constitute the official time.

Proposals. Proposals may be made for all or any part of the Notes, but any proposal for a part must be for \$100,000 or a whole multiple thereof and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. No proposal for less than the minimum denomination or for less than par and accrued interest will be accepted. Each proposal must specify the amount bid for the Notes (which shall be the aggregate par value of the Notes, and, at the option of the bidder, a premium), and must specify one rate of interest in a multiple of one-hundredth (1/100) of one percent (1%) per annum for each part of the Notes bid for in the proposal. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Basis of Award. As between proposals which comply with this Notice of Sale, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the Town, which will be determined by computing as to each interest rate stated the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making an offer to purchase all or any portion of the Notes at the same lowest net interest cost, the Notes will be sold to the responsible bidder with the proposal for the largest principal amount of the Notes specified. If more than one responsible bidder makes an offer to purchase all or any portion of the Notes at the same lowest net interest cost and for the same largest principal amount of the Notes specified, the Notes or any portion thereof will be sold to the responsible bidder who is chosen by lot. If a bidder is awarded only a part of the

Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four decimal places. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Qualified Tax-Exempt Obligations. The Notes shall be designated by the Town as “qualified tax-exempt obligations” for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Bond Counsel Opinion/Additional Closing Documents. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Notes. A copy of the opinion will be delivered to each purchaser of the Notes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), based on existing law, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code, and (3) that interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

In addition to the approving opinion of Shipman & Goodwin LLP, the purchaser shall receive, without cost, at or prior to the delivery of the Notes (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them, and (b) a receipt of payment for the Notes.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Notes. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945 municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of

the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Notes as of November 19, 2025 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate in the form attached hereto as Attachment B, which shall be sent to the winning bidder promptly after the award of the Notes. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Notes of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Notes of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Notes of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

CUSIP Numbers. Unless the winning bidder requests the no book-entry option, the Notes will be delivered to DTC or its agent on or about December 3, 2025. The deposit of the Notes with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town’s Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., to apply for CUSIP numbers for the Notes by no later than one business day after dissemination of this Notice of Sale. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., will provide CUSIP Global Services with the final details of the sale of the Notes in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Notes with DTC due to the failure of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

No Continuing Disclosure or Official Statement. Since the Notes mature not more than nine months from the date of issue and are in denominations of \$100,000 or more, the undertaking to provide an official statement or continuing disclosure under SEC Rule 15c2-12 does not apply to the Notes. Therefore, the Town will not provide an official statement nor enter into a Continuing Disclosure Agreement with respect to the Notes.

Additional Information. For more information regarding this issue and the Town reference is made to the Town's financial statements. Proposal forms and copies of the Town's financial statements may be obtained from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945.

November 12, 2025

Matthew T. Riiska
First Selectman

Chelsea J. DeWitt
Treasurer

ATTACHMENT A

BID FORM – PROPOSAL FOR NOTES

Town of Norfolk
c/o Phoenix Advisors
Telephone No. (203) 878-4945

Norfolk Town Officials:

Subject to the provisions of the Notice of Sale dated November 12, 2025, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$4,000,000 Town of Norfolk General Obligation Bond Anticipation Notes and to pay therefor par and pay the premium specified below, if any, as follows:

For \$ _____ of \$4,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, of the Town of Norfolk, Connecticut dated December 3, 2025 and maturing on September 2, 2026, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$ _____. The net interest cost to the Town is _____ % (four decimals).

For \$ _____ of \$4,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, of the Town of Norfolk, Connecticut dated December 3, 2025 and maturing on September 2, 2026, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$ _____. The net interest cost to the Town is _____ % (four decimals).

For \$ _____ of \$4,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, of the Town of Norfolk, Connecticut dated December 3, 2025 and maturing on September 2, 2026, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$ _____. The net interest cost to the Town is _____ % (four decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: November 12, 2025

(Name of Bidder)

(Mailing Address)

(Authorized Signature)

(Telephone Number)

(Facsimile Number)

(E-mail Address)

We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

Only if submitting request that Notes not be issued in book-entry form: We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.

ATTACHMENT B

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Norfolk, Connecticut
\$4,000,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated November 12, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
09/02/2026	\$4,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Notes.)

**[NAME OF UNDERWRITER/
REPRESENTATIVE]**

By: _____

Name:

Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on November 20, 2025:

Bond Counsel: mritter@goodwin.com

Municipal Advisor: mspoerndle@muniadvisors.com

December 3, 2025

Town of Norfolk, Connecticut
Town Hall
19 Maple Avenue
Norfolk, Connecticut 06058

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Norfolk, Connecticut (the "Town") of its \$4,000,000 General Obligation Bond Anticipation Notes, dated December 3, 2025, maturing September 2, 2026 (the "Notes").

In connection with our representation of the Town as bond counsel with respect to the Notes, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of December 3, 2025, the executed Notes, and certified records of proceedings of the Town authorizing the Notes. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Notes under the authority of the constitution and statutes of the State of Connecticut, and that the Notes are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes if interest on the Notes is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Notes. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

4. We are of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Notes and the enforceability of the Notes and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

TOWN OF NORFOLK, CONNECTICUT

FINANCIAL INFORMATION

Excerpted from the
Annual Financial Report of
The Town of Norfolk, Connecticut
Year Ended June 30, 2024



Independent Auditor's Report

To the Board of Finance of the
Town of Norfolk, Connecticut
Norfolk, Connecticut

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Norfolk, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Norfolk, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Norfolk, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Norfolk, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Norfolk, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the state teachers and pension and OPEB schedules on pages 4-10 and 45-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Norfolk, Connecticut's basic financial statements. The general fund budgetary comparison detail schedules and the combining and individual nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by the Connecticut State Single Audit Act, is presented for the purposes of additional analysis and not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated February 28, 2025 on our consideration of the Town of Norfolk, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.



Sinnamon & Associates, LLC
Certified Public Accountants

February 28, 2025
Canaan Connecticut

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

The Management Discussion and Analysis (MD&A) offers the readers of the Town of Norfolk (the "Town") financial statements a narrative overview and analysis of the financial activities of the Town for the fiscal year ending June 30, 2024. The information presented here should be considered in conjunction with the Town's basic financial statements that follow this section. Wherever possible, reference to the financial statements is provided.

FINANCIAL HIGHLIGHTS

On a government-wide basis the Town's assets of \$21,768,945 exceeded its liabilities at June 30, 2024 resulting in a total net position of \$16,071,053. Unrestricted net position was \$7,395,145 and is available to meet ongoing government obligations. Of that amount \$7,395,145 is related to governmental activities, which include the General Fund.

The Town's governmental funds, reported on a current financial resource's basis, combined ending fund balance of \$7,283,616, an increase of \$2,585,037 for the year. The General Fund operating surplus for the year was \$1,314,018 compared to an anticipated deficit of \$150,000. The General Fund balance was \$3,887,515 of which \$250,000 was assigned to the 2024/25 budget and \$66,793 was assigned to the board of education lapsing fund.

The unassigned fund balance was \$3,570,722, or 39.3% of the subsequent years total General Fund budgeted expenditures and transfers. This amount includes \$1,253,080 of funds that were transferred from the pension trust fund to the general fund upon termination of the Towns defined benefit pension plan. Without these funds the unassigned balance would be \$2,317,642 or 25.54% of the subsequent years total General Fund budgeted expenditures and transfers.

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 basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide a broad overview of the Town's finances, similar to those used by private-sector businesses.

The statement of net position and the statement of activities, which are the government-wide statements, report information about Town finances as a whole and about its activities in a way that helps the reader determine whether the Town is better off or worse off as a result of a year's activities. All changes in net position 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 the future fiscal periods (e.g. uncollected taxes and earned, but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues, called "governmental activities" from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, referred to as "business-type activities". The governmental activities of the Town

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

include general government, public safety, public works, health and welfare, cultural and recreation, sanitation, education and activities.

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

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain and control accountability over resources that have been segregated for specific activities or objectives. Traditional readers of government financial statements will find the fund financial statement presentation more familiar. Norfolk, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Town's funds can be divided into two categories: governmental 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, that is the Town's most basic services. Unlike the government-wide financial statements, however, the funds focus on (1) cash and other financial resources that can be readily converted to cash flow in and out and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a near or short-term view of the Town's finances that may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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 maintains individual government 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 the capital reserve fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated 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 for the general fund to demonstrate compliance with the authorized budget.

The basic governmental fund financial statements can be found on pages 13 - 17 of this report.

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

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 those funds are not available to support the Town's own programs.

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and financial fund statements. The notes to the financial statements can be found on pages 20 - 47 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented following notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 58 – 61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$16,071,053 at the close of the most recent fiscal year.

By far the largest portion of the Town's assets is its investment in capital assets (e.g., land, buildings, machinery, and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, 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's net position increased by \$1,252,426 during the current fiscal year.

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

NET POSITION June 30, 2024 and June 30, 2023

	6/30/2024	6/30/2023
<u>Assets</u>		
Current and other assets	\$ 7,515,611	\$ 6,003,344
Capital assets, net of accumulated depreciation	14,253,334	10,726,168
<u>Total Assets</u>	21,768,945	16,729,512
 <u>Deferred outflows of resources</u>	 -	 271,468
 <u>Liabilities</u>		
Current liabilities	534,169	1,348,127
Long-term liabilities	5,163,723	834,226
<u>Total Liabilities</u>	5,697,892	2,182,353
 <u>Net Position</u>		
Net Investment in capital assets	8,675,908	8,637,265
Unrestricted	7,395,145	6,181,362
<u>Total Net Position</u>	\$ 16,071,053	\$ 14,818,627

Governmental Activities

Approximately 69% of the revenues were derived from property taxes, followed by 25% from operating and capital grants, 3% from service charges, and 3% from other grants and investment earnings.

For the most part, increases in expenses closely paralleled inflation and growth in demand for services. Approximately 47% of the Town's expenses relate to education, 25% relate to public works, 10% for general government, 18% for grant programs and 12% for all other activities.

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

CHANGES IN NET POSITION June 30, 2024 and June 30, 2023

	<u>6/30/2024</u>	<u>6/30/2023</u>
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 358,439	\$ 423,467
Operating grants and contributions	738,493	709,329
Capital grants and contributions	2,023,674	4,207,164
General revenues		
Property taxes	7,745,971	7,656,540
Grants & contributions	134,259	170,241
Unrestricted investment earnings	<u>232,472</u>	<u>55,688</u>
<u>Total Revenues</u>	<u>11,233,308</u>	<u>13,222,429</u>
<u>Expenses</u>		
General government	1,021,392	932,977
Public safety	370,603	507,661
Public works	2,451,402	1,716,738
Health and welfare	79,665	201,640
Recreation	103,442	100,594
Education	4,688,322	4,524,890
Fixed Charges	346,569	335,143
Miscellaneous	85,535	89,650
Debt Service	388,251	39,525
Capital Outlay for outside organizations	<u>445,701</u>	<u>1,957,901</u>
<u>Total Expenses</u>	<u>9,980,882</u>	<u>10,406,719</u>
<u>Change in net position</u>	1,252,426	2,815,710
<u>Net Position, beginning of year</u>	<u>14,818,627</u>	<u>12,002,917</u>
<u>Net Position, end of year</u>	<u>\$ 16,071,053</u>	<u>\$ 14,818,627</u>

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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 for spending at the end of a fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$3,887,515, of which \$250,000 was assigned to the 2024/25 budget and \$66,793 was assigned to the board of education lapsing fund. The remaining balance of \$3,570,722 is unassigned.

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

This amount includes \$1,253,080 of funds that were transferred from the pension trust fund to the general fund upon termination of the Towns defined benefit pension plan. Without these funds the unassigned balance would be \$2,317,642.

The fund balance of the Town's General Fund increased by \$1,314,018 during the current fiscal year which includes the \$1,253,080 above.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, revenues exceeded budgetary estimates and expenditures were lower than budget due to several factors including various cost savings.

A detailed schedule of revenues and expenditures, budget and actual, can be found on 52 - 57 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2024 amounted to \$14,252,334. This investment in capital assets included land, infrastructure, buildings and system improvements, machinery and equipment and vehicles.

**CAPITAL ASSETS, Net of Depreciation
June 30, 2024 and June 30, 2023**

	6/30/2024	6/30/2023
Land	\$ 380,052	\$ 380,052
Construction in Progress	4,974,448	1,888,879
Buildings and improvements	4,515,218	4,601,644
Infrastructure	3,474,434	2,796,801
Machinery and Equipment	370,119	430,729
Vehicles	539,063	628,063
Total	\$ 14,253,334	\$ 10,726,168

Long-Term Debt

At the end of the current fiscal year, the Town had total outstanding debt of \$5,291,051. All of the debt is backed by the full faith and credit of the Town. The Town's total debt had a net increase of \$3,202,148 during the current fiscal year. This borrowing was utilized for a new roof at Botelle School and Maple Avenue - see Note 12 to the financial statements for details. State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year tax collections. The current statutory debt limitation for the Town is \$53,292,820, which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 12.

TOWN OF NORFOLK, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS AND RATES

Because of the recent shortfalls in the State Budget, Norfolk will again need to be more fiscally responsible. The current year's income from the State of Connecticut to Norfolk and the anticipated amounts for the next fiscal year are shown below. Fiscal issues will come from the limited State contributions to infrastructure projects.

	<u>Current FY 2024</u>	<u>Proposed FY 2025</u>
Education Cost Sharing	\$ 39,312	\$ 39,307
Special Education	47,910	-
Adult Education & Talent Grant	880	267
Pequot-Mohegan Fund	8,899	8,889
Tiered PILOT	88,136	88,136
Municipal Revenue Sharing	50,016	9,911
Town Aid Roads	243,294	243,294
Municipal Purposes and Projects	7,207	7,207
Tax Relief & Other	1,582	-
	<u> </u>	<u> </u>
Total	<u>\$ 487,236</u>	<u>\$ 397,011</u>

Bridge work the River Place Bridge is ongoing into fiscal year 2024/2025. An additional note of \$1,740,000 was issued in February 2025 to fund this project. Capital projects started in fiscal 2023/2024 that continue into 2024/2025 also include the Botelle School roof and work on Malpe Avenue. The balance remaining in the Botelle Roof Project was \$918,362 and the balance remaining in the Maple Avenue project was \$832,439 as of June 30, 2024. These funds are reported as part of the Capital Non-recurring fund on the financial statements.

Requests for Information

This financial report is designed to provide a general overview for those with an interest in the Town finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the First Selectman's Office, Town of Norfolk, PO Box 592, 19 Maple Ave., Norfolk, CT 06058.

TOWN OF NORFOLK
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,317,125
Investments	1,581,358
Receivables:	
Property Taxes	81,842
Accrued interest and fees on property tax	35,286
Due from Other Governments	500,000
Capital assets not being depreciated	5,354,500
Capital Assets, net of accumulated depreciation	8,898,834
 <u>TOTAL ASSETS</u>	 \$ 21,768,945
 <u>LIABILITIES</u>	
Accounts and Other Payables	\$ 44,488
Unearned Revenue	75,978
Noncurrent Liabilities:	
Due within one year	413,703
Due in more than one year	5,163,723
<u>TOTAL LIABILITIES</u>	5,697,892
 <u>NET POSITION</u>	
Net investment in capital assets	8,675,908
Unrestricted	7,395,145
 <u>TOTAL NET POSITION</u>	 \$ 16,071,053

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Governmental Activities</u>				
General Government	\$ (1,021,392)	\$ 240,959	\$ -	\$ (684,008)
Public Safety	(370,603)	2,466	-	(358,137)
Public Works	(2,451,402)	94,657	243,294	(2,113,451)
Health and Welfare	(79,665)	-	-	(79,665)
Recreation	(103,442)	19,684	-	(83,758)
Education	(4,688,322)	673	386,397	(4,301,252)
Fixed Charges	(346,569)	-	-	(346,569)
Miscellaneous	(85,535)	-	2,377	(83,158)
Capital Outlay	(445,701)	-	2,023,674	1,577,973
Debt Service	(388,251)	-	-	(388,251)
<u>Total Governmental Activities</u>	<u>(9,980,882)</u>	<u>738,493</u>	<u>2,023,674</u>	<u>(6,860,276)</u>
<u>Total Primary Government</u>	<u>\$ (9,980,882)</u>	<u>\$ 738,493</u>	<u>\$ 2,023,674</u>	<u>(6,860,276)</u>
<u>General Revenues:</u>				
Property taxes				7,745,971
Grants and contributions not restricted to specific programs				134,259
Unrestricted investment earnings				232,472
<u>Total General Revenues</u>				<u>8,112,702</u>
<u>Change in net position</u>				1,252,426
<u>Net position beginning of year</u>				14,818,627
<u>Net position end of year</u>				<u>\$ 16,071,053</u>

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Nonrecurring Fund	Bridge Projects	ARPA Fund	Haystack Woods Project	City Meadows	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>								
Cash and cash equivalents	\$ 2,795,779	\$ 2,053,102	\$ 20	\$ -	\$ 10,000	\$ 87,889	\$ 370,335	\$ 5,317,125
Investments	1,235,825	-	-	-	-	-	345,533	1,581,358
Receivables:								
Property Taxes	81,842	-	-	-	-	-	-	81,842
Due From Other Funds	-	17,795	-	-	-	-	11,464	29,259
Due From Other Governments	-	500,000	-	-	-	-	-	500,000
<u>TOTAL ASSETS</u>	<u>4,113,446</u>	<u>2,570,897</u>	<u>20</u>	<u>-</u>	<u>10,000</u>	<u>87,889</u>	<u>727,332</u>	<u>7,509,584</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>\$ 4,113,446</u>	<u>\$ 2,570,897</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 87,889</u>	<u>\$ 727,332</u>	<u>\$ 7,509,584</u>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>LIABILITIES</u>								
Accounts and Other Payables	\$ 44,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,488
Due to Other Funds	29,259	-	-	-	-	-	-	29,259
Unearned Revenue	75,978	-	-	-	-	-	-	75,978
<u>TOTAL LIABILITIES</u>	<u>149,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,725</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable Revenue - property taxes	76,206	-	-	-	-	-	-	76,206
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>76,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,206</u>
<u>FUND BALANCES</u>								
Nonspendable	-	-	-	-	-	-	223,942	223,942
Restricted	-	-	-	-	-	-	40,039	40,039
Committed	-	2,570,897	20	-	10,000	87,889	271,522	2,940,328
Assigned	316,793	-	-	-	-	-	191,829	508,622
Unassigned	3,570,722	-	-	-	-	-	-	3,570,722
<u>TOTAL FUND BALANCES</u>	<u>3,887,515</u>	<u>2,570,897</u>	<u>20</u>	<u>-</u>	<u>10,000</u>	<u>87,889</u>	<u>727,332</u>	<u>7,283,653</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>\$ 4,113,446</u>	<u>\$ 2,570,897</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 87,889</u>	<u>\$ 727,332</u>	<u>\$ 7,509,584</u>

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2024

<u>Total fund balances for governmental funds</u>	\$ 7,283,653
Total net assets reported for governmental activities in the statement of net assets is different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	14,253,334
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Property tax and receivables greater than 60 days	76,206
Interest receivable on property taxes	35,286
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
General Obligation Bonds and Notes Payable	(5,291,051)
Unamortized Premium on Bonds	(286,375)

<u>Net position of governmental activities</u>	\$ 16,071,053

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Capital Nonrecurring Fund	Bridge Projects	ARPA Fund	Haystack Woods Project	City Meadows	Other Governmental Funds	Total Governmental Funds
Revenues:								
Sales and Services	-	-	\$ -	\$ -	\$ -	\$ -	\$ 673	\$ 673
Property Taxes	7,761,568	-	-	-	-	-	-	7,761,568
Other Governmental Revenues	995,071	500,000	70,708	52,547	1,082,144	-	25,858	2,726,328
Other Local Revenues	386,201	-	-	-	-	110,000	-	496,201
Investment Income	81,154	133,058	-	-	-	-	18,260	232,472
Miscellaneous	-	-	-	-	-	-	56,409	56,409
Total Revenues	9,223,994	633,058	70,708	52,547	1,082,144	110,000	101,200	11,273,651
Expenditures:								
General Government	787,437	-	-	-	-	-	-	787,437
Public Safety	305,172	-	-	-	-	-	-	305,172
Public Works	2,324,524	-	-	-	-	-	-	2,324,524
Health and Welfare	79,665	-	-	-	-	-	-	79,665
Recreation	103,442	-	-	-	-	-	-	103,442
Education	4,589,790	-	-	-	-	-	-	4,589,790
Fixed Charges	346,569	-	-	-	-	-	-	346,569
Miscellaneous	33,688	-	-	-	-	-	-	33,688
Capital Outlay	-	2,942,088	214,668	52,547	1,082,144	29,784	26,601	4,616,391
Debt Service	334,939	4,231,375	772,992	-	-	-	51,847	85,535
	8,905,226	7,173,463	987,660	52,547	1,082,144	29,784	72,000	4,393,231
Total Expenditures	318,768	(6,540,405)	(916,952)	-	-	80,216	(49,248)	(7,107,621)
Excess (deficiency) of Revenues Over Expenditures								
Other Financing Sources (Uses):								
Proceeds from Borrowing	-	7,945,000	208,203	-	-	-	-	8,153,203
Premium on General Obligation Bonds	-	286,375	-	-	-	-	-	286,375
Transfer in From Pension Trust Fund	1,253,080	-	-	-	-	-	-	1,253,080
Transfers In	34,940	150,000	-	-	-	-	142,770	327,710
Transfers Out	(292,770)	-	-	-	-	-	(34,940)	(327,710)
Total Other Financing sources (Uses):	995,250	8,381,375	208,203	-	-	-	107,830	9,692,658
Net Change in Fund Balances	1,314,018	1,840,970	(708,749)	-	-	80,216	58,582	2,585,037
Fund Balances (Deficit), Beginning of Year	2,573,497	729,927	708,769	-	10,000	7,673	668,750	4,698,616
Fund Balances (Deficit), End of Year	\$ 3,887,515	\$ 2,570,897	\$ 20	\$ -	\$ 10,000	\$ 87,889	\$ 727,332	\$ 7,283,653

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
JUNE 30, 2024

Net change in fund balances for governmental funds \$ 2,585,037

Total change in net assets reported for governmental activities in the statement of activities is different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation differed from capital outlays in the current period is as

Capital outlay	3,947,530	
Depreciation expense	(420,364)	
Net adjustment	3,527,166	3,527,166

The issuance of long-term debt (e.g., bonds, notes) 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 position. 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

Issuance of Bonds and Notes		(8,153,203)
Principal Payments on Bonds and Notes		4,951,055
Premium on Bonds		(286,375)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Change in Interest and Lien fees due on Property Taxes	(18,911)	
Property Taxes Accrual Change	3,314	
	(15,597)	(15,597)

Change in Deferred Outflows of Resources related to pensions (271,468)

Change in net pension asset/obligation (1,084,189)

Change in net position of governmental activities \$ 1,252,426

TOWN OF NORFOLK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Revenues:</u>				
Taxes and Related Items	\$ 7,712,588	\$ 7,712,588	\$ 7,761,568	\$ 48,980
Licenses, Permits and Fees	265,825	265,825	386,201	120,376
Federal and State Grants and Revenues	413,023	413,023	745,988	332,965
Income From Investments	7,400	7,400	81,154	73,754
<u>Total Revenues</u>	<u>8,398,836</u>	<u>8,398,836</u>	<u>8,974,911</u>	<u>576,075</u>
<u>Expenditures:</u>				
General Government	888,645	888,645	787,437	(101,208)
Public Safety	299,258	299,258	305,172	5,914
Public Works	1,858,074	1,858,074	2,324,524	466,450
Health and Welfare	92,872	92,872	79,665	(13,207)
Recreation	117,399	117,399	103,442	(13,957)
Board of Education	4,223,193	4,223,193	4,340,707	117,514
Miscellaneous	40,728	40,728	33,688	(7,040)
Debt Service	478,835	478,835	334,939	(143,896)
Fixed Charges	405,232	405,232	346,569	(58,663)
<u>Total Expenditures</u>	<u>8,404,236</u>	<u>8,404,236</u>	<u>8,656,143</u>	<u>251,907</u>
<u>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures</u>				
	(5,400)	(5,400)	318,768	324,168
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	5,400	5,400	1,288,020	1,282,620
Operating Transfers Out	(150,000)	(150,000)	(292,770)	(142,770)
<u>Total Other Financing Sources (Uses)</u>	<u>(144,600)</u>	<u>(144,600)</u>	<u>995,250</u>	<u>1,139,850</u>
<u>Net Change in Fund Balance</u>	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	<u>1,314,018</u>	<u>\$ 1,464,018</u>
<u>Fund Balance - Beginning Of Year</u>			<u>2,573,497</u>	
<u>Fund Balance - End Of Year</u>			<u>\$ 3,887,515</u>	

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Pension Trust Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ -
Investments	-
Due from other funds	-
	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ -</u>
 <u>LIABILITIES</u>	
Due to beneficiaries	\$ -
	<hr/>
<u>TOTAL LIABILITIES</u>	<u>-</u>
 <u>NET POSITION</u>	
Net position held in trust for pension benefits	-
	<hr/>
<u>TOTAL NET POSITION</u>	<u>-</u>
 <u>TOTAL LIABILITIES AND NET POSITION</u>	
	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Pension Trust Fund
<u>ADDITIONS</u>	
<u>Contributions</u>	
Employer	\$ -
<u>Total Contributions</u>	-
<u>Investment Income</u>	110,543
<u>TOTAL ADDITIONS</u>	110,543
<u>DEDUCTIONS</u>	
Benefits	628,153
Administrative Expense	8,375
Transfer to General Fund Upon Close out of Plan	1,253,080
<u>TOTAL DEDUCTIONS</u>	1,889,608
<u>CHANGE IN NET POSITION</u>	(1,779,065)
<u>NET POSITION BEGINNING OF YEAR</u>	1,779,065
<u>NET POSITION END OF YEAR</u>	\$ -

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Norfolk, Connecticut (the Town) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Reporting Entity

The Town of Norfolk operates under the Selectman form of government with a Board of Finance and a Board of Education and various other boards and commissions and provides the following services as authorized by State Statute: public safety, public works, health, welfare, parks, recreation, and elementary and secondary education. Under this form of Government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes, and borrow money. The executive branch is led by an elected three-member Board of Selectman. The Selectman oversee most of the activities not assigned specifically to another Body. An elected Board of Education oversees the public-school system.

The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by Connecticut General Statutes.

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 following related organizations, to which the Town appropriates funds annually, do not meet the above criteria and are not included in the reporting entity:

Norfolk Fire District - This potential component unit has a separate elected board and provides services to residents, generally within the geographic boundaries of the Town. It is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations or approve budgets.

Regional School District #7 - This potential component unit has a separate elected board and provides educational services to residents of several local Towns which make up the region. It is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations or approve budgets.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The statement of activities demonstrates the degree to which the direct expenses of a 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.

Fund Financial Statements

Governmental Funds are those through which most governmental functions typically are financed. The governmental funds are as follows:

General Fund- the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and earnings on investments.

Capital Project Funds - account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds for assets that will be held in trust for individuals, private organizations, or other governments.

Special Revenue Funds - account for revenue derived from specific sources other than capital projects that are restricted or committed by legal and regulatory provisions to finance specific activities.

Permanent Funds - used to report resources that are legally restricted to the extent that only income, and not principal, may be used for purposes that support the Town's programs.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Fund is used to account for the activities of the Town's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

Measurement Focus Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

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

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 *Capital Nonrecurring Fund and City Meadows Fund* account for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Most of the capital outlays are financed by appropriations from the General Fund or the issuance of general obligation bonds.

The *Bridge Projects Fund* accounts for financial resources restricted to the capital projects for bridge programs in Town.

The *ARPA Grant Fund* accounts for financial resources restricted to ARPA Federal Covid Grant Funds received.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The Haystack Woods Project Fund and City Meadows Fund account for financial resources restricted to these projects.

The Town has no proprietary funds.

Accounting Estimates

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

Cash Equivalents

The Town classifies all highly liquid investments having original maturities of three months or less as cash equivalents.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices), except as described below. Investments in certain external investment pools and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the fund.

Interfund Receivables, Payables, and Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Property Taxes

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property located in the Town. Assessed values are established by the Town Assessment Board at 70 percent of estimated market value. A revaluation of all property is required to be completed no less than every five years.

Property taxes are assessed on property as of October 1. Real estate and personal property taxes are due and payable in two installments on July 1 and the following January 1, although a 30-day grace period is provided. Motor vehicle taxes are due and payable July 1, and motor vehicle supplemental taxes are due and payable January 1.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Uncollected property taxes are recorded as receivables. An allowance based on historical collection experience is provided for uncollectible taxes. Outstanding real estate tax accounts are liened each year prior to June 30, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

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 column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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.

Property, plant, equipment, and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Building improvements	20
Machinery and equipment	5 - 30
Infrastructure	50
Vehicles	5 - 10

Compensated Absences

Town employees are entitled to certain compensated absences based on their length of employment. Earned vacation pay is paid to employees upon separation of service, but sick pay is not paid. The cost of vacation and sick leave is recognized when payments are made to employees. The amount of the liability for accrued vacation leave would not have a material effect on the Town's financial statements; therefore, no liability has been recorded.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether of not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. The Town reports deferred outflows of resources related to pensions for contributions as determined under GASB 68.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Pension Plan Accounting

In the 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 pursuant to legal requirements of the plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense in the governmental activities financial statements, information about the fiduciary net position of the Town's pension plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the pension trust funds.

Fund Equity and Net Position

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

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

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Unrestricted Net Position - This category represents the net position of the Town, which is not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – includes amounts that are not in spendable form or amounts that must be maintained intact legally or contractually. The criteria include items that are not expected to be converted to cash such as inventories, prepaid amounts and long term receivables.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. Commitments may be changed or lifted only by the same group taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – includes amounts intended to be used by the Town for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – includes the general fund balance amount that is not classified as nonspendable, restricted, committed or assigned.

The Town’s policy is to apply expenditures against the applicable fund balances in the order of restricted, committed, assigned, and unassigned.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget for the general fund is authorized annually by the Board of Finance. The procedures for establishing the budgetary data reflected in the general-purpose financial statements are as follows:

- A proposed operating budget is submitted for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage of ordinance.
- The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any major revisions that alter the total expenditures of any fund must be approved at the Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgets are not employed in the other various types of funds of the Town.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- Budgeted amounts are shown as originally adopted or as amended by the Board of Finance or at a Town meeting during the course of the year.

Departments seeking additional appropriations or appropriation transfers between budgetary line items must make a written request to the Board of Finance through the Board of Selectmen. An additional appropriation to a budgetary line item requires approval at a Town meeting if it exceeds \$20,000 or is a second request by the asking board or department. An additional appropriation of \$20,000 or higher is voted by the citizens of the Town.

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. A reconciliation of general fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows:

	Revenues	Expenditures
Total budgetary basis - Non GAAP	\$ 8,974,911	\$ 8,656,143
Teachers retirement system on behalf payments	245,739	245,739
Teachers retirement system OPEB	3,344	3,344
Total GAAP Basis	\$ 9,223,994	\$ 8,905,226

NOTE 3 – CASH DEPOSITS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call reports, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. All of the Town’s deposits were in qualified public institutions as defined by state statute.

As of June 30, 2024, the carrying amount of the Town’s cash deposits were as follows:

	Carrying Amount	Bank Balance
Governmental Funds		
Cash and cash equivalents	\$ 5,317,125	5,480,100
Certificates of deposit classified as investments	115,715	115,715
STIF Account Cash Equivalent	(717,461)	(717,461)
Total Cash	\$ 4,715,379	\$ 4,878,354

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town 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. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$536,145 of the Town’s bank balance of \$4,878,354 was exposed to custodial credit risk as follows:

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Uninsured and collateralized with securities held by the pledging Bank's trust department or agent but not in the Town's name	\$	62,941
Uninsured and uncollateralized		<u>473,204</u>
	\$	<u><u>536,145</u></u>

The level of the Town's deposits varied significantly throughout the year as a result of higher cash flows during certain periods of the year. As a result, uninsured, uncollateralized amounts at those times were substantially higher than at year-end.

Concentrations of Credit Risk

The Town does not have a policy that limits the amounts invested in any one issuer. At June 30, 2024, the Town had all of its cash deposits in financial institutions located in the State of Connecticut. The Town has not experienced any losses on such accounts.

The State Treasurer's Short-Term Investment Fund is operated by the State Treasurer's Office. The value of the pool shares is the same as the fair value of the Town's position in the pool.

NOTE 4 – INVESTMENTS

The Town has no formally adopted investment policy that would limit its investment choices due to credit risk other than the State of Connecticut General Statutes that limit investments to obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investments are stated at fair value using quoted market prices and consist of funds deposited in certificates of deposit, permanent funds and pension assets held by the pension administrator. As of June 30, 2024, the Town had the following investments:

United States Treasury Funds - General Fund	\$	1,235,825
Common Stock held by trust funds		229,818
Certificates of deposit classified as investments		<u>115,715</u>
	\$	<u><u>1,581,358</u></u>

Categorization is not applicable since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

All of the above investments have maturities categorized as less than 1 year.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Interest Rate Risk

Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk.

The pension trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor. The pension fund investments consist primarily of investments in pooled fixed income accounts and equity securities and are therefore not exposed to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

Concentrations of Credit Risk

The Town does not have a policy that limits the amounts invested in any one issuer.

Fair Value Measurements

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The town's investments are measured on a recurring basis using level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2024.

The town's investments are measured on a recurring basis using level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2024.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – RECEIVABLES

Receivables at June 30, 2024 for individual major funds and all other funds in the aggregate, including the applicable allowance for collection losses, are as follows:

	<u>General Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Total</u>
Property taxes	\$ 81,842	\$ -	\$ 81,842
Interest due on taxes	55,286	-	55,286
Less allowance	(20,000)	-	(20,000)
STEAP Grant	-	500,000	500,000
Total Receivables	\$ 117,128	\$ 500,000	\$ 617,128

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2024, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From</u>	<u>Due To</u>
General fund	\$ -	\$ 29,259
Capital reserve fund	17,795	-
Moore Bailey	3,750	-
Historical Records	7,714	-
Total	\$ 29,259	\$ 29,259

A summary of interfund transfers is presented as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Capital reserve fund	\$ 150,000	-
General Fund	34,940	292,770
Trust Funds	-	2,464
Wooster Memorial	-	168
Botelle Fuel Tank	-	27,390
Fire House Fund	142,770	-
General Cemeteries	-	4,918
Sub -Total	327,710	327,710
Transfer to General Fund From Pension		
Trust Fund		1,253,080
Total	\$ 327,710	\$ 1,580,790

NOTE 7 -DEFICIT FUND BALANCES

As of June 30, 2024, no funds had a deficit fund balance

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - POST EMPLOYMENT AND HEALTHCARE BENEFITS

The Town does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the act, and no direct costs are incurred by the Town.

NOTE 9 - RISK MANAGEMENT AND UNCERTAINTIES

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks and any claims have not exceeded commercial coverage.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such allowances, if any, will not be material.

There are legal actions pending in which the Town is involved. The Town Officials are of the opinion that the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the Town.

NOTE 11 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 was as follows:

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 380,052	\$ -	\$ -	\$ 380,052
Construction in Progress	1,888,879	3,085,569	-	4,974,448
	2,268,931	3,085,569	-	5,354,500
Capital assets being depreciated:				
Buildings and improvements	9,437,555	124,547	-	9,562,102
Infrastructure	2,857,083	732,743	-	3,589,826
Machinery and Equipment	1,166,817	-	-	1,166,817
Vehicles	2,174,329	4,671	-	2,179,000
Total capital assets being depreciated	15,635,784	861,961	-	16,497,745
Less accumulated depreciation for:				
Buildings and improvements	4,835,911	210,973	-	5,046,884
Infrastructure	60,282	55,110	-	115,392
Machinery and Equipment	736,088	60,610	-	796,698
Vehicles	1,546,266	93,671	-	1,639,937
Total accumulated depreciation	7,178,547	420,364	-	7,598,911
Total capital assets being depreciated, net	8,457,237	441,597	-	8,898,834
Governmental activities, capital assets, net	\$10,726,168	\$3,527,166	\$ -	\$14,253,334

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

Governmental activities:	
General Government	\$ 131,378
Public Safety	65,431
Public Works	126,878
Education	96,677
Total depreciation expenses governmental activities	\$ 420,364

NOTE 12 - GENERAL OBLIGATION DEBT

The following is a summary of changes in general obligation debt during the fiscal year:

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within</u>
General Obligation Bond Refinancing dated December 16, 2016. Interest at 2.03% per year for 10 years. Annual payments declining from \$157,342 in 2016 to \$127,406 in 2027. Final payment due November 2026.	\$ 509,894	\$ -	\$ 128,769	\$ 381,125	\$ 127,973
Mountain Road Bridge Revolving demand note, 2.25% interest, additional principal paid July 2023. The remaining balance of \$495,842 was termed out over 10 years at a fixed rate of 2.25%. Annual payments of \$56,061 principal and interest due. Final payment due March 2033.	1,118,643	-	667,480	451,163	45,730
demand note, 2.25% interest only originally expires September 15, 2023, extended until 2024. This note was refinanced in February 2025 with a principal balance of \$560,171 remaining. This balance is payable in annual installments of \$56,017 principal plus over 10 years at a fixed rate of 2.25% beginning July 15, 2025. Final payment	460,366	208,203	154,806	513,763	-
General Obligation Bonds Dime Bank Date July 1, 2023. Interest fixed at 5.875 per year for 25 years. Annual principal payments of \$160,000 plus interest due annually. Final payment due July 2048.	-	4,000,000	4,000,000	-	-
General Obligation Bonds dated May 14, 2024 Refinancing Dime Bank Note. Interest variable between 5.0% and 3.75% per year. Annual payments declining from \$344,261 in 2025 to \$118,300 in 2049. Final payment due July 2048.	-	3,945,000	-	3,945,000	240,000
Subtotal	2,088,903	8,153,203	4,951,055	5,291,051	413,703
Unamortized Premium on Bonds	-	286,375	-	286,375	-
Total Long-Term Debt	<u>\$ 2,088,903</u>	<u>\$8,439,578</u>	<u>\$4,951,055</u>	<u>\$ 5,577,426</u>	<u>\$ 413,703</u>

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

All notes and bonds are secured by the general revenue raising powers of the Town and payment will be provided by General Fund revenues. The following is a summary of debt service requirements to maturity by year:

Year Ending June 30	Principal	Interest	Total
2025	\$ 413,703	\$ 120,991	\$ 534,694
2026	404,816	182,895	587,711
2027	404,983	169,913	574,896
2028	279,929	157,550	437,479
2029	281,064	146,405	427,469
2030	277,206	135,378	412,584
2031	278,374	124,450	402,824
2032	279,561	113,502	393,063
2033	234,381	102,513	336,894
2034	226,017	91,503	317,520
2035	221,017	81,868	302,885
2036	165,000	73,812	238,812
2037	160,000	67,313	227,313
2038	160,000	60,912	220,912
2039	155,000	54,613	209,613
2040	155,000	48,412	203,412
2041	150,000	42,688	192,688
2042	145,000	37,525	182,525
2043	140,000	32,537	172,537
2044	135,000	27,387	162,387
2045	135,000	21,987	156,987
2046	130,000	16,687	146,687
2047	125,000	11,744	136,744
2048	120,000	7,000	127,000
2049	115,000	2,300	117,300
	<u>\$ 5,291,051</u>	<u>\$ 1,931,885</u>	<u>\$ 7,222,936</u>

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2024.

Unissued Bond Authorization

Subsequent to June 30, 2024 on November 20, 2024 the Town authorized \$1,740,000 of new borrowings to fund the completion of River Place Bridge.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 – FUND BALANCES

As of June 30, 2024, governmental fund balances are composed of the following:

	<u>General Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Bridge Projects Fund</u>	<u>Haystack Woods Project</u>	<u>City Meadows</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Funds	-	-	-	-	-	223,942	223,942
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,942</u>	<u>223,942</u>
Restricted							
Special Revenue Funds	-	-	-	-	-	40,039	40,039
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,039</u>	<u>40,039</u>
Committed							
Capital Non-Recurring Fund	-	2,570,897	-	-	-	-	2,570,897
Bridge Projects Fund	-	-	20	-	-	-	20
City Meadows Fund	-	-	-	-	87,889	-	87,889
Haystack Woods project	-	-	-	10,000	-	-	10,000
Special Revenue Funds	-	-	-	-	-	271,522	271,522
	<u>-</u>	<u>2,570,897</u>	<u>20</u>	<u>10,000</u>	<u>87,889</u>	<u>271,522</u>	<u>2,940,328</u>
Assigned							
Subsequent year's budget	250,000	-	-	-	-	-	250,000
BOE Lapsing Fund	66,793	-	-	-	-	-	66,793
Special Revenue Funds	-	-	-	-	-	191,829	191,829
	<u>316,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,829</u>	<u>508,622</u>
Unassigned	<u>3,570,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,570,722</u>
Total governmental funds	<u>\$ 3,887,515</u>	<u>\$ 2,570,897</u>	<u>\$ 20</u>	<u>\$ 10,000</u>	<u>\$ 87,889</u>	<u>\$ 727,332</u>	<u>\$ 7,283,653</u>

NOTE 14 - PENSION PLANS

Defined Benefit Plan

The defined benefit plan was closed on May 1, 2024. The Town purchased annuity contracts to cover all remaining pension benefits associated with the plan. The remaining net assets were transferred to the Towns General Fund and are being held in a sperate, but unassigned account as of June 30, 2024.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Plan Description and Significant Accounting Policies

The Town had a single employer, noncontributory defined benefit pension plan administered by the Town of Norfolk for eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers Retirement System. The plan is funded through a trust with Union Savings Bank which has authority and discretion to invest the funds of the plan. The Town has the authority to amend benefit provisions. The plan represents a component unit (reporting as a Pension Trust Fund) of the Town's financial reporting entity. Stand-alone financial statements are not issued for the plan.

The financial statements of the Town of Norfolk's pension plan are prepared on the accrual basis of accounting. Contributions and benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

All eligible employees who have completed one year of service with a minimum of 20 hours per week or 900 hours during the year are eligible for inclusion in the plan. The plan provides that effective July 1, 1997 benefits were fully vested after five years of credited service. Prior to that ten years was required. Normal retirement from Town services is at age 65.

Pension benefits for normal retirement under the Town's pension plan are calculated at 1.5% of Average Compensation multiplied by the number of years of credited service. The Pension Plan also contains provisions covering early retirement and pre-retirement death and disability benefits.

Funding Policy

The contribution requirements of plan members are established and may be amended by the Town. Town employees are not required to contribute to the plan. The Town is required to contribute to the plan at an actuarially determined rate. Benefits were frozen as of December 31, 2011.

Changes were made to the plan effective March 1, 2016 to allow a terminated member eligible for a vested deferred benefit which has not begun collecting their retirement benefit, as well as a retiring member, to elect a lump sum payment in cash, which is the actuarial equivalent of the vested deferred benefit provided in Section 41-13 of the code.

Investments

The pension plan's policy in regard to the allocation of invested assets is to pursue an investment strategy that achieves the stated actuarial target of the plan, maintains sufficient liquidity to meet the obligations of the plan, diversifies the assets of the plan in order to reduce risk, and achieves long-term investments results that compare favorably with appropriate market indices.

Plan assets were zero as of June 30, 2024.

Net Pension Liability

In accordance with GASB Statement No. 67, the components of the net pension liability (asset) of the Town at June 30, 2024 were as follows:

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Total pension liability	\$	-
Plan fiduciary net position		-
Total Net Pension Liability (Asset)		-

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2023	\$ 694,876	\$ 1,779,065	\$ (1,084,189)
Charges for the year			
Service cost	-	-	-
Interest	22,848	-	22,848
Differences between expected and actual experience	(89,571)	-	(89,571)
Employer contributions	-	-	-
Changes of assumptions	-	-	-
Net investment income	-	110,543	(110,543)
Benefit payments	(628,153)	(628,153)	-
Administrative fees	-	(8,375)	8,375
Transfer to General Fund Upon Close out of Plan	-	(1,253,080)	1,253,080
Net changes	(694,876)	(1,779,065)	1,084,189
Balance at June 30, 2024	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total pension liability			N/A
Covered-employee payroll			\$ -
Net pension liability as a percentage of covered-employee payroll			N/A

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related To Pensions

At June 30, 2024, the Town reported zero deferred outflows of resources and deferred inflows of resources related to pensions.

DEFINED CONTRIBUTION PLAN

The Town provides retirement benefits through a single-employer defined contribution pension plan for all eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers' Retirement System. The Board of Selectmen has oversight and fiduciary responsibility for the plan.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

All eligible employees who have completed one year of service with a minimum of 1,000 hours during the year and who have reached age 21 are eligible for inclusion in the plan. The plan provides that benefits are 100% vested at all times with respect to all of the amounts allocated to employees' accounts. The Town contributes an amount equal to 7% of each eligible employee's base compensation. During the year, the Town's contributions totaled \$27,302 and the Board of Education's contributions totaled \$11,257.

As of June 30, 2024, there were no securities of the Town or other related parties held in the plan. Due to the nature of the plan there is no unfunded liability.

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability, and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut, as follows:

Normal Retirement

Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary

As of June 30, 2024, in addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement

Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit

Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this Plan (without regard

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

A Plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit

The System also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly.

Employer (School Districts)

School district employers are not required to make contributions to the Plan, as contributions are required only from employees and the State. The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2024, the Town recognized benefits expense and contribution revenue of \$245,739 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$253,567 for pension expense and revenue for on-behalf amounts for the benefits provided by the State.

Employees

Effective July 1, 1992, each teacher was required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

Pension Liabilities, Pension Expenses, and Deferred Inflows/Outflows of Resources

At June 30, 2024, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportional share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		2,648,376
 Total	 \$	 <u><u>2,648,376</u></u>

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. As of June 30, 2023, the Town has no proportionate share of the net pension liability.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, with a reporting date of June 30, 2023, using the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	6.90 Percent

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Assumption changes since the prior year are as follows:

There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost of Living Allowance

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of TRS after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut's Treasurer's Office are summarized in the following table:

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town’s proportionate share of the net pension liability is \$0, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Connecticut State Teachers’ Other Post-Employment Benefits (OPEB)

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools, plus professional employees at state schools of higher education, are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers’ Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer, and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, and any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute.

A subsidy amount of \$440 per month may be paid for a retired member, spouse, or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, state employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Pro-ratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$3,344 and is recognized in the General Fund as intergovernmental revenues and education expenditures. In the government-wide financial statements, the Town recognized \$(29,230) for OPEB expense and revenue for on-behalf amounts for the benefits provided by the State.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

OPEB Liabilities, OPEB Expense, and Deferred Inflows/Outflows of Resources Related to OPEB

As of June 30, 2024, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportional share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		248,116
Total	\$	<u>248,116</u>

The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. As of June 30, 2023, the Town has no proportionate share of the net OPEB liability.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% to 6.50%
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Municipal bond index rate:	
Measurement date	3.54%
Prior Measurement date	2.16%

The projected fiduciary net The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate	Single equivalent interest rate
Measurement date	3.53%, net of OPEB plan investment expense, including price inflation.
Prior Measurement date	2.17 %, net of OPEB plan investment expense, including price inflation.
Healthcare cost trends rates	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.

Healthcare cost trends rates Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Long-Term Rate of Return

The long-term expected rate of return on Plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in the evaluation of the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.00%	0.77%	1.09%
Price Inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.25%	

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019. The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%.
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated.
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund. Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

OPEB Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

NOTE 16 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

TOWN OF NORFOLK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- **GASB Statement No. 101, *Compensated Absences*.** The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.
- **GASB Statement No. 102, *Certain Risk Disclosures*.** The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.
- **GASB Statement No. 103, *Financial Reporting Model Improvements*.** The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2025.

TOWN OF NORFOLK
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total pension liability							
Service cost	\$ 22,848	\$ 22,579	\$ 27,052	\$ -	\$ 96,327	\$ -	\$ -
Interest cost	(89,571)	(15,704)	(517)	46,377	1,677	96,145	93,926
Differences between expected and actual experience		64,004	60,423	49,752	(5,507)	(4,160)	34,842
Changes of assumptions	(628,153)	(42,262)	(43,715)	(1,353,017)	(109,438)	(144,918)	29,334
Benefit payments	(694,876)	28,617	43,243	(896,717)	(16,941)	(14,934)	(103,033)
Net change in total pension liability							
	694,876	666,259	623,016	1,519,733	1,536,674	1,551,608	1,496,539
Total pension liability - beginning							
	-	694,876	666,259	623,016	1,519,733	1,536,674	1,551,608
Total pension liability - ending							
	694,876	1,361,135	1,289,275	1,146,049	1,519,733	1,536,674	1,551,608
Plan fiduciary net position							
Employer contributions							
Net investment income	110,543	123,864	(177,895)	160,000	264,395	106,642	160,188
Benefit payments & Fees	(636,528)	(45,637)	(51,340)	(1,364,942)	(114,188)	(150,648)	(106,663)
Transfer to General Fund Upon Close out of Plan	(1,253,080)	-	-	-	-	-	-
Net Change in plan fiduciary net position							
	(1,779,065)	78,227	(229,235)	(665,907)	252,555	72,189	212,859
Plan fiduciary net position - beginning							
	1,779,065	1,700,838	1,930,073	2,595,980	2,343,425	2,271,236	2,058,377
Plan fiduciary net position - ending							
	-	1,779,065	1,700,838	1,930,073	2,595,980	2,343,425	2,271,236
Net pension liability (asset) - Ending							
	\$ -	\$ (1,084,189)	\$ (1,034,579)	\$ (1,307,057)	\$ (1,076,247)	\$ (806,751)	\$ (719,628)
Plan fiduciary net position as a percentage of the total pension liability							
	N/A	256.03%	255.28%	309.80%	170.82%	152.50%	146.38%
Covered-employee payroll							
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll							
	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note to Schedule

The plan benefits were frozen as of December 31, 2011, therefore there is no current covered-employee payroll

The plan was closed on May 1, 2024. The Town purchased annuity contracts to cover all remaining pension benefits associated with the plan. The remaining net assets were transferred to the Towns General Fund and are being held in a separate, but unassigned account as of June 30, 2024.

TOWN OF NORFOLK
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Actuarially determined contribution</u>	\$ 13,000	\$ 14,200	\$ 17,500	\$ 14,200	\$ 14,800	\$ 13,692	\$ 14,994	\$ 12,602	\$ 11,857	\$ 30,732
<u>Contributions in relation to the actuarially determined contribution</u>	-	-	-	160,000	264,395	106,642	160,188	10,000	175,353	190,127
<u>Contribution deficiency (excess)</u>	\$ 13,000	\$ 14,200	\$ 17,500	\$ (145,800)	\$ (249,595)	\$ (92,950)	\$ (145,194)	\$ 2,602	\$ (163,496)	\$ (159,395)
<u>Covered-employee payroll</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Contributions as a percentage of covered-employee payroll</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date
Measurement Date

July 1, 2023
June 30, 2023

The plan benefits were frozen as of December 31, 2011

Methods and assumptions used to determine the contribution rates:

Actuarial cost method	Entry age normal
Asset valuation method	Fair Market Value
Discount Rate	3.50%
Salary increases	N/A
Investment rate of return	3.50%
Retirement age	65
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale	MP-2019
Inflation	2.50%

TOWN OF NORFOLK
Connecticut State Teachers Retirement System
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension Liability

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the town	2,648,376	3,278,139	2,514,180	3,174,435	3,505,583	2,703,008	2,805,445	2,959,766	2,172,256	2,007,816
Total	\$ 2,648,376	\$ 3,278,139	\$ 2,514,180	\$ 3,174,435	\$ 3,505,583	\$ 2,703,008	\$ 2,805,445	\$ 2,959,766	\$ 2,172,256	\$ 2,007,816
Town's covered-employee payroll	\$ 732,534	\$ 840,677	\$ 745,650	\$ 747,603	\$ 801,328	\$ 752,633	\$ 801,506	\$ 845,645	\$ 806,701	\$ 833,133
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.10%

Notes to Schedule

Changes in benefit terms: There were no changes to benefit terms since the prior Measurement Date.

Changes of assumptions: None
Entry age

Actuarial cost method: Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Amortization method: 27.8 years
Single Equivalent amortization period: 4-year smoothed fair value
Asset valuation method: 2.50%
Inflation: 3.00%-6.50%, including inflation
Salary increases: 6.90%, net of investment related expense
Investment rate of return

Notes:
The measurement date is one year earlier than the employer's reporting date.

TOWN OF NORFOLK
Connecticut State Teachers Retirement System
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net OPEB Liability

	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the town	248,116	287,090	273,915	473,467	546,714	540,347	722,107
Total	\$ 248,116	\$ 287,090	\$ 273,915	\$ 473,467	\$ 546,714	\$ 540,347	\$ 722,107
Town's covered-employee payroll	\$ 732,534	\$ 840,677	\$ 745,650	\$ 747,603	\$ 801,328	\$ 752,633	\$ 801,516
Town's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms: There were no changes to benefit terms since the prior Measurement Date.
Changes of assumptions: Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.

Actuarial cost method: Entry Age
Amortization method: Level percent of payroll over an open period
Remaining amortization period: 30 years
Asset valuation method: Market value of assets
Investment rate of return: 3.00%, net of investment related expense including price inflation
Inflation: 2.50%

Notes: This schedule is intended to show information for ten years. Additional years information will be displayed as it becomes available. The measurement date is one year earlier than the employer's reporting date.

TOWN OF NORFOLK
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>REVENUE RECEIPTS:</u>				
<u>Property Taxes</u>				
Property Taxes	\$ 7,712,588	\$ 7,712,588	\$ 7,761,568	\$ 48,980
<u>Total Property Taxes</u>	<u>7,712,588</u>	<u>7,712,588</u>	<u>7,761,568</u>	<u>48,980</u>
<u>State and Federal Grants</u>				
General Education	34,918	34,918	39,312	4,394
Special Education	-	-	47,910	47,910
ESSER Education Grant	-	-	50,477	50,477
Adult Education	-	-	267	267
Talent Grant	-	-	613	613
LOCIP	31,743	31,743	208,275	176,532
Municipal Revenue Sharing	9,911	9,911	50,016	40,105
Town Aid Roads	242,898	242,898	243,294	396
Tiered PILOT	77,447	77,447	88,136	10,689
Municipal Purposes	7,207	7,207	7,207	-
Mashantucket Pequot Fund	8,899	8,899	8,899	-
Other Grants	-	-	1,582	1,582
<u>Total State and Federal Grants</u>	<u>413,023</u>	<u>413,023</u>	<u>745,988</u>	<u>332,965</u>
<u>Other:</u>				
Real Estate Conveyance Tax	52,000	52,000	42,598	(9,402)
Copier Fees	4,550	4,550	4,295	(255)
Building Permits	62,000	62,000	92,083	30,083
Dog License Fees	1,800	1,800	2,466	666
PZC Permits	4,200	4,200	5,970	1,770
Miscellaneous Permits & Fees	2,900	2,900	9,452	6,552
Investment Income	7,400	7,400	81,154	73,754
Tobey Pond and Recreation	8,600	8,600	19,684	11,084
Town Clerk Fees	31,575	31,575	21,077	(10,498)
Telephone Access	6,200	6,200	10,832	4,632
Bulky Waste	32,500	32,500	31,390	(1,110)
Tower Rental	13,000	13,000	28,435	15,435
Miscellaneous	1,500	1,500	54,652	53,152
Transfer Station	45,000	45,000	63,267	18,267
<u>Total Other</u>	<u>273,225</u>	<u>273,225</u>	<u>467,355</u>	<u>194,130</u>
<u>OTHER FINANCING SOURCES</u>				
Transfer in From Pension Trust Fund	-	-	1,253,080	1,253,080
Operating Transfers In	5,400	5,400	34,940	29,540
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>5,400</u>	<u>5,400</u>	<u>1,288,020</u>	<u>1,282,620</u>
<u>TOTAL REVENUES AND OTHER SOURCES</u>	<u>\$ 8,404,236</u>	<u>\$ 8,404,236</u>	<u>\$ 10,262,931</u>	<u>\$ 1,858,695</u>

TOWN OF NORFOLK
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>GENERAL GOVERNMENT</u>				
<u>General Government:</u>				
Board Of Selectmen	\$ 161,804	\$ 161,804	\$ 154,292	\$ (7,512)
Probate Office	2,113	2,113	2,006	(107)
Election Office	26,342	26,342	19,068	(7,274)
Website	17,000	17,000	14,513	(2,487)
Board Of Finance	2,650	2,650	2,250	(400)
Audit Expense	13,325	13,325	17,500	4,175
Board Of Assessors	82,852	82,852	72,190	(10,662)
Board of Tax Review	500	500	-	(500)
Tax Collector	37,190	37,190	33,380	(3,810)
Treasurer	27,734	27,734	25,247	(2,487)
Legal Services	29,500	29,500	14,199	(15,301)
Town Clerk	84,490	84,490	83,973	(517)
Planning and Zoning	7,600	7,600	5,936	(1,664)
Zoning Board of Appeals	100	100	-	(100)
Inland/Wetland Agency	2,850	2,850	591	(2,259)
Conservation Commission	6,590	6,590	2,239	(4,351)
Enforcement Office	26,002	26,002	25,120	(882)
Town Hall	88,553	88,553	79,304	(9,249)
Engineering Services	90,000	90,000	70,048	(19,952)
Fire House Architect Service	-	-	15,714	15,714
Insurance & Bonds	153,750	153,750	124,986	(28,764)
Telephone	10,800	10,800	9,727	(1,073)
EDC Miscellaneous	8,500	8,500	9,175	675
Postage/Meter	8,400	8,400	5,979	(2,421)
<u>Total General Government</u>	<u>888,645</u>	<u>888,645</u>	<u>787,437</u>	<u>(101,208)</u>
<u>Public Safety:</u>				
Fire Department	116,860	116,860	136,386	19,526
Hydrants	88,522	88,522	84,079	(4,443)
EMS Facility	20,325	20,325	17,525	(2,800)
Emergency Management	2,000	2,000	1,330	(670)
Building Inspector	17,248	17,248	18,210	962
Fire Marshal	21,018	21,018	21,251	233
Canine Control	12,742	12,742	7,347	(5,395)
Dispatch Service	20,543	20,543	19,044	(1,499)
<u>Total Public Safety</u>	<u>\$ 299,258</u>	<u>\$ 299,258</u>	<u>\$ 305,172</u>	<u>\$ 5,914</u>

TOWN OF NORFOLK
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Public Works:</u>				
Roads	\$ 619,709	\$ 619,709	\$ 558,842	\$ (60,867)
Winter Maintenance	264,000	264,000	259,007	(4,993)
Equipment Maintenance	176,000	176,000	207,580	31,580
Town Garage	42,350	42,350	36,800	(5,550)
Street Lights	29,216	29,216	23,146	(6,070)
Transfer Station	277,056	277,056	220,132	(56,924)
LOCIP	31,743	31,743	208,275	176,532
Road Repair Program	415,000	415,000	810,069	395,069
Town Building Maintenance	3,000	3,000	673	(2,327)
<u>Total Public Works</u>	<u>1,858,074</u>	<u>1,858,074</u>	<u>2,324,524</u>	<u>466,450</u>
<u>Health and Welfare:</u>				
Social Services	12,675	12,675	12,084	(591)
Torrington Area Health	8,697	8,697	8,697	-
Public Health	13,500	13,500	13,052	(448)
Vital Statistics	50	50	-	(50)
NW CTR Family Services	4,000	4,000	-	(4,000)
Northwest Mental Health	200	200	-	(200)
Town Ambulance	18,000	18,000	16,325	(1,675)
Geer	3,500	3,500	3,500	-
Greenwoods Counseling	5,000	5,000	5,000	-
Shelter Diversion	500	500	-	(500)
FISH	500	500	500	-
Norfolk Community Van	26,250	26,250	20,507	(5,743)
<u>Total Health and Welfare</u>	<u>92,872</u>	<u>92,872</u>	<u>79,665</u>	<u>(13,207)</u>
<u>Recreation:</u>				
Recreation Committee	30,500	30,500	19,544	(10,956)
Parks	35,232	35,232	28,831	(6,401)
Ball fields	1,201	1,201	2,380	1,179
Tobey Pond	50,466	50,466	52,687	2,221
<u>Total Recreation</u>	<u>117,399</u>	<u>117,399</u>	<u>103,442</u>	<u>(13,957)</u>
<u>Debt Service:</u>				
Principal	128,769	128,769	128,769	-
Interest	9,044	9,044	9,102	58
River Place Bridge	50,000	50,000	13,102	(36,898)
Mountain Road Bridge	56,022	56,022	56,022	-
Maple Avenue Refurbishment	124,000	124,000	63,972	(60,028)
Botelle School Roof	111,000	111,000	63,972	(47,028)
<u>Total Debt Services</u>	<u>\$ 478,835</u>	<u>\$ 478,835</u>	<u>\$ 334,939</u>	<u>\$ (143,896)</u>

TOWN OF NORFOLK
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Miscellaneous:</u>				
Cemeteries	\$ 8,700	\$ 8,700	\$ 5,690	\$ (3,010)
Nutrition Program	900	900	752	(148)
Norfolk Community Association	100	100	100	-
Holiday Observance	6,000	6,000	3,761	(2,239)
Norfolk Library	2,500	2,500	2,500	-
Susan B. Anthony Project	1,000	1,000	1,000	-
Northwest Chore	4,000	4,000	4,000	-
Youth Services Bureau	6,200	6,200	6,200	-
Farmington Valley Watershed	250	250	311	61
Rural Transit	4,678	4,678	4,678	-
Municipal Agent For the Aged	500	500	-	(500)
Sewer Usage Fee	4,700	4,700	3,746	(954)
NW Conservation Dist	600	600	600	-
Housatonic Valley Water	250	250	250	-
Housatonic Valley Substance Abuse	250	250	-	(250)
NW Regional Housing	100	100	100	-
<u>Total Miscellaneous</u>	<u>40,728</u>	<u>40,728</u>	<u>33,688</u>	<u>(7,040)</u>
<u>Fixed Charges:</u>				
Pension	40,000	40,000	27,302	(12,698)
Social Security/Medicare	75,235	75,235	69,136	(6,099)
Unemployment Compensation	1,500	1,500	-	(1,500)
Health Insurance	214,997	214,997	178,131	(36,866)
EMS Incentive Program	73,500	73,500	72,000	(1,500)
<u>Total Fixed Charges</u>	<u>405,232</u>	<u>405,232</u>	<u>346,569</u>	<u>(58,663)</u>
<u>Other Financing Uses:</u>				
<u>Operating Transfers Out To:</u>				
Capital Reserve	150,000	150,000	150,000	-
Fire House Fund	-	-	142,770	142,770
<u>Total Other Financing Uses</u>	<u>150,000</u>	<u>150,000</u>	<u>292,770</u>	<u>142,770</u>
<u>Total General Government</u>	<u>\$ 4,331,043</u>	<u>\$ 4,331,043</u>	<u>\$ 4,608,206</u>	<u>\$ 277,163</u>

TOWN OF NORFOLK
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
BOARD OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Regular Education</u>				
Teachers	\$ 362,031	\$ 302,472	\$ 356,151	\$ 53,679
Paraprofessionals	15,000	15,000	11,367	(3,633)
Substitutes	3,500	3,500	8,738	5,238
Tests & Scoring	2,500	2,500	2,451	(49)
Repair Equip Instruction	1,000	1,000	-	(1,000)
Travel Staff	500	500	53	(447)
Cultural Programs	3,000	3,000	395	(2,605)
Environmental Education	2,500	2,500	2,500	-
Teaching Supplies	16,000	16,000	16,000	-
Textbooks	12,700	12,700	12,700	-
Curriculum Support	197,118	197,118	197,118	-
Course Reimbursement	6,000	6,000	-	(6,000)
Dues Fees	1,592	1,592	1,592	-
<u>Total Regular Education</u>	<u>623,441</u>	<u>563,882</u>	<u>609,065</u>	<u>45,183</u>
<u>Special Education</u>				
Special Education Teacher	79,214	138,773	157,598	18,825
Special Education Tuition	-	-	185,169	185,169
Student Services- Testing	1,500	1,500	2,975	1,475
Therapists	24,477	24,477	12,895	(11,582)
Shared Services	214,199	214,199	167,180	(47,019)
Special Education - Support Services	236,941	236,941	185,891	(51,050)
Teaching Supplies - Special Education	500	500	433	(67)
<u>Total Special Education</u>	<u>556,831</u>	<u>616,390</u>	<u>712,141</u>	<u>95,751</u>
<u>Other Education</u>				
Adult Education	2,500	2,500	1,912	(588)
Health Supportive Services	44,300	44,300	43,825	(475)
Improvement of Instruction	5,000	5,000	4,831	(169)
Library/Media & Computer Services	101,027	101,027	100,455	(572)
Board of Education	30,270	30,270	29,869	(401)
Superintendent's Office	163,487	163,487	162,037	(1,450)
Support Services - School Administration	207,664	207,664	210,669	3,005
Student Transportation	115,955	115,955	114,536	(1,419)
Special Ed Student Transportation	40,000	40,000	54,221	14,221
Field Trip Transportation	2,000	2,000	1,844	(156)
<u>Total Other Education</u>	<u>712,203</u>	<u>712,203</u>	<u>724,199</u>	<u>11,996</u>

TOWN OF NORFOLK
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
BOARD OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Operations & Maintenance of Facilities</u>				
Custodial	90,231	90,231	90,009	(222)
Rubbish Removal/recycling	2,800	2,800	2,800	-
Grounds/Lawn Maintenance	1,000	1,000	1,000	-
Sewer User fee	2,500	2,500	2,472	(28)
Building repairs	21,000	21,000	20,999	(1)
Repair Equip - Non Instructional	1,700	1,700	4,063	2,363
Service Contracts	24,000	24,000	24,000	-
Lease- Copier	4,500	4,500	4,500	-
Telephone	3,226	3,226	2,790	(436)
Custodial Supplies	9,500	9,500	9,500	-
Water	3,255	3,255	2,619	(636)
Electricity	31,000	31,000	31,000	-
Oil for Heating	55,800	55,800	55,800	-
Fees Building Maintenance	250	250	250	-
Safety and Security	10,000	10,000	5,895	(4,105)
Food Services Operations	28,000	28,000	27,945	(55)
New Non Instructional	1,700	1,700	1,700	-
<u>Total Operations & Maintenance of Facilities</u>	<u>290,462</u>	<u>290,462</u>	<u>287,342</u>	<u>(3,120)</u>
<u>Employer Provided Benefits</u>				
Social Security	17,942	17,942	18,505	563
Medicare	17,046	17,046	16,713	(333)
Life Insurance	1,720	1,720	1,164	(556)
Disability	1,130	1,130	862	(268)
Health & Dental Insurance	179,182	179,182	154,723	(24,459)
Non-Certified Retirement Plan	17,500	17,500	11,257	(6,243)
Unemployment Benefits	1,000	1,000	-	(1,000)
<u>Employer Provided Benefits</u>	<u>235,520</u>	<u>235,520</u>	<u>203,224</u>	<u>(32,296)</u>
<u>TOTAL BOTELLE SCHOOL</u>	<u>2,418,457</u>	<u>2,418,457</u>	<u>2,535,971</u>	<u>117,514</u>
<u>NW Regional # 7</u>	<u>1,804,736</u>	<u>1,804,736</u>	<u>1,804,736</u>	<u>-</u>
<u>TOTAL EDUCATION</u>	<u>4,223,193</u>	<u>4,223,193</u>	<u>4,340,707</u>	<u>117,514</u>
<u>TOTAL GENERAL GOVERNMENT, EDUCATION AND OTHER FINANCING USES</u>				
	<u>\$ 8,554,236</u>	<u>\$ 8,554,236</u>	<u>\$ 8,948,913</u>	<u>\$ 394,677</u>

TOWN OF NORFOLK
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

SPECIAL REVENUE

	Moore Bailey	Botelle Fuel Tank	Loss Retention	Land Protection PA-05-228	Botelle School Services	Historical Records	Town Trust Funds	A.F. Wooster Memorial	Other Grants Fund	Weekend In Norfolk	Rails to Trails	Farmers Market
ASSETS												
Cash and cash equivalents	\$ 61,760	\$ -	\$ 24,180	\$ 18,844	\$ 3,894	\$ 9,587	\$ -	\$ -	\$ -	\$ 13,012	\$ 39,901	\$ 8,638
Investments	-	-	-	-	-	-	110,192	10,089	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	3,750	-	-	-	-	7,714	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 65,510	\$ -	\$ 24,180	\$ 18,844	\$ 3,894	\$ 17,301	\$ 110,192	\$ 10,089	\$ -	\$ 13,012	\$ 39,901	\$ 8,638
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Due to State	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	18,844	3,894	17,301	-	-	-	-	-	-
Committed	65,510	-	24,180	-	-	-	110,192	10,089	-	13,012	39,901	8,638
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 65,510	\$ -	\$ 24,180	\$ 18,844	\$ 3,894	\$ 17,301	\$ 110,192	\$ 10,089	\$ -	\$ 13,012	\$ 39,901	\$ 8,638
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,510	\$ -	\$ 24,180	\$ 18,844	\$ 3,894	\$ 17,301	\$ 110,192	\$ 10,089	\$ -	\$ 13,012	\$ 39,901	\$ 8,638

TOWN OF NORFOLK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE							PERMANENT FUNDS						
	Adelle F. Winn Service Award	Dot Casey Delov Award	EDC Map Fund	Fire House Fund	EV Charging Station	Selectman's Discretionary	WIN Backs Account	South Norfolk Cemetery	Center Cemetery	Pond Town Cemetery	Grantville Cemetery	St. Mary's Cemetery	General Cemeteries	Total
ASSETS														
Cash and cash equivalents	\$ 25	\$ 69	\$ 11,705	\$ 138,182	\$ 1,102	\$ 36,956	\$ 352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,128	\$ 370,335
Investments	1,814	1,624	-	-	-	-	-	35,171	9,544	19,632	5,314	1,576	150,577	345,533
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-	-	-	-	-	11,464
TOTAL ASSETS	\$ 1,839	\$ 1,693	\$ 11,705	\$ 138,182	\$ 1,102	\$ 36,956	\$ 352	\$ 35,171	\$ 9,544	\$ 19,632	\$ 5,314	\$ 1,576	\$ 152,705	\$ 727,332
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to State	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances:														
Nonspendable	-	-	-	-	-	-	-	35,171	9,544	19,632	5,314	1,576	152,705	223,942
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	40,039
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	271,522
Assigned	1,839	1,693	11,705	138,182	1,102	36,956	352	-	-	-	-	-	-	191,829
Total Fund Balances	1,839	1,693	11,705	138,182	1,102	36,956	352	35,171	9,544	19,632	5,314	1,576	152,705	727,332
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,839	\$ 1,693	\$ 11,705	\$ 138,182	\$ 1,102	\$ 36,956	\$ 352	\$ 35,171	\$ 9,544	\$ 19,632	\$ 5,314	\$ 1,576	\$ 152,705	\$ 727,332

TOWN OF NORFOLK
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Moore Bailey	Botelle Fuel Tank	Loss Retention	Land Protection PA-05-228	Botelle School Services	Historical Records	Town Trust Funds	A.F. Wooster Memorial	Other Grants Fund	Weekend In Norfolk	Rails to Trails	Farmers Market
Revenues:												
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,858	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	673	-	-	-	-	-	-	-
Investment Income	11	-	4	3	-	2	1,689	189	-	-	-	-
Miscellaneous	17,057	-	-	707	-	480	-	-	-	6,720	5,775	8,596
Total Revenues	17,068	-	4	710	673	482	1,689	189	25,858	6,720	5,775	8,596
Expenditures:												
Education	-	-	-	-	3,070	-	-	-	23,481	-	-	-
Miscellaneous	5,335	-	-	-	-	-	-	-	2,377	5,617	4,027	9,766
Capital Outlay	-	72,000	-	-	-	-	-	-	-	-	-	-
Total Expenditures	5,335	72,000	-	-	3,070	-	-	-	25,858	5,617	4,027	9,766
Excess of Revenues Over (Under) Expenditures	11,733	(72,000)	4	710	(2,397)	482	1,689	189	-	1,103	1,748	(1,170)
Other Financing Sources (Uses):												
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(27,390)	-	-	-	-	(2,464)	(168)	-	-	-	-
Total Other Financing Sources (Uses)	-	(27,390)	-	-	-	-	(2,464)	(168)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	11,733	(99,390)	4	710	(2,397)	482	(775)	21	-	1,103	1,748	(1,170)
Fund Balances, July 1,	53,777	99,390	24,176	18,134	6,291	16,819	110,967	10,068	-	11,909	38,153	9,808
Fund Balances, June 30,	\$ 65,510	\$ -	\$ 24,180	\$ 18,844	\$ 3,894	\$ 17,301	\$ 110,192	\$ 10,089	\$ -	\$ 13,012	\$ 39,901	\$ 8,638

TOWN OF NORFOLK
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE										PERMANENT FUNDS				
	Adele F. Winn Service Award	Dot Casey Delay Award	EDC Map Fund	Fire House Fund	EV Charging Station	Selectman's Discretionary	WIN Bucks Account	South Norfolk Cemetery	Center Cemetery	Pond Town Cemetery	Granville Cemetery	St. Mary's Cemetery	General Cemeteries	Total	
Revenues:															
Intergovernmental Charges for Services	-	\$ -	-	-	-	\$ -	-	\$ -	-	-	-	\$ -	-	\$ 25,858	
Investment Income	35	7	-	-	1	-	-	96	26	54	16	15,931	-	18,260	
Miscellaneous	-	-	-	10,000	851	6,223	-	-	-	-	-	-	-	56,409	
Total Revenues	35	7	-	10,000	852	6,223	-	96	26	54	16	15,931	-	101,200	
Expenditures:															
Education	25	25	-	-	-	-	-	-	-	-	-	-	-	26,601	
Miscellaneous	-	-	25	14,588	-	10,105	7	-	-	-	-	-	-	51,847	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	72,000	
Total Expenditures	25	25	25	14,588	-	10,105	7	-	-	-	-	-	-	150,448	
Excess of Revenues Over (Under) Expenditures	10	(18)	(25)	(4,588)	852	(3,882)	(7)	96	26	54	16	15,931	-	(49,248)	
Other Financing Sources (Uses):															
Operating Transfers In	-	-	-	142,770	-	-	-	-	-	-	-	-	-	142,770	
Operating Transfers Out	-	-	-	(142,770)	-	-	-	-	-	-	-	(4,918)	-	(34,940)	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	(4,918)	-	107,830	
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	10	(18)	(25)	138,182	852	(3,882)	(7)	96	26	54	16	11,013	-	58,582	
Fund Balances, July 1,	1,829	1,711	11,730	-	250	40,838	359	35,075	9,518	19,578	1,560	141,692	-	668,750	
Fund Balances, June 30,	1,839	1,693	11,705	138,182	1,102	36,956	352	35,171	9,544	19,632	1,576	152,705	-	727,332	

TOWN OF NORFOLK
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2024

Total tax collection including interest and lien fees for prior fiscal year	\$ 7,612,985
Reimbursement for revenue loss on Tax relief for elderly for prior fiscal year	<u>275</u>
Base	<u>\$ 7,613,260</u>

	<u>GENERAL PURPOSE</u>	<u>SCHOOLS</u>	<u>SEWERS</u>	<u>URBAN RENEWAL</u>
Debt limitation:				
2-1/4 times base	\$ 17,129,835	\$ -	\$ -	\$ -
4-1/2 times base	-	34,259,670	-	-
3-3/4 times base	-	-	28,549,725	-
3-1/4 times base	-	-	-	24,743,095
Total debt limitation	<u>17,129,835</u>	<u>34,259,670</u>	<u>28,549,725</u>	<u>24,743,095</u>
Indebtedness:				
Bonds and notes payable	3,397,451	1,893,600	-	-
Regional School District #7	-	-	-	-
Authorized and unissued debt	<u>1,740,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>5,137,451</u>	<u>1,893,600</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 11,992,384</u>	<u>\$ 32,366,070</u>	<u>\$ 28,549,725</u>	<u>\$ 24,743,095</u>
Total capacity of borrowing (7 times base)		\$ 53,292,820		
Total present indebtedness		<u>7,031,051</u>		
Margin for additional borrowing		<u>\$ 46,261,769</u>		

TOWN OF NORFOLK
SCHEDULE OF TAXES, LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2024

List Of: 2022	Balances 6/30/2023	Current Levy	Lawful Corrections		Transfers To Suspense	Collectable Taxes		Collections			Balances 6/30/2024
			Additions	Deductions		Taxes	Taxes	Interest	Liens	Total	
2021	53,169	-	17,943	41,338	-	7,738,988	7,682,560	23,773	1,874	7,708,207	56,428
2020	9,567	-	131	2,361	85	50,854	38,121	8,537	1,003	47,661	12,733
2019	2,596	-	-	264	393	8,910	4,629	1,600	233	6,462	4,281
2018	689	-	-	-	-	2,596	167	105	31	303	2,429
2012	253	-	-	-	-	689	-	-	-	-	689
2011	223	-	-	-	-	253	-	-	-	-	253
2010	742	-	-	-	-	223	-	-	-	-	223
2009	1,645	-	-	-	-	742	11	24	-	35	731
2008	2,556	-	-	-	-	1,645	-	-	-	-	1,645
2007	5,000	-	-	5,000	-	2,556	126	331	69	526	2,430
2006	555	-	-	555	-	-	-	-	-	-	-
Totals	76,995	7,762,383	18,074	49,518	478	7,807,456	7,725,614	34,370	3,210	7,763,194	81,842