

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 7, 2024**

**NEW ISSUE: Book-Entry-Only**

**RATING: S&P Global Ratings: "AA"**

*In the opinion of Bond Counsel, 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 Bonds is excludable from gross income for federal income tax purposes and 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 taking into account in determining the annual adjusted financial statement income of certain corporations for the purposes of computing the alternative minimum tax imposed on corporations under the Code. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, as described under Appendix B - "Form of Legal Opinion of Bond Counsel and Tax Exemption" herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.*



**Town of Norfolk, Connecticut**  
**\$4,010,000\***  
**General Obligation Refunding Bonds,**  
**Issue of 2024**  
**(Bank Qualified)**

**Dated: Date of Delivery**

**Due: Serially on July 15,**  
**as shown on the inside cover page:**

The \$4,010,000\* General Obligation Refunding Bonds, Issue of 2024 (the "Bonds") will bear interest payable on July 15, 2024 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds will be general obligations of the Town of Norfolk, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)

**Electronic bids via PARITY for the Bonds will be received until 11:30 a.m. (Eastern Time) on Tuesday, May 14, 2024, at the Office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460 as described in the Notice of Sale for the Bonds (See Appendix D herein).**

The Bonds are subject to optional redemption prior to maturity as more fully described herein. (See "Optional Redemption" herein.)

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

The Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about May 28, 2024.

*This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.*

\* Preliminary, subject to change.



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Town of Norfolk, Connecticut**  
**\$4,010,000\***  
**General Obligation Refunding Bonds,**  
**Issue of 2024**  
**(Bank Qualified)**

**Dated: Date of Delivery**

**Due: Serially on July 15,**  
**as shown below:**

<b>Year</b>	<b>Principal*</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Year</b>	<b>Principal*</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2024	\$ 240,000	..%	..%	655705__	2037	\$ 160,000	..%	..%	655705__
2025	175,000	..%	..%	655705__	2038	160,000	..%	..%	655705__
2026	175,000	..%	..%	655705__	2039	155,000	..%	..%	655705__
2027	175,000	..%	..%	655705__	2040	150,000	..%	..%	655705__
2028	175,000	..%	..%	655705__	2041	150,000	..%	..%	655705__
2029	175,000	..%	..%	655705__	2042	145,000	..%	..%	655705__
2030	175,000	..%	..%	655705__	2043	140,000	..%	..%	655705__
2031	175,000	..%	..%	655705__	2044	135,000	..%	..%	655705__
2032	170,000	..%	..%	655705__	2045	135,000	..%	..%	655705__
2033	170,000	..%	..%	655705__	2046	130,000	..%	..%	655705__
2034	170,000	..%	..%	655705__	2047	125,000	..%	..%	655705__
2035	165,000	..%	..%	655705__	2048	120,000	..%	..%	655705__
2036	165,000	..%	..%	655705__					

\* Preliminary, subject to change.

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Town of Norfolk, Connecticut (the “Town”) to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement, nor any sale of the Bonds, shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – “2023 Financial Statements Excerpted from the Town’s Annual Comprehensive Financial Report” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon, and do not assume responsibility for, the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing on, and does not assume any responsibility for, the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth as its opinion in Appendix B “Form of Legal Opinion of Bond Counsel and Tax Exemption” herein), and makes no representation that it has independently verified the same.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign hostilities or domestic terrorism; and (xi) other factors contained in this Official Statement.

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## **Bond Issue Summary**

*The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Date of Sale:</b>	Tuesday, May 14, 2024 at 11:30 A.M. (Eastern Time).
<b>Location of Sale:</b>	Office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460.
<b>Issuer:</b>	Town of Norfolk, Connecticut (the “Town”).
<b>Issue:</b>	\$4,010,000* General Obligation Refunding Bonds, Issue of 2024 (the “Bonds”).
<b>Dated Date:</b>	Date of Delivery
<b>Principal and Interest Due:</b>	Principal due serially, July 15, 2024 through July 15, 2048 as detailed in this Official Statement. Interest on the Bonds will be payable on July 15, 2024 and semiannually thereafter on January 15 and July 15 in each year until maturity.
<b>Authorization and Purpose:</b>	The Bond proceeds will be used to refinance all or a portion of the Town’s outstanding bonds. (See “Authorization and Purpose” and “Plan of Refunding” herein)
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. (See “Optional Redemption”)
<b>Security:</b>	The Bonds 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 Bonds when due.
<b>Credit Rating:</b>	The Bonds have received a rating of “AA” from S&P Global Ratings (“S&P”).
<b>Bond Insurance:</b>	The Town does not expect to purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Bank Qualification:</b>	The Bonds <u>shall be</u> designated by the Issuer as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 878-4945.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP, of Hartford, Connecticut.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about May 28, 2024. Delivery of the Bonds will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Town should be directed to Matthew Riiska, First Selectman, 19 Maple Avenue, Norfolk, Connecticut 06058, Telephone: (860) 542-5829.

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\* Preliminary, subject to change.

## **I. Bond Information**

### **Introduction**

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Norfolk, Connecticut (the “Town”), in connection with the issuance and sale of \$4,010,000\* General Obligation Refunding Bonds, Issue of 2024 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated May 7, 2024 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D hereto for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of Statutes, Charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank Trust Company, National Association will certify and act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

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

### **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances.

### **Cybersecurity**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All of the Town computers and computer servers are protected by this security software and firewalls. Town Staff are required to do regular cybersecurity lessons and the Town has a three system backup.

To mitigate the risk of business operations impact and/or damage from cyber security incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident, recovery from an earlier status for any enterprise application system is possible. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The Town currently has a cybersecurity insurance policy. The results of any such attack could impact financial operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial.

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\* Preliminary, subject to change.

**Municipal Advisor**

Phoenix Advisors, LLC, of Milford, Connecticut serves as Municipal Advisor to the Town with respect to the issuance of the Bonds (the "Municipal Advisor"). The information in this Official Statement has been prepared by the Town, with the help of the Municipal Advisor. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

**Description of the Bonds**

The Bonds will be dated as of the date of delivery and will mature on July 15 in each of the years and will bear interest at the rate or rates per annum as set forth on the inside cover page of this Official Statement, payable on July 15, 2024, and semiannually thereafter on January 15 and July 15 in each year until maturity or earlier redemption. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of June and December in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds. The legal opinion for the Bonds will be rendered by Shipman & Goodwin LLP, of Hartford, Connecticut. See Appendix B - "Form of Legal Opinion of Bond Counsel and Tax Exemption" herein.

**Optional Redemption**

The Bonds maturing on or before July 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing July 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after July 15, 2034 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
July 15, 2034 and thereafter .....	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than twenty (20) days prior to the date fixed for redemption to the registered owner designated for redemption in whole or in part at the address of such owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption (see Book-Entry-Only Transfer System herein). Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial

Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

**Authorization and Purpose**

The Bonds are issued pursuant to the Constitution and laws of the State of Connecticut including Section 7-370c, of the Connecticut General Statutes, as amended, and a bond resolution adopted by the Town’s Board of Selectmen on April 3, 2024.

**Plan of Refunding\***

The Bonds are being issued to refund prior to maturity the outstanding principal amount of the Town’s outstanding general obligation bonds set forth below (the “Refunded Bonds”), and to pay costs of issuance. The list of Refunded Bonds may be changed by the Town in its sole discretion due to market factors or other factors considered relevant by the Town at the time of pricing the Bonds, and no assurance can be given that any particular Refunded Bond listed or any particular maturity will be refunded. The refunding is contingent upon delivery of the Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount*</i>	<i>Redemption Date</i>	<i>Redemption Price</i>
2023 Direct Purchase	6/29/2023	7/15/2024	5.875%	\$ 160,000	5/28/2024	100.00%
		7/15/2025	5.875%	160,000	5/28/2024	100.00
		7/15/2026	5.875%	160,000	5/28/2024	100.00
		7/15/2027	5.875%	160,000	5/28/2024	100.00
		7/15/2028	5.875%	160,000	5/28/2024	100.00
		7/15/2029	5.875%	160,000	5/28/2024	100.00
		7/15/2030	5.875%	160,000	5/28/2024	100.00
		7/15/2031	5.875%	160,000	5/28/2024	100.00
		7/15/2032	5.875%	160,000	5/28/2024	100.00
		7/15/2033	5.875%	160,000	5/28/2024	100.00
		7/15/2034	5.875%	160,000	5/28/2024	100.00
		7/15/2035	5.875%	160,000	5/28/2024	100.00
		7/15/2036	5.875%	160,000	5/28/2024	100.00
		7/15/2037	5.875%	160,000	5/28/2024	100.00
		7/15/2038	5.875%	160,000	5/28/2024	100.00
		7/15/2039	5.875%	160,000	5/28/2024	100.00
		7/15/2040	5.875%	160,000	5/28/2024	100.00
		7/15/2041	5.875%	160,000	5/28/2024	100.00
		7/15/2042	5.875%	160,000	5/28/2024	100.00
		7/15/2043	5.875%	160,000	5/28/2024	100.00
		7/15/2044	5.875%	160,000	5/28/2024	100.00
		7/15/2045	5.875%	160,000	5/28/2024	100.00
		7/15/2046	5.875%	160,000	5/28/2024	100.00
		7/15/2047	5.875%	160,000	5/28/2024	100.00
		7/15/2048	5.875%	160,000	5/28/2024	100.00
<b>Total*</b>	.....			<b>\$ 4,000,000</b>		

\* Preliminary, subject to change.



## Sources and Uses

### Sources:

Par Amount of the Bonds .....	\$	-
Net Original Issue Premium .....		-
<b>Total Sources .....</b>	<b>\$</b>	<b>-</b>

### Uses:

Loan Obligation Payoff .....	\$	-
Costs of Issuance .....		-
Underwriter's Discount .....		-
<b>Total Uses .....</b>	<b>\$</b>	<b>-</b>

## Book-Entry-Only Transfer System

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

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

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

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

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

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

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

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

### ***DTC Practices***

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

### ***Replacement Bonds***

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

## ***Security and Remedies***

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

***THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.***

## ***Qualification for Financial Institutions***

The Bonds 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 Bonds.

## **Availability of Continuing Information**

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management on an annual basis. The Town provides, and will continue to provide S&P Global Ratings with ongoing disclosure in the form of the Annual Financial Report and Adopted Budget, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will undertake in a continuing disclosure agreement (the “Continuing Disclosure Agreement”) entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide, with respect to the Bonds: (i) annual financial information and operating data with respect to the Bonds, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds. (See Appendix C hereto.)

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and events of notices pursuant to Rule 15c2-12(b)(5). For the last five years, the Town has not failed to meet in any material respects any of its undertakings under such agreements.

## **Rating**

The Bonds have received a rating of “AA” from S&P Global Ratings (“S&P”). The Town furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of S&P and will be subject to revision or withdrawal, which could affect the market price of the Bonds. S&P should be contacted directly for its rating on the Bonds and the explanation of such rating.

The Town expects to furnish to S&P information and materials that it may request. However, the Town may issue short-term or other debt for which a rating is not requested. The Town’s Municipal Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

## **Bond Insurance**

The Town does not expect to purchase a credit enhancement facility for the Bonds.

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## SECTION II – THE ISSUER



### **Description of the Municipality**

The Town of Norfolk was incorporated in October 1758. Norfolk is an attractive place to live and to visit, with an abundance of natural resources which remain in a largely unspoiled condition. Norfolk's village center and town green is a delightful assemblage of historic homes, small neighborhood businesses and cultural institutions which strongly set the image and character of this small New England town.

Norfolk encompasses an area of 46.7 square miles and is located in the area known as the Litchfield Hills in northwestern Connecticut, approximately 36 miles from Hartford and 125 miles from New York City and Boston, Massachusetts. Connecticut Route 8, a multi-lane divided highway in the neighboring Town of Winchester, connects with Interstate 84 in Waterbury. Norfolk is traversed by State Route 44, running east-west, and by State Route 272, running north-south. The Town borders the Commonwealth of Massachusetts to the north, the Towns of Colebrook and Winchester to the east, North Canaan and Canaan to the west, and Goshen to the south. Air transportation is available at Bradley International Airport and rail passenger service at Waterbury (Amtrak) to Grand Central Station in New York.

The Town of Norfolk is primarily a residential community, attracting an increasing number of seasonal homeowners and retirees from the New York City metropolitan area. The Town's population is 1650 based on the U.S. Bureau of Census, American Community Survey, 2018-2022 estimates.

The Norfolk Chamber Music Festival, in its 54th season, takes place each year on the grounds of the Battell Stoeckel Estate, under the aegis of the Yale Summer School of Music and Art, also in residence at the estate during the summer. The Battell Stoeckel Estate, comprised of 70 acres, is operated by a trust established in 1939. It provides for the maintenance of the grounds and buildings and the operation of the Yale summer schools as well as the Litchfield County Choral Union. Each year, approximately 75 students attend the overlapping six-week enrichment programs; they are lodged at private homes in Town while the faculty occupies a variety of cottages located on the estate. Musicians from all over the world teach master classes and perform a regular schedule of public concerts during July and August in The Music Shed, a performance venue built by the Stoeckel family on the estate in 1906. The Festival attracts thousands of visitors to Norfolk each year.

Principal industries include summer resorts, agriculture, and manufacture of wooden toys and steel balls. Historically, farming was once an important activity in Norfolk. Today, the Town has identified seven working farms and eight parcels as farmland or cropland producing hay, Christmas trees, timber crops, and maple syrup, two working sawmills, three woodworking shops, one furniture mill, and a canoe repair shop.

A unique feature of Norfolk is its high elevation and abundance of forest, wildlife, and water resources. It is the location of the headwaters of three of Connecticut's major watersheds – the Housatonic, Naugatuck, and Farmington/Connecticut River -- and the public water supply watersheds for the City of Torrington and Town of Winchester. The only water that flows into Norfolk is currently the Town's main public water supply which is piped from Lake Wangum in Canaan.

Because of its largely unspoiled rural character, Norfolk has an unusual diversity of plants, animals, and wildlife habitats that, over the years, have contributed to the attractiveness of the community for both residents and visitors who seek outdoor-based enjoyment, study or recreation. Dennis Hill State Park, Haystack Mountain State Park, Campbell Falls State Park, and the Wood Creek Flood Control Area are a few of the principal protected areas within Norfolk contributing toward the preservation of natural resources.

### ***Form of Government***

The Town of Norfolk has a Town Meeting form of government with a Board of Selectmen consisting of three elected members serving concurrent two-year terms and a Board of Finance consisting of six elected regular members serving overlapping six-year terms. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes. The annual budget, all special appropriations or expenditures over \$20,000, and all bond and note authorizations must be approved at a Town Meeting. The First Selectman, who is a member of the Board of Selectmen, is the Chief Executive Officer of the Town and is responsible for the administration of all Town matters with the exception of the education system. Presiding over the Board of Selectmen, the First Selectman has full voting privileges.

The Board of Finance is the budget-making authority responsible for financial and taxation matters, presenting the annual operating budget and special appropriations to the Town Meeting for its approval and establishing the tax rate.

The local Board of Education, which is an elected seven-member board, is the policy-making body for all public education, grades pre-kindergarten through six. Regional School District Number Seven serves all public school pupils in grades seven through twelve residing in its member Towns of Barkhamsted, Colebrook, New Hartford and Norfolk.

The Norfolk Sewer District is a separate taxing district located within the territorial limits of the Town of Norfolk. The Town and Norfolk Sewer District have the power to incur indebtedness by issuing bonds and/or notes as provided by the Connecticut General Statutes.

## **Principal Municipal Officials**

<b>Office</b>	<b>Name</b>	<b>Manner of Selection</b>
First Selectman .....	Matthew T. Riiska	Elected
Selectman .....	Henry Tirrell	Elected
Selectman .....	Alexandria Evans	Elected
Treasurer .....	Chelsea DeWitt	Elected
Town Clerk .....	Linda S. Perkins	Elected
Tax Collector .....	Sarah Bruso	Appointed
Superintendent of Schools; Botelle Elementary School .....	Mary Beth Iacobelli	Appointed
Superintendent of Schools; RSD#7 .....	Steven Lapage	Appointed

*Source: Town of Norfolk.*

### **Summary of Municipal Services**

**Public Safety:** Police protection is provided by Connecticut State Police Troop B in Canaan. Fire protection is provided by the Norfolk Volunteer Fire Department. Fire-fighting equipment and apparatus includes three pumpers, one tanker, and one utility van, purchased by the Town. The Department operates from one station, strategically located in the center of Town, that was built by and is maintained by the Town. Emergency medical service is provided by the Norfolk Volunteer Ambulance which is principally supported by the Lions Club and voluntary contributions.

**Public Education:** See "Educational System" herein.

**Public Health:** Norfolk became a member of the Torrington Area Health District ("TAHD") in April 1993. TAHD is the largest health district in Connecticut, providing service to thirteen towns over a 600 square-mile area. It provides all required inspections and testing for health-related matters. Residents of Norfolk also receive medical care at the neighboring Winsted Memorial Hospital located on the Town's eastern border and the Charlotte Hungerford Hospital located in Torrington to the immediate south.

**Public Works:** The Town's Public Works Department is responsible for road maintenance and repair, winter plowing, maintenance of public parks and cemeteries, and operation of the public waste disposal facility called the Norfolk Transfer Station. Equipment includes five plow trucks, a backhoe, a payload, and several accessory vehicles and pieces of specialty motorized equipment. The Department also contracts for services for road paving, drainage projects, and landscaping.

**Solid Waste and Refuse Collection:** The Town's Public Works Department operates a transfer station at the location of the former Town landfill which was closed on July 1, 1994. Municipal solid waste and recyclables are hauled by private carrier to a regional site in Torrington which serves ten participating communities. Construction debris and "bulky waste" are still collected at the landfill/transfer station where it is covered by locally obtained fill.

Norfolk is a participant in the Materials Innovation and Recycling Authority (the "Authority") Mid- Connecticut Resource Recovery Project (the "Project") located in the City of Hartford. The Project includes 53 "Participating Municipalities" all of which have approved and entered into substantially identical long- term municipal solid waste delivery and disposal contracts ("Municipal Service Agreements") with the Authority. The Municipal Service Agreements provide for both the delivery and disposal at the Project of acceptable solid waste generated by the Participating Municipalities. Pursuant to the Municipal Service Agreement, Norfolk is responsible for delivering 800 tons of acceptable solid waste per year to the Project. In the event such tonnage is not delivered and the yearly aggregate minimum amount required to be delivered from all Participating Municipalities is not received by the Project, Norfolk is to pay an amount based upon the total tipping fees that would have been paid by Norfolk if its aggregate amount of acceptable solid waste had been delivered. The tipping fee is a per-ton fee paid for delivery to the Project of acceptable solid waste of the Participating Municipalities. The tipping fee is based upon the net cost of operating the Project, subject to periodic revision, as calculated pursuant to the Municipal Service Agreement. The tipping fee for the contract year ending June 30, 2024 is \$131.00 per ton. The Municipal Service Agreement provides that the obligation to pay the tipping fee is a general obligation of the Town and the full faith and credit of the Town has been pledged to the payment thereof.

The Town's contract with the Authority (the "Service Contract") is until 2027 for the disposal of municipal solid waste ("MSW") through the Mid-Connecticut System (the "System"). By giving 90-day notice, the Town may opt for an additional five years which may be repeated prior to the end of that five year period provided certain conditions are met, including the capacity of the Mid-State Connecticut facility to accept and dispose of acceptable waste of the participants.

The tipping fee for the July 1, 2024 to June 30, 2025 fiscal year is \$131.00 per ton and is subject to annual revisions based on the net cost of operating the facility.

A contract with Connecticut Light & Power Company for the purchase of steam generated by the Project facility has also been executed by the Authority. This reduces the net cost of operating the Project.

**Sewage:** Established in 1897, the Norfolk Sewer District established serves the village area, which includes 370 housing units out of approximately 904 housing units in Town, is sewerred. The sewage treatment plant has a capacity to treat 350,000 gallons per day. During non-storm conditions and under normal use approximately 250,000 gallons per day is treated. The potential for expansion of the sewer system is limited by both the capacity of the sewage treatment plant and the size, age, and condition of the sewer lines. The sewer lines were relined in 2022. The treatment plant is not designed for and cannot accept chemical or factory wastes. On-site septic systems are used for other developed properties.

**Water:** Water service to the village was originally provided in 1905. The water supply system now operated by Aquarion Water Company ("Aquarion"), supplies water to the area of Town serviced by public sewers. Aquarion recently completed most of the major improvements required to upgrade the Norfolk water system. The system includes a 500,000-gallon distribution storage tank, a newly constructed water filtration plant, and a newly installed water line connecting their surface water supply at Lake Wangum in the Town of Canaan and the Norfolk center. On-site private wells are used for other developed properties.

**Recreation Programs and Facilities:** The Norfolk Recreation Committee is a volunteer group appointed by the Board of Selectmen. It manages two tennis courts, one soccer field and one softball field as well as a state-of-the-art playscape built by volunteers and funded by public contributions, located on the Botelle School grounds and two tennis courts, three baseball fields, and an outdoor skating rink at the Battell Stoeckel Estate. A gymnasium at the Botelle School is the site of basketball and volleyball programs managed by the Recreation Committee. The committee also manages additional facilities and programs including a public beach and swimming instruction on Tobey Pond (leased by the Town for \$1.00 per year from the Great Mountain Forest Corporation), skiing at nearby Sundown Ski area, a winter Maplefest and a soccer camp session at the school playground. Other forms of public recreation available in Norfolk are hiking, boating, fishing, walking, cross-country skiing, jogging, biking, picnicking, nature study, hunting, and horseback riding. Golfing is available at the Norfolk Country Club, a private course.

**Senior Citizens:** Meadowbrook, a privately owned housing facility for senior citizens, was created principally by the local churches and private contributions in 1972. Located in the downtown area, it contains 28 units, including 11 for low-income residents. A common room provides space for recreation and for the daily service of a hot meal at lunch time at low cost for all Town senior citizens who choose to attend. Group activities and trips are also organized from Meadowbrook. A Municipal Agent for the Aged also provides individual service to elderly residents.

**Cultural Facilities:** The Norfolk Library, established in 1888, is a private non-profit corporation that serves the Town as a public library. Each year more than 20,000 visitors borrow over 25,000 items and attend the many and various programs it provides: monthly art shows, story hours for young children, arts enrichment programs for older children, lectures and concerts for all ages. Housed in a magnificent red stone building, the Library offers modern services in an atmosphere reminiscent of an earlier time.

The Norfolk Historical Museum, on the eastern side of the village green, is housed in the former Norfolk Academy building, built in 1840. At one time, the building served as Town Hall and the local jail. It presently contains a large collection of artifacts and items reflecting Norfolk's history since the Town's founding. The Museum is open to the general public during summer months on Saturdays and Sundays in the afternoon.

The Town has also preserved "The Little Red Schoolhouse" a one-room-school building dating from the late 19th century. It is open for visitors on major holidays between Memorial Day and Labor Day.



**Planning**

In 2021, Town residents met to review community plans to draw more visitors and new residents, to provide lower income housing opportunities, and to update current infrastructure. One of the items discussed was making the village center more inviting by increasing the space to gather. Through a donation made by a resident, the village center gathering space has now become reality. This new space includes a larger patio area, multilevel decking to the City Meadow, and a space for summer concerts, street fairs or just sitting and relaxing.

The Town is also creating 10 single family, net-zero, affordable homes. Located on a former gravel bank, the homes will be affordable for families, energy efficient, walking distance to the village center, and will be serviced by public utilities. The Town has also taken on some major infrastructure projects including repairing or replacing five new bridges, a major road reconstruction, and a new firehouse. With the cooperation of Aquarion Water, who is updating their water mains, the Norfolk Sewer District, who is updating their system by relining miles of sewer lines and the assistance from the State of Connecticut with their assistance in the replacement of five bridges and their assistance in the development of the Haystack Woods affordable housing development, the Town is positioning itself to be a more inviting place to visit and a great place to live.

**Educational System**

The Norfolk school system services grades pre-kindergarten through twelve. Grades pre- kindergarten through six attend the Botelle Elementary School which is governed by a local Board of Education. Grades seven through twelve attend Regional School District Number Seven ("RSD #7"). Norfolk is a member of RSD #7 along with the Towns of Barkhamsted, Colebrook, and New Hartford.

The District's operating and debt service expenses are paid by the member towns in proportion to the number of pupils. The approximate percentage participation by each member town for Fiscal Year 2024 is estimated as follows: Barkhamsted 27.84%, Colebrook 10.20%, New Hartford 52.16%, and Norfolk 9.80%. Payments are made to the District on a monthly basis in accordance with projected cash flow requirements developed by the school administration.

Norfolk's local Board of Education consists of seven elected members. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Town has one school for grades pre-kindergarten through six. Enrollment in the system as of October 1, 2023 was 62 with a rated capacity of 300. Proceeds of this Bond issue will be used to make renovations and improvements to the school.

**Regional School District Number 7 School Facilities**

Regional School District Number 7 has a middle school and one high school. Enrollment in the District system as of October 1, 2023 was 869 students with a design capacity of 1,500.

<b>School</b>	<b>Grades</b>	<b>Date of Construction (Latest Additions)</b>	<b>Number of Classrooms</b>	<b>10/1/2023 Enrollment</b>	<b>Operating Capacity</b>
Botelle Elementary School .....	PreK-6	1957 (1963, 1993)	12	62	300
Regional School District #7 .....	7-12	1956	20	807	1,200
<b>Total .....</b>			<b>32</b>	<b>869</b>	<b>1,500</b>

*Note: Enrollment numbers do not include special education students.*

*Source: Town of Norfolk.*

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## School Enrollments

<b>School Year</b>	<b>Pre-K-6</b>	<b>7-12 <sup>1</sup></b>	<b>Special Education</b>	<b>Total</b>
<b>Historical</b>				
2014–15	97	-	19	116
2015–16	94	1,093	237	1,424
2016–17	77	1,071	344	1,492
2017–18	74	1,063	375	1,512
2018–19	66	1,025	360	1,451
2019–20	52	1,003	422	1,477
2020–21	60	921	226	1,207
2021–22	44	826	313	1,183
2022–23	44	807	366	1,217
2023–24	43	765	299	1,107
<b>Projected</b>				
2024–25	46	767	244	1,057

<sup>1</sup> Students attending Regional School District #7.

Source: Town of Norfolk.

## Public Facilities

<b>School</b>	<b>Date Constructed</b>	<b>Additions &amp; Renovations</b>	<b>Type of Construction</b>	<b>Planned Major Improvements</b>
Town Hall .....	1890	1986	Masonry	None
Highway Garage .....	1963	--	Masonry	None
Firehouse .....	1969	1993	Masonry	Yes
Ambulance Garage ....	1969	--	Wood Frame	None
Historic Museum .....	1840	1992	Wood Frame	None

Source: Town of Norfolk.

## Municipal Employees

	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
General Government .....	25	25	25	25	25
Board of Education .....	30	30	31	31	32
<b>Total</b> .....	55	55	56	56	57

Source: Town of Norfolk.

## **Municipal Employees Bargaining Organizations**

<b>Bargaining Unit</b>	<b>Organization</b>	<b>Number of Members</b>	<b>Contract Expiration Date</b>
Public Works .....	AFSCME, Local 1307	5	6/30/2024 <sup>1</sup>
Teachers .....	Norfolk Teachers Association	16	6/30/2026
Custodial/Cafeteria ...	AFSCME, Local 1303, Council #4	1	6/30/2026
<b>Total</b> .....		22	

<sup>1</sup> In negotiations.

Source: Town of Norfolk.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contracts, there is an irrefutable presumption that 15% of the municipal employer's budget reserve is of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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**SECTION III – DEMOGRAPHIC AND ECONOMIC DATA SECTION**

**Population and Density**

<b>Year</b>	<b>Actual</b>		<b>Density <sup>2</sup></b>
	<b>Population <sup>1</sup></b>	<b>% Increase</b>	
2022 <sup>3</sup>	1,856	16.9%	39.7
2020	1,588	-7.1%	34.0
2010	1,709	3.0%	36.6
2000	1,660	-19.4%	35.5
1990	2,060	-4.5%	44.1
1980	2,156	4.0%	46.2

<sup>1</sup> U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 46.7 square miles.

<sup>3</sup> American Community Survey 2018-2022.

**Age Distribution of the Population**

<b>Age</b>	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	76	4.1%	182,768	5.1%
5 to 9 years .....	126	6.8	196,600	5.4
10 to 14 years .....	105	5.7	222,267	6.2
15 to 19 years .....	68	3.7	247,501	6.9
20 to 24 years .....	30	1.6	241,391	6.7
25 to 34 years .....	235	12.7	449,466	12.4
35 to 44 years .....	215	11.6	445,052	12.3
45 to 54 years .....	235	12.7	475,109	13.2
55 to 59 years .....	133	7.2	266,117	7.4
60 to 64 years .....	203	10.9	255,938	7.1
65 to 74 years .....	300	16.2	362,365	10.0
75 to 84 years .....	111	6.0	178,746	4.9
85 years and over .....	19	1.0	87,997	2.4
<b>Total.....</b>	<b>1,856</b>	<b>100%</b>	<b>3,611,317</b>	<b>100%</b>
Median Age (Years) 2022 .....	47.5		40.9	

Source: American Community Survey 2018-2022.

**Income Levels**

	<b>Town of Norfolk</b>	<b>State of Connecticut</b>
Per Capita Income, 2022.....	\$ 57,269	\$ 52,034
Median Family Income, 2022.....	\$ 130,156	\$ 115,539

Source: American Community Survey 2018-2022.

## Income Distribution

<b>Income</b>	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$ 9,999.....	11	2.2%	21,866	2.4%
10,000 - 14,999.....	-	0.0	13,844	1.5%
15,000 - 24,999.....	29	5.9	32,363	3.5%
25,000 - 34,999.....	12	2.4	38,177	4.2%
35,000 - 49,999.....	21	4.3	65,393	7.2%
50,000 - 74,999.....	53	10.8	112,628	12.4%
75,000 - 99,999.....	76	15.5	109,739	12.0%
100,000 - 149,999.....	97	19.8	184,504	20.2%
150,000 - 199,999.....	80	16.3	125,406	13.8%
200,000 and over.....	112	22.8	207,948	22.8%
<b>Total.....</b>	<b>491</b>	<b>100.0%</b>	<b>911,868</b>	<b>100.0%</b>

Source: American Community Survey 2018-2022.

## Educational Attainment

Years of School Completed – Age 25 and Over

	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	5	0.3%	101,820	4.0%
9th to 12th grade.....	21	1.4	118,256	4.7
High School graduate.....	265	18.3	650,788	25.8
Some college, no degree.....	277	19.1	414,533	16.4
Associate's degree .....	218	15.0	192,167	7.6
Bachelor's degree.....	296	20.4	573,917	22.8
Graduate or professional degree.....	369	25.4	469,309	18.6
<b>Total.....</b>	<b>1,451</b>	<b>100.0%</b>	<b>2,520,790</b>	<b>100.0%</b>
Total high school graduate or higher (%)......		98.2%		91.3%
Total bachelor's degree or higher (%)......		45.8%		41.4%

Source: American Community Survey 2018-2022.

## Major Employers

<b>Employer</b>	<b>Type of Business</b>	<b>Approximate Number of Employees</b>
Infinity Music & Entrtn Inc .....	Musical Productions	50-99
Norfolk Country Club .....	Clubs	50-99
New England Miniature Ball Co .....	Ball & Roller Bearing (mfrs)	20-49
Botelle Elementary School .....	Schools	20-49
Enterprise .....	News Service	20-49

Source: State of Connecticut, Department of Labor.

## Labor Force Data

Period	Percentage Unemployed				
	Town of Norfolk		Torrington		
	Employed	Unemployed	Town of Norfolk	Northwest Labor Market	State of Connecticut
March 2024.....	870	44	4.8	4.1	4.2
<b>Annual Average</b>					
2023.....	886	26	2.8	3.4	3.7
2022.....	881	27	3.0	3.8	4.1
2021.....	804	39	4.6	6.1	6.6
2020.....	837	48	5.4	6.4	7.3
2019.....	895	29	3.2	3.5	3.7
2018.....	885	33	3.6	3.9	4.1
2017.....	871	34	3.8	4.6	4.7
2016.....	866	42	4.6	5.0	5.3
2015.....	873	44	4.8	5.2	5.6
2014.....	912	58	6.0	6.2	6.7

Source: State of Connecticut, Department of Labor.

## Industry Classification

Sector	Town of Norfolk		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	11	1.2%	7,460	0.4%
Construction.....	145	15.7	112,421	6.1
Manufacturing.....	131	14.2	194,805	10.6
Wholesale trade.....	14	1.5	40,518	2.2
Retail trade.....	79	8.6	196,267	10.7
Transportation warehousing, and utilities.....	30	3.3	82,215	4.5
Information.....	32	3.5	36,440	2.0
Finance, insurance, real estate, and leasing.....	85	9.2	164,811	9.0
Professional, scientific, management, administrative, and waste management.....	137	14.8	217,442	11.9
Education, health and social services.....	162	17.6	485,013	26.5
Arts, entertainment, recreation, accommodation and food services.....	39	4.2	148,594	8.1
Other services (except public admin.).....	41	4.4	80,864	4.4
Public Administration.....	17	1.8	65,675	3.6
<b>Total Labor Force, Employed.....</b>	<b>923</b>	<b>100.0%</b>	<b>1,832,525</b>	<b>100.0%</b>

Source: American Community Survey 2018-2022.

**Commute to Work  
16 years of age and over**

	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Drove alone .....	519	57.8%	1,298,747	72.2%
Car pools .....	118	13.1	136,416	7.6
Used public transportation .....	6	0.7	63,423	3.5
Walked .....	23	2.6	48,134	2.7
Used other means .....	5	0.6	24,807	1.4
Worked at home .....	227	25.3	226,666	12.6
<b>Total.....</b>	<b>898</b>	<b>100.0%</b>	<b>1,798,193</b>	<b>100.0%</b>

Source: American Community Survey 2018-2022.

**Building Permits**

<b>Fiscal Year</b>	<b>Total Value</b>
<b>Ending 6/30</b>	
2023	\$ 65,986
2022	131,310
2021	86,007
2020	65,240
2019	18,807

Source: Town of Norfolk, Building Official.

**Age Distribution of Housing**

<b>Year Built</b>	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	478	50.3%	316,471	20.7%
1940 to 1969.....	212	22.3	524,381	34.2
1970 to 1979.....	77	8.1	209,518	13.7
1980 to 1989.....	63	6.6	193,340	12.6
1990 to 1999.....	29	3.1	118,948	7.8
2000 or 2009.....	91	9.6	104,310	6.8
2010 or later.....	-	-	64,364	4.2
<b>Total Housing Units .....</b>	<b>950</b>	<b>100.0%</b>	<b>1,531,332</b>	<b>100.0%</b>

Source: American Community Survey 2018-2022.

### Housing Units by Type of Structure

<b>Housing Units</b>	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	788	82.9%	898,891	58.7%
1-unit, attached.....	7	0.7	91,794	6.0
2 units.....	50	5.3	120,419	7.9
3 or 4 units.....	41	4.3	128,942	8.4
5 to 9 units.....	37	3.9	78,127	5.1
10 to 19 units.....	-	-	56,353	3.7
20 or more units.....	27	2.8	145,025	9.5
Mobile home.....	-	-	11,257	0.7
Boat, RV, van, etc.....	-	-	524	0.0
<b>Total Inventory.....</b>	<b>950</b>	<b>100.0%</b>	<b>1,531,332</b>	<b>100.0%</b>

Source: American Community Survey 2018-2022.

### Housing Unit Vacancy Rates

<b>Housing Units</b>	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
Occupied Housing Units .....	734	77.3%	1,409,807	92.1%
Vacant Housing Units .....	216	22.7%	121,525	7.9%
<b>Total Units .....</b>	<b>950</b>	<b>100.0%</b>	<b>1,531,332</b>	<b>100.0%</b>
Homeowner Vacancy Rate .....	0.9%		1.1%	
Rental Vacancy Rate .....	0.0%		4.7%	

Source: American Community Survey 2018-2022.

### Owner-Occupied Housing Units

<b>Specified Owner-Occupied Units</b>	<b>Town of Norfolk</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	8	1.5%	20,646	2.2%
\$50,000 to \$99,000.....	3	0.6	19,506	2.1
\$100,000 to \$149,999.....	13	2.4	46,916	5.0
\$150,000 to \$199,000.....	45	8.4	96,168	10.3
\$200,000 to \$299,999.....	119	22.2	238,687	25.6
\$300,000 to \$499,999.....	128	23.9	307,876	33.0
\$500,000 to \$999,999.....	156	29.2	149,216	16.0
\$1,000,000 or more.....	63	11.8	53,573	5.7
<b>Total.....</b>	<b>535</b>	<b>100.0%</b>	<b>932,588</b>	<b>100.0%</b>

**Median Value.....** \$410,200 \$323,700

Source: American Community Survey 2018-2022.



## **SECTION IV – TAX BASE DATA**

### **Property Tax Assessments**

The Town completed its last physical revaluation on the October 1, 2018 Grand List. A physical revaluation will be required for the October 1, 2024 Grand List.

The Assessor's Office is responsible for locating and appraising all real and personal property within the Town for inclusion onto the Grand List. The Grand List represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year the Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current Grand List are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles that were registered after the October 1 assessment date, but before the following July 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

The Assessor's Office is also responsible for the administration of several property exemption and payment-in-lieu-of-taxes programs which include, but are not limited to, the following: special veterans' programs; elderly tax relief for homeowners and renters; farm, forest and open space; blind and disabled taxpayers; manufacturing exemptions; and State-owned property reimbursement programs.

### **Motor Vehicle Property Tax Rate**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016, the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 to October 1, 2020, inclusive, the mill rate for motor vehicles shall not exceed 45 mills, and (3) for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for fiscal year 2023-2024 is 27.69.

## Levy

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real and personal property taxes are billed in the following July and are payable in two installments on July 1 and January 1, except motor vehicle taxes and taxes under \$50.00 which are payable in full on July 1. Motor vehicle supplemental bills are payable on January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. 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.

Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable which are not expected to be collected during the available period are reflected as a deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

### **Comparative Assessed Valuations Taxable Grand List (\$ in thousands)**

<b>Grand List of 10/1</b>	<b>Real Property (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicle (%)</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemption</b>	<b>Net Taxable Grand List</b>	<b>Percent Change</b>
2023	86.7	4.6	8.7	\$ 284,428,955	\$ 2,175,657	\$ 282,253,298	1.33
2022	87.0	5.0	8.0	280,230,875	1,686,410	278,544,465	2.24
2021	88.1	4.1	7.8	274,109,680	1,667,870	272,441,810	1.49
2020	89.2	4.3	6.5	270,036,548	1,584,640	268,451,908	1.75
2019	90.4	3.6	6.0	265,617,049	1,786,795	263,830,254	1.11
2018 <sup>1</sup>	91.4	3.2	5.4	262,504,565	1,561,650	260,942,915	(11.88)
2017	92.3	2.7	5.0	297,673,299	1,559,130	296,114,169	(1.67)
2016	92.8	2.4	4.8	302,627,345	1,469,350	301,157,995	2.35
2015	92.8	2.4	4.7	295,622,227	1,392,050	294,230,177	0.65
2014 <sup>1</sup>	92.8	2.5	4.7	293,732,940	1,396,290	292,336,650	(20.05)

<sup>1</sup> Revaluation.

Source: Assessor's Office, Town of Norfolk.

### Major Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List <sup>1</sup>
Eversource .....	Utility	\$ 5,715,250	2.02%
Aquarian Water .....	Utility	3,752,085	1.33%
ENA Sharples .....	Private Residence	2,077,198	0.74%
Michael Foley .....	Private Residence	1,803,093	0.64%
David Low .....	Private Residence	1,628,647	0.58%
Sidney Witter .....	Private Residence	1,626,336	0.58%
My CT Oasis .....	Private Residence	1,358,929	0.48%
Roger Miller .....	Private Residence	1,293,244	0.46%
Jeremy Barnum .....	Private Residence	1,248,925	0.44%
Wind Field Partnership .....	Private Residence	1,210,204	0.43%
<b>Total</b> .....		<b>\$ 21,713,911</b>	<b>7.69%</b>

<sup>1</sup> Based on October 1, 2023 Net Taxable Grand List of \$282,253,298.

Source: Tax Assessor, Town of Norfolk.

### Property Tax Levies and Collections

Fiscal Year Ending 6/30	Grand List of 10/1	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Annual Levy Collected at End of Fiscal Year	Annual Levy Uncollected at End of Fiscal Year	Annual Levy Uncollected as of 6/30/2023
2024 <sup>1</sup>	2022	\$ 278,544,465	27.69	\$ 7,712,896	<i>IN COLLECTION PROCESS</i>		
2023	2021	272,441,810	27.84	7,548,679	99.3%	0.7%	0.7%
2022	2020	268,451,908	26.91	7,266,980	99.7%	0.3%	0.1%
2021	2019	263,830,254	25.98	6,865,779	99.8%	0.2%	0.0%
2020 <sup>2</sup>	2018	260,942,915	26.98	7,047,097	99.3%	0.7%	0.0%
2019	2017	296,114,169	23.57	6,981,752	98.9%	1.1%	0.0%
2018	2016	301,157,995	22.45	6,686,041	98.6%	1.4%	0.0%
2017	2015	294,230,177	22.09	6,526,095	98.9%	1.1%	0.0%
2016 <sup>2</sup>	2014	292,336,650	21.95	6,421,435	99.2%	0.8%	0.0%
2015	2013	365,668,493	20.22	6,586,579	98.7%	1.3%	0.0%

<sup>1</sup> Subject to audit.

<sup>2</sup> Revaluation.

Sources: Tax Collector's Office, Town of Norfolk.

### Property Taxes Receivable

Fiscal Year Ending 6/30	Current Year Levy Uncollected	Total Uncollected
2023	\$ 53,169	\$ 76,995
2022	24,470	50,850
2021	13,087	44,579
2020	49,513	92,509
2019	78,832	121,866
2018	92,867	156,850

Source: Tax Collector, Town of Norfolk.

**SECTION V – DEBT SECTION**

**Outstanding Bonded Debt  
Pro Forma  
As of May 28, 2024**

<b>Long-Term Debt</b>			<b>Amount of</b>	<b>Outstanding</b>	<b>Fiscal</b>
<b>Dated</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original Issue</b>	<b>After This Issue</b>	<b>Year Maturity</b>
<u>This Issue</u>					
05/28/24	General Purpose* .....	<i>tbd</i>	\$ 2,106,000	\$ 2,106,000	2049
05/28/24	Schools* .....	<i>tbd</i>	1,904,000	1,904,000	2049
<b>Sub-Total This Issue.....</b>			<b>4,010,000</b>	<b>4,010,000</b>	
<b>Total.....</b>			<b>\$ 4,010,000</b>	<b>\$ 4,010,000</b>	

*Note: Excludes capital leases and direct purchase loans.*

**Outstanding Short-term Debt  
Pro Forma  
As of May 28, 2024**

The Town does not have any outstanding short-term debt.

**Other Long-Term Commitments**

See note #12 - “General Obligation Debt” in Appendix A - “Notes to Financial Statements.”

**Overlapping Debt**

The Town of Norfolk, along with the Towns of Barkhamsted, Colebrook and New Hartford, is a member of Regional School District Number 7 (the “District”). As of May 28, 2024, the District does not have any long-term debt outstanding.

*\* Preliminary, subject to change.*

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**Bonded Debt Maturity Schedule  
Pro Forma  
As of May 28, 2024**

<b>Fiscal Year Ended 6/30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>	<b>This Issue: The Bonds*</b>	<b>Total Principal</b>	<b>Cumulative Principal Retired %</b>
2024 <sup>1</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2025	-	-	-	240,000	240,000	5.99%
2026	-	-	-	175,000	175,000	10.35%
2027	-	-	-	175,000	175,000	14.71%
2028	-	-	-	175,000	175,000	19.08%
2029	-	-	-	175,000	175,000	23.44%
2030	-	-	-	175,000	175,000	27.81%
2031	-	-	-	175,000	175,000	32.17%
2032	-	-	-	175,000	175,000	36.53%
2033	-	-	-	170,000	170,000	40.77%
2034	-	-	-	170,000	170,000	45.01%
2035	-	-	-	170,000	170,000	49.25%
2036	-	-	-	165,000	165,000	53.37%
2037	-	-	-	165,000	165,000	57.48%
2038	-	-	-	160,000	160,000	61.47%
2039	-	-	-	160,000	160,000	65.46%
2040	-	-	-	155,000	155,000	69.33%
2041	-	-	-	150,000	150,000	73.07%
2042	-	-	-	150,000	150,000	76.81%
2043	-	-	-	145,000	145,000	80.42%
2044	-	-	-	140,000	140,000	83.92%
2045	-	-	-	135,000	135,000	87.28%
2046	-	-	-	135,000	135,000	90.65%
2047	-	-	-	130,000	130,000	93.89%
2048	-	-	-	125,000	125,000	97.01%
2049	-	-	-	120,000	120,000	100.00%
<b>Total.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,010,000</b>	<b>\$ 4,010,000</b>	

<sup>1</sup> Excludes interest payments of \$127,944 made between July 1, 2023 and May 28, 2024.

Note: Excludes capital leases and direct purchase loans.

**THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF ITS DEBT OBLIGATIONS  
EITHER AS TO PRINCIPAL OR INTEREST.**

\* Preliminary, subject to change.

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**Current Debt Statement  
Pro Forma  
As of May 28, 2024**

**Long-Term Debt Outstanding:**

General Purpose (Includes This Issue)* .....	\$ 2,106,000
Schools (Includes This Issue)* .....	1,904,000
Sewer .....	-
Water .....	-
<b>Total Long-Term Debt</b> .....	<b>4,010,000</b>
<b>Short-Term Debt</b> .....	<b>-</b>
<b>Total Direct Debt</b> .....	<b>4,010,000</b>
Less: School Construction Grants Receivable (As of June 30, 2023) .....	-
<b>Total Direct Net Debt</b> .....	<b>4,010,000</b>
<b>Overlapping</b> (Share of Regional School District #7 debt) .....	<b>-</b>
<b>Underlying Debt</b> .....	<b>-</b>
<b>Total Overall Net Debt</b> .....	<b>\$ 4,010,000</b>

*Note: Excludes capital leases and direct purchase loans.*

**Current Debt Ratios  
Pro Forma  
As of May 28, 2024**

Population .....	1,856
Net Taxable Grand List at 70% of Full Value (10/1/23) .....	\$ 282,253,298
Estimated Full Value .....	\$ 403,218,997
Equalized Net Taxable Grand List (10/1/21) <sup>2</sup> .....	\$ 545,134,946
Money Income per Capita (2022) <sup>1</sup> .....	\$ 57,269

	<b>Total Direct Debt:</b>	<b>Total Overall Net Debt:</b>
	<b>\$4,010,000</b>	<b>\$4,010,000</b>
Debt per Capita .....	\$2,160.56	\$2,160.56
Ratio to Net Taxable Grand List .....	1.42%	1.42%
Ratio to Estimated Full Value .....	0.99%	0.99%
Ratio to Equalized Net Taxable Grand List .....	0.74%	0.74%
Debt per Capita to Money Income per Capita .....	3.77%	3.77%

<sup>1</sup> American Community Survey 2018-2022.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

*\* Preliminary, subject to change.*

**Authority to Incur Debt**

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes. The issuance of bonds and notes is authorized by Town Meeting or at a referendum upon the recommendation of the Board of Finance and the Board of Selectmen.

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by no later than the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

**Limitation of Indebtedness**

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. Annual receipts from taxation (the "base,") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under the Connecticut General Statutes Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

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**Statement of Statutory Debt Limitation  
Pro Forma  
As of May 28, 2024**

**Total Tax Collections** (including interest and lien fees)

As of June 30, 2023 for the prior fiscal year.....	\$ 7,279,748
Tax Relief for Elderly.....	1,101

**Base for Debt Limitation Computation.....** **\$ 7,280,849**

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Pension</u>
<b>Debt Limitation:</b>					
2 1/4 times base.....	\$ 16,381,910	-	-	-	-
4 1/2 times base.....	-	\$ 32,763,821	-	-	-
3 3/4 times base.....	-	-	\$ 27,303,184	-	-
3 1/4 times base.....	-	-	-	\$ 23,662,759	-
3 times base.....	-	-	-	-	\$ 21,842,547
<b>Total Debt Limitation.....</b>	<b>\$ 16,381,910</b>	<b>\$ 32,763,821</b>	<b>\$ 27,303,184</b>	<b>\$ 23,662,759</b>	<b>\$ 21,842,547</b>

**Indebtedness:**

Bonds Outstanding.....	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds (This Issue)*.....	2,106,000	1,904,000	-	-	-
Notes.....	-	-	-	-	-
Net Overlapping Debt (Share of RSD #7 Debt).....	-	-	-	-	-
Debt Authorized But Unissued.....	-	-	-	-	-
<b>Total Indebtedness.....</b>	<b>\$ 2,106,000</b>	<b>\$ 1,904,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Less:

State School Grants Receivable .....	-	-	-	-	-
--------------------------------------	---	---	---	---	---

**Total Net Indebtedness.....** **\$ 2,106,000    \$ 1,904,000    \$ -    \$ -    \$ -**

**DEBT LIMITATION IN EXCESS**

**OF OUTSTANDING INDEBTEDNESS.....** **\$ 14,275,910    \$ 30,859,821    \$ 27,303,184    \$ 23,662,759    \$ 21,842,547**

*Note: Excludes capital leases and direct purchase loans.*

*Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$50,965,943.*

\* Preliminary, subject to change.

**Authorized but Unissued Debt  
Pro Forma  
As of May 28, 2024**

The Town does not have any authorized but unissued debt.



**Principal Amount of Outstanding General Fund Debt  
Last Five Fiscal Years Ending June 30**

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value <sup>1</sup></b>	<b>Net Long-Term Debt <sup>2</sup></b>	<b>Ratio of Net Long-Term Debt to Assessed Value (%)</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value (%)</b>	<b>Population <sup>3</sup></b>	<b>Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income <sup>4</sup> (%)</b>
2023	\$ 272,441,810	\$ 389,202,586	\$ 2,088,903	0.77%	0.54%	1,856	\$ 1,125.49	1.97%
2022	268,451,908	383,502,726	1,557,591	0.58%	0.41%	1,856	839.22	1.47%
2021	263,830,254	376,900,363	1,054,342	0.40%	0.28%	1,856	568.07	0.99%
2020	260,942,915	372,775,593	1,308,311	0.50%	0.35%	1,856	704.91	1.23%
2019	296,114,169	423,020,241	1,548,604	0.52%	0.37%	1,856	834.38	1.46%

<sup>1</sup> Assessment Ratio: 70%.

<sup>2</sup> Long-Term debt less school building construction grants receivable.

<sup>3</sup> U.S. Department of Commerce, Bureau of Census, American Community Survey 2018-2022.

<sup>4</sup> Money Income per Capita: American Community Survey 2018-2022 data: \$57,269 used for all calculations.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures  
To Total General Fund Expenditures**

<b>Fiscal Year Ended 6/30</b>	<b>Ratio of General Fund Debt Service To Total General Expenditures</b>		
	<b>Total Debt Service</b>	<b>Total General Fund Expenditures <sup>1</sup></b>	<b>Ratio</b>
2024 <sup>2</sup>	\$ 481,322	\$ 9,073,028	5.30%
2023	259,140	8,372,706	3.10%
2022	303,319	8,001,515	3.79%
2021	278,675	7,596,852	3.67%
2020	268,962	7,606,282	3.54%
2019	259,375	7,192,835	3.61%

<sup>1</sup> GAAP basis of accounting. Includes Transfers out.

<sup>2</sup> Subject to audit.

Source: Annual Audited Financial Statements.

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## **SECTION VI – FINANCIAL SECTION**

### ***Summary of Accounting Principles***

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The Town's accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See "Appendix A" herein.)

### ***Annual Audit***

The Town, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The annual audits are conducted in compliance with Public Act 77-611 and contain the financial statements of the Town, the auditor's opinion thereon, in addition to specific comments and recommendations.

### ***Budget and Bond Authorization Procedures***

Annual operating budget requests are prepared by each department and agency head and submitted to the Board of Selectmen in January. In February and March, the Board of Selectmen reviews all budget requests and meets with each department and agency head to formalize the general government budget. The Superintendent of Schools submits the local education budget to the Board of Education, which has the authority to increase or decrease the Superintendent's budget request. In April the Boards of Selectmen and Education present their respective budget requests to the Board of Finance. After one or more public hearings, the Board of Finance may increase or decrease individual line items in the budget requests for general government agencies and departments but may increase or decrease the bottom line only for education budget requests. The Annual Budget Meeting is held the second Monday in May. The Annual Budget Meeting has the authority to decrease individual line items in the budget requests for general government agencies and departments but may decrease the bottom line only for education budget requests. The budget, as presented, may be adopted by a majority vote of those present and voting at the Annual Budget Meeting. Subsequent to the Annual Budget Meeting, the mill rate is set by the Board of Finance.

The General Fund budget is prepared on a modified accrual basis of accounting. Encumbrances are recognized as valid and proper charges against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. No office of the Town shall expend or enter into any contract by which the Town shall become liable for any sum which, with any contract then in force, shall exceed the appropriation for the department, except in case of necessity connected with the repair of highways, bridges, sidewalks, and water and sewer systems and the case of the Town poor, and then not more than \$1,000. All unencumbered appropriations of the General Fund lapse at the end of the fiscal year.

### ***Investments***

Investments for the Town are reported at fair value (generally based on quoted market prices). 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.

### ***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.

**Pensions**

The Town has a Defined Contribution plan for its employees except for the certified personnel of the Board of Education who are covered by the State of CT Teachers Retirement System. The Town provides a 5% contribution to a Defined Contribution Plan for all full time Town employees.

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 service is at age 65.

**Schedule of Employer Contributions**

	<b>2024</b> <sup>1</sup>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution .....	\$ 44,000	\$ 14,200	\$ 17,500	\$ 14,200	\$ 14,800
Contributions in relation to the					
Actuarially Determined Contribution ...	-	-	-	160,000	264,395
Contribution (Deficiency) Excess .....	<u>\$ (44,000)</u>	<u>\$ (14,200)</u>	<u>\$ (17,500)</u>	<u>\$ 145,800</u>	<u>\$ 249,595</u>

<sup>1</sup> Budgetary basis. Subject to audit.

**Net Pension Liability**

Total Pension Liability at June 30, 2023 .....	\$ 694,876
Plan Fiduciary Net Position .....	<u>1,779,065</u>
Net Pension Liability (Asset) .....	\$ (1,084,189)
Plan Fiduciary Net Position as % of	
Total Pension Liability .....	256.03%

The following presents the net pension liability as of June 30, 2023, calculated using the discount rate of 4.50% as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) of 1-percentage-point higher (5.50%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(3.50%)</b>	<b>(4.50%)</b>	<b>(5.50%)</b>
Net Pension Liability (Asset) .....	<u>\$ 769,995</u>	<u>\$ 694,879</u>	<u>\$ 630,872</u>

More information regarding the Town’s pension can be found in Appendix A – “2023 Financial Statements, Notes to Financial Statements, Note 14”.

## Comparative Balance Sheets – General Fund

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>Assets</b>					
Cash and Cash Equivalents .....	\$ 2,716,282	\$ 1,950,443	\$ 623,334	\$ 995,219	\$ 583,130
Investments .....	-	652,765	1,518,692	1,011,785	1,305,476
Property Taxes .....	76,995	50,850	44,579	92,509	121,866
Due From Other Funds .....	-	6,299	26,000	-	-
Other .....	-	-	-	-	-
<b>Total Assets</b> .....	<b>2,793,277</b>	<b>2,660,357</b>	<b>2,212,605</b>	<b>2,099,513</b>	<b>2,010,472</b>
<b>Liabilities and Fund Balances</b>					
Accounts Payable .....	40,903	2,215	1,741	250	-
Due to State .....	-	-	-	1,590	1,473
Due to Other Funds .....	105,985	467,200	244,200	150,524	149,024
<b>Total Liabilities</b> .....	<b>146,888</b>	<b>469,415</b>	<b>245,941</b>	<b>152,364</b>	<b>150,497</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue .....	72,892	48,373	37,633	49,868	96,811
Advance Collection of Taxes .....	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b> .....	<b>72,892</b>	<b>48,373</b>	<b>37,633</b>	<b>49,868</b>	<b>96,811</b>
<b>Fund Balances</b>					
Nonspendable.....	-	-	-	-	-
Restricted.....	-	-	-	-	-
Committed.....	-	-	-	-	-
Assigned.....	188,826	194,626	224,400	208,000	200,000
Unassigned.....	2,384,671	1,947,943	1,704,631	1,689,281	1,563,164
<b>Total Fund Balance</b> .....	<b>2,573,497</b>	<b>2,142,569</b>	<b>1,929,031</b>	<b>1,897,281</b>	<b>1,763,164</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balance</b> .....					
	<b>\$ 2,793,277</b>	<b>\$ 2,660,357</b>	<b>\$ 2,212,605</b>	<b>\$ 2,099,513</b>	<b>\$ 2,010,472</b>
<b>Analysis of General Fund Balance</b>					
Operating revenues .....	\$ 8,796,581	\$ 8,205,605	\$ 7,629,051	\$ 7,733,933	\$ 7,638,173
Fund balance as a percent of operating revenues .....	29.26%	26.11%	25.29%	24.53%	23.08%
Unassigned fund balance as a percent of operating revenues .....	27.11%	23.74%	22.34%	21.84%	20.47%

**General Fund Revenues and Expenditures**  
**Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)**  
**and Current Year Budget (Budgetary Basis)**

	<b>Adopted Budget <sup>1</sup> 6/30/2024</b>	<b>Actual 6/30/2023</b>	<b>Actual 6/30/2022</b>	<b>Actual 6/30/2021</b>	<b>Actual 6/30/2020</b>
<b>Revenues:</b>					
Property Taxes .....	\$ 8,016,209	\$ 7,618,983	\$ 7,260,792	\$ 6,900,385	\$ 7,132,802
Other Governmental Revenues .....	397,021	695,668	636,908	370,943	381,949
Other Local Revenues .....	348,125	447,413	298,949	347,278	197,805
Investment Income .....	16,000	34,517	8,956	10,445	21,377
Miscellaneous .....	47,539	-	-	-	-
<b>Total.....</b>	<b>\$ 8,824,894</b>	<b>\$ 8,796,581</b>	<b>\$ 8,205,605</b>	<b>\$ 7,629,051</b>	<b>\$ 7,733,933</b>
<b>Expenditures:</b>					
General Government .....	\$ 941,738	\$ 782,834	\$ 875,936	\$ 653,753	\$ 685,242
Public Safety .....	311,492	442,230	266,542	258,508	245,079
Public Works .....	1,867,690	1,598,420	1,728,006	1,557,291	1,370,655
Health and Welfare .....	97,712	84,060	86,428	72,760	57,601
Recreation .....	124,137	100,594	78,452	92,915	86,447
Education .....	4,795,573	4,356,470	4,005,174	4,083,953	4,315,002
Fixed Charges .....	405,259	335,143	299,824	419,278	393,891
Miscellaneous .....	43,803	32,315	26,334	28,219	32,903
Capital Outlay .....	6,000	-	-	-	-
Debt Service .....	481,322	259,140	303,319	278,675	268,962
<b>Total.....</b>	<b>\$ 9,074,726</b>	<b>\$ 7,991,206</b>	<b>\$ 7,670,015</b>	<b>\$ 7,445,352</b>	<b>\$ 7,455,782</b>
<b>Excess (Deficiency) of Revenues Over Expenditures.....</b>					
	\$ (249,832)	\$ 805,375	\$ 535,590	\$ 183,699	\$ 278,151
<b>Other financing sources (uses):</b>					
Proceeds From Sale of Capital Assets ...	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Recovery .....	-	-	-	-	-
Operating Transfers In .....	-	7,053	9,448	6,758	6,466
Operating Transfers Out .....	-	(381,500)	(331,500)	(151,500)	(150,500)
<b>Total Other financing sources (uses).....</b>	<b>\$ -</b>	<b>\$ (374,447)</b>	<b>\$ (322,052)</b>	<b>\$ (144,742)</b>	<b>\$ (144,034)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources (uses) over (under) Expenditures and Other Financing Uses.....</b>					
	\$ (249,832)	\$ 430,928	\$ 213,538	\$ 38,957	\$ 134,117
<b>Fund Balance, Beginning of Year.....</b>	<b>2,573,497</b>	<b>2,142,569</b>	<b>1,929,031</b>	<b>1,897,281</b>	<b>1,763,164</b>
<b>Fund Balance, End of Year.....</b>	<b>n/a</b>	<b>\$ 2,573,497</b>	<b>\$ 2,142,569</b>	<b>\$ 1,936,238</b>	<b>\$ 1,897,281</b>

<sup>1</sup> Budgetary Basis of accounting. Subject to audit.

## **SECTION VII – ADDITIONAL INFORMATION**

### ***Legal Matters***

Shipman & Goodwin LLP, of Hartford, Connecticut, is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render its opinion in substantially the form set out in Appendix B hereto.

### ***Litigation***

Following consultation with the Town Attorney and other attorneys providing legal services to the Town, Town officials advise that the Town of Norfolk, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

### ***Documents Accompanying Delivery of the Bonds***

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

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay the principal of and interest on the Bonds;
2. A certificate on behalf of the Town, signed by the First Selectman and Treasurer which will be dated the date of delivery and attached to a conformed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds, the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. Receipt for the purchase price of the Bonds;
4. The approving opinion for the Bonds of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut; in substantially the form attached here to as Appendix B;
5. An executed continuing disclosure agreement for the Bonds in substantially the form attached hereto as Appendix C; and
6. The Town will make available to the winning purchaser of the Bonds a reasonable number of copies of the Official Statement at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by 4:00 p.m. (Eastern Time) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the winning bidder for the Bonds.

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

**Concluding Statement**

This Official Statement is submitted only in connection with the sale of the Bonds by the Town of Norfolk, Connecticut and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**TOWN OF NORFOLK, CONNECTICUT**

By: \_\_\_\_\_  
Matthew T. Riiska, *First Selectman*

By: \_\_\_\_\_  
Chelsea DeWitt, *Treasurer*

Dated as of May \_\_, 2024

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## ***Appendix A***

### ***2023 Financial Statements Excerpted from the Town's Annual Financial Report***

The following includes the General Purpose Financial Statements of the Town of Norfolk, Connecticut for the fiscal year ended June 30, 2023. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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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, 2023, 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, 2023, 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 March 29, 2024 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

March 29, 2024  
Canaan Connecticut

TOWN OF NORFOLK, CONNECTICUT  
Management's Discussion and Analysis  
June 30, 2023

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, 2023. 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 \$16,729,512 exceeded its liabilities at June 30, 2023 resulting in a total net position of \$14,818,627. Unrestricted net position was \$6,181,362 and is available to meet ongoing government obligations. Of that amount \$6,181,362 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 \$4,698,616, an increase of \$320,472 for the year. The General Fund operating surplus for the year was \$430,928 compared to an anticipated deficit of \$150,000. The General Fund balance was \$2,573,497 of which \$150,000 was assigned to the 2023/24 budget and \$38,826 was assigned to the board of education lapsing fund.

The unassigned undesignated fund balance was \$2,384,671, or 27.8% 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 include general government, public safety, public works, health and welfare, cultural and recreation, sanitation, education and activities.

TOWN OF NORFOLK, CONNECTICUT  
Management's Discussion and Analysis  
June 30, 2023

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, 2023

**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 \$14,818,627 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 \$2,815,710 during the current fiscal year.



TOWN OF NORFOLK, CONNECTICUT  
Management's Discussion and Analysis  
June 30, 2023

**NET POSITION June 30, 2023 and June 30, 2022**

	<u>6/30/2023</u>	<u>6/30/2022</u>
<u>Assets</u>		
Current and other assets	\$ 6,003,344	\$ 5,781,670
Capital assets, net of accumulated depreciation	10,726,168	7,714,879
<u>Total Assets</u>	<u>16,729,512</u>	<u>13,496,549</u>
<u>Deferred outflows of resources</u>	<u>271,468</u>	<u>343,374</u>
<u>Liabilities</u>		
Current liabilities	1,348,127	1,125,271
Long-term liabilities	834,226	711,735
<u>Total Liabilities</u>	<u>2,182,353</u>	<u>1,837,006</u>
<u>Net Position</u>		
Net Investment in capital assets	8,637,265	6,157,288
Unrestricted	6,181,362	5,845,629
<u>Total Net Position</u>	<u>\$ 14,818,627</u>	<u>\$ 12,002,917</u>

**Governmental Activities**

Approximately 58% of the revenues were derived from property taxes, followed by 34% from operating and capital grants, 3% from service charges, and 5% from other grants and investment earnings.

For the most part, increases in expenses closely paralleled inflation and growth in demand for services. Approximately 44% of the Town's expenses relate to education, 17% relate to public works, 9% for general government, 18% for grant programs and 12% for all other activities.

TOWN OF NORFOLK, CONNECTICUT  
Management's Discussion and Analysis  
June 30, 2023

**CHANGES IN NET POSITION June 30, 2023 and June 30, 2022**

	<u>6/30/2023</u>	<u>6/30/2022</u>
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 423,467	\$ 284,808
Operating grants and contributions	709,329	571,180
Capital grants and contributions	4,207,164	1,609,921
General revenues		
Property taxes	7,656,540	7,276,302
Grants & contributions	170,241	307,213
Unrestricted investment earnings	55,688	39,356
<u>Total Revenues</u>	<u>13,222,429</u>	<u>10,088,780</u>
<u>Expenses</u>		
General government	932,977	994,172
Public safety	507,661	332,407
Public works	1,716,738	1,907,410
Health and welfare	201,640	86,428
Recreation	100,594	78,452
Education	4,524,890	4,253,463
Fixed Charges	335,143	299,824
Miscellaneous	89,650	77,785
Interest on Long Term Debt	39,525	68,486
Capital Outlay for outside organizations	1,957,901	-
<u>Total Expenses</u>	<u>10,406,719</u>	<u>8,098,427</u>
<u>Change in net position</u>	2,815,710	1,990,353
<u>Net Position, beginning of year</u>	<u>12,002,917</u>	<u>10,012,564</u>
<u>Net Position, end of year</u>	<u>\$ 14,818,627</u>	<u>\$ 12,002,917</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.

TOWN OF NORFOLK, CONNECTICUT  
Management's Discussion and Analysis  
June 30, 2023

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 \$2,573,497, of which \$150,000 was assigned to the 2023/24 budget and \$38,826 was assigned to the board of education lapsing fund. The remaining balance of \$2,384,671 is unassigned.

The fund balance of the Town's General Fund increased by \$430,928 during the current fiscal year.

**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, 2023 amounted to \$10,726,168. This investment in capital assets included land, buildings and system improvements, machinery and equipment and vehicles.

**CAPITAL ASSETS, Net of Depreciation**  
**June 30, 2023 and June 30, 2022**

	2023	2022
Land	\$ 380,052	\$ 380,052
Construction in Progress	1,888,879	738,082
Buildings and improvements	4,601,644	4,702,622
Infrastructure	2,796,801	838,559
Machinery and Equipment	430,729	444,748
Vehicles	628,063	610,816
Total	\$ 10,726,168	\$ 7,714,879

**Long-Term Debt**

At the end of the current fiscal year, the Town had total outstanding debt of \$2,088,903. 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 \$531,312 during the current fiscal year, see Note 11 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 \$50,965,943, 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 11.

TOWN OF NORFOLK, CONNECTICUT  
Management's Discussion and Analysis  
June 30, 2023

**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 2023</u>	<u>Proposed FY 2024</u>
Education Cost Sharing	\$ 34,609	\$ 29,866
Adult Education	311	199
Pequot-Mohegan Fund	8,899	8,899
Tiered PILOT	77,447	74,770
Municipal Stabilization Grant	9,911	9,911
Town Aid Roads	242,898	243,078
Grants to Municipalities	7,207	7,207
Tax Relief & Other	<u>44,155</u>	<u>31,743</u>
Total	<u>\$ 425,437</u>	<u>\$ 405,673</u>

The Selectmen have presented the Board of Finance with a list of capital improvement items that will need to be addressed extending out to 2030. This list included road and bridge repair, equipment replacement, a fire house and repairs to the elementary school. The estimated total was \$13.5 million.

Although these items represent large expenditures, Norfolk is very fortunate in having a dedicated group of individuals that support the town with their time and monetary donations. Phase II of the City Meadow Project is moving forward using private funding. All of the work thus far has been paid for through State grant funds and private donations. Further downtown enhancement projects are being pursued using a combination of state grants, borrowing and private funding.

Bridge work on the Mountain Road Bridge was completed during the past fiscal year and work on and the River Place Bridge is ongoing into fiscal year 2023/2024.

**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, 2023

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,744,275
Investments	334,919
Receivables:	
Property Taxes	76,995
Accrued interest and fees on property tax	54,197
Due from Other Governments	708,769
Net pension asset	1,084,189
Capital assets not being depreciated	2,268,931
Capital Assets, net of accumulated depreciation	8,457,237
<u>TOTAL ASSETS</u>	\$ 16,729,512
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows Related to Pensions	271,468
<u>LIABILITIES</u>	
Accounts and Other Payables	\$ 40,903
Unearned Revenue	52,547
Noncurrent Liabilities:	
Due within one year	1,254,677
Due in more than one year	834,226
<u>TOTAL LIABILITIES</u>	2,182,353
<u>NET POSITION</u>	
Net investment in capital assets	8,637,265
Unrestricted	6,181,362
<u>TOTAL NET POSITION</u>	\$ 14,818,627

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2023

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
<u>Governmental Activities</u>					
General Government	\$ (932,977)	\$ 305,251	\$ 97,370	\$ -	\$ (530,356)
Public Safety	(507,661)	2,250	-	-	(505,411)
Public Works	(1,716,738)	95,827	242,898	-	(1,378,013)
Health and Welfare	(201,640)	-	-	117,580	(84,060)
Recreation	(100,594)	19,672	-	-	(80,922)
Education	(4,524,890)	467	369,061	-	(4,155,362)
Fixed Charges	(335,143)	-	-	-	(335,143)
Miscellaneous	(89,650)	-	-	-	(89,650)
Capital Outlay	(1,957,901)	-	-	4,089,584	2,131,683
Debt Service	(39,525)	-	-	-	(39,525)
<u>Total Governmental Activities</u>	<u>(10,406,719)</u>	<u>423,467</u>	<u>709,329</u>	<u>4,207,164</u>	<u>(5,066,759)</u>
<u>Total Primary Government</u>	<u>\$(10,406,719)</u>	<u>\$ 423,467</u>	<u>\$ 709,329</u>	<u>\$ 4,207,164</u>	<u>(5,066,759)</u>
<u>General Revenues:</u>					
Property taxes					7,656,540
Grants and contributions not restricted to specific programs					170,241
Unrestricted investment earnings					55,688
<u>Total General Revenues</u>					<u>7,882,469</u>
<u>Change in net position</u>					2,815,710
<u>Net position beginning of year</u>					<u>12,002,917</u>
<u>Net position end of year</u>					<u>\$ 14,818,627</u>

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	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	\$ 2,716,282	\$ 687,203	\$ -	\$ -	\$ 10,000	\$ 7,673	\$ 323,117	\$ 3,744,275
Investments	-	-	-	-	-	-	334,919	334,919
Receivables:								
Property Taxes	76,995	-	-	-	-	-	-	76,995
Due From Other Funds	-	42,724	-	52,547	-	-	10,714	105,985
Due From Other Governments	-	-	708,769	-	-	-	-	708,769
<u>TOTAL ASSETS</u>	<u>2,793,277</u>	<u>729,927</u>	<u>708,769</u>	<u>52,547</u>	<u>10,000</u>	<u>7,673</u>	<u>668,750</u>	<u>4,970,943</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>\$ 2,793,277</u>	<u>\$ 729,927</u>	<u>\$ 708,769</u>	<u>\$ 52,547</u>	<u>\$ 10,000</u>	<u>\$ 7,673</u>	<u>\$ 668,750</u>	<u>\$ 4,970,943</u>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>LIABILITIES</u>								
Accounts and Other Payables	\$ 40,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,903
Due to Other Funds	105,985	-	-	-	-	-	-	105,985
Unearned Revenue	-	-	-	52,547	-	-	-	52,547
<u>TOTAL LIABILITIES</u>	<u>146,888</u>	<u>-</u>	<u>-</u>	<u>52,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,435</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable Revenue - property taxes	72,892	-	-	-	-	-	-	72,892
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>72,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,892</u>
<u>FUND BALANCES</u>								
Nonspendable	-	-	-	-	-	-	212,541	212,541
Restricted	-	-	-	-	-	-	140,634	140,634
Committed	-	729,927	708,769	-	10,000	7,673	258,858	1,715,227
Assigned	188,826	-	-	-	-	-	56,717	245,543
Unassigned	2,384,671	-	-	-	-	-	-	2,384,671
<u>TOTAL FUND BALANCES</u>	<u>2,573,497</u>	<u>729,927</u>	<u>708,769</u>	<u>-</u>	<u>10,000</u>	<u>7,673</u>	<u>668,750</u>	<u>4,698,616</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>\$ 2,793,277</u>	<u>\$ 729,927</u>	<u>\$ 708,769</u>	<u>\$ 52,547</u>	<u>\$ 10,000</u>	<u>\$ 7,673</u>	<u>\$ 668,750</u>	<u>\$ 4,970,943</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, 2023

<u>Total fund balances for governmental funds</u>	\$ 4,698,616
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Total net assets reported for governmental activities in the statement of net assets is different because of the following:

Net pension asset	1,084,189
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Deferred Outflows of Resources	271,468
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	10,726,168
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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	72,892
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Interest receivable on property taxes	54,197
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds

General Obligation Bonds Payable	(2,088,903)
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<u>Net position of governmental activities</u>	<u><u>\$ 14,818,627</u></u>
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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, 2023

	General Fund	Capital Nonrecurring Fund	Bridge Projects	ARPA Fund	Haystack Woods Project	City Meadows	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>								
Sales and Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467	\$ 467
Property Taxes	7,618,983	-	-	-	-	-	-	7,618,983
Other Governmental Revenues	695,668	-	1,342,666	355,853	1,640,533	-	5,500	4,040,220
Other Local Revenues	447,413	-	-	-	-	50,000	-	497,413
Investment Income	34,517	144	-	-	-	-	21,027	55,688
Miscellaneous	-	-	808,112	-	10,000	-	81,959	900,071
<u>Total Revenues</u>	<u>8,796,581</u>	<u>144</u>	<u>2,150,778</u>	<u>355,853</u>	<u>1,650,533</u>	<u>50,000</u>	<u>108,953</u>	<u>13,112,842</u>
<u>Expenditures:</u>								
General Government	782,834	-	-	-	-	-	-	782,834
Public Safety	442,230	-	-	-	-	-	-	442,230
Public Works	1,598,420	-	-	-	-	-	-	1,598,420
Health and Welfare	84,060	-	-	117,580	-	-	-	201,640
Recreation	100,594	-	-	-	-	-	-	100,594
Education	4,356,470	-	-	-	-	-	1,514	4,357,984
Fixed Charges	335,143	-	-	-	-	-	-	335,143
Miscellaneous	32,315	-	-	-	-	-	57,335	89,650
Capital Outlay	-	157,276	2,631,784	26,273	1,640,533	521,818	397,978	5,375,662
Debt Service	259,140	90,000	-	-	-	-	-	349,140
<u>Total Expenditures</u>	<u>7,991,206</u>	<u>247,276</u>	<u>2,631,784</u>	<u>143,853</u>	<u>1,640,533</u>	<u>521,818</u>	<u>456,827</u>	<u>13,633,297</u>
Excess (deficiency) of Revenues Over Expenditures	805,375	(247,132)	(481,006)	212,000	10,000	(471,818)	(347,874)	(520,455)
<u>Other Financing Sources (Uses):</u>								
Proceeds from Borrowing	-	-	840,927	-	-	-	-	840,927
Transfers In	7,053	380,000	-	-	-	-	449,569	836,622
Transfers Out	(381,500)	(236,069)	-	(212,000)	-	-	(7,053)	(836,622)
<u>Total Other Financing sources (Uses):</u>	<u>(374,447)</u>	<u>143,931</u>	<u>840,927</u>	<u>(212,000)</u>	<u>-</u>	<u>-</u>	<u>442,516</u>	<u>840,927</u>
Net Change in Fund Balances	430,928	(103,201)	359,921	-	10,000	(471,818)	94,642	320,472
<u>Fund Balances (Deficit), Beginning of Year</u>	<u>2,142,569</u>	<u>833,128</u>	<u>348,848</u>	<u>-</u>	<u>-</u>	<u>479,491</u>	<u>574,108</u>	<u>4,378,144</u>
<u>Fund Balances (Deficit), End of Year</u>	<u>\$ 2,573,497</u>	<u>\$ 729,927</u>	<u>\$ 708,769</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 7,673</u>	<u>\$ 668,750</u>	<u>\$ 4,698,616</u>

The accompanying notes are an integral part of these financial statements  
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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, 2023

<u>Net change in fund balances for governmental funds</u>		\$ 320,472
Total change in net assets reported for governmental activities in the statement of activities is different because of the following:		
<p>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 follows:</p>		
Capital outlay	3,417,761	
Depreciation expense	(406,472)	
Net adjustment	3,011,289	3,011,289
Proceeds from Long-Term Financing are reported as an other financing source in governmental funds, but the proceeds increase long-term liabilities in the statement of net assets		(840,927)
Principal Payments on Long-Term Financing are reported as an other financing uses in governmental funds, but the payments decrease long-term liabilities in the statement of net assets		309,615
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	13,038	
Property Taxes Accrual Change	24,519	
	37,557	37,557
Change in Deferred Outflows of Resources related to pensions		(71,906)
Change in net pension asset/obligation		49,610
<u>Change in net position of governmental activities</u>		\$ 2,815,710

The accompanying notes are an integral part of these financial statements

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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Revenues:</u>				
Taxes and Related Items	\$ 7,587,908	\$ 7,587,908	\$ 7,618,983	\$ 31,075
Licenses, Permits and Fees	248,175	248,175	447,413	199,238
Federal and State Grants and Revenues	405,673	405,673	433,557	27,884
Income From Investments	7,000	7,000	34,517	27,517
<u>Total Revenues</u>	<u>8,248,756</u>	<u>8,248,756</u>	<u>8,534,470</u>	<u>285,714</u>
<u>Expenditures:</u>				
General Government	953,848	953,848	782,834	(171,014)
Public Safety	278,035	278,035	442,230	164,195
Public Works	1,742,311	1,742,311	1,598,420	(143,891)
Health and Welfare	89,148	89,148	84,060	(5,088)
Recreation	109,205	109,205	100,594	(8,611)
Board of Education	4,111,298	4,111,298	4,088,559	(22,739)
Miscellaneous	35,966	35,966	32,315	(3,651)
Debt Service	346,711	346,711	259,140	(87,571)
Fixed Charges	355,734	355,734	335,143	(20,591)
<u>Total Expenditures</u>	<u>8,022,256</u>	<u>8,022,256</u>	<u>7,723,295</u>	<u>(298,961)</u>
<u>Excess (Deficiency) of Revenues and Other</u>				
<u>Sources Over (Under) Expenditures</u>	<u>226,500</u>	<u>226,500</u>	<u>811,175</u>	<u>584,675</u>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	5,000	5,000	7,053	2,053
Operating Transfers Out	(381,500)	(381,500)	(381,500)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(376,500)</u>	<u>(376,500)</u>	<u>(374,447)</u>	<u>2,053</u>
<u>Net Change in Fund Balance</u>	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	436,728	<u>\$ 586,728</u>
<u>BOE Non-lapsing Fund Expenditures</u>			(5,800)	
<u>Fund Balance - Beginning Of Year</u>			<u>2,142,569</u>	
<u>Fund Balance - End Of Year</u>			<u>\$ 2,573,497</u>	

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023

	<u>Pension Trust Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 65,875
Investments	1,713,190
Due from other funds	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,779,065</u>
 <u>LIABILITIES</u>	
Due to beneficiaries	<u>\$ -</u>
<u>TOTAL LIABILITIES</u>	<u>-</u>
 <u>NET POSITION</u>	
Net position held in trust for pension benefits	<u>1,779,065</u>
<u>TOTAL NET POSITION</u>	<u>1,779,065</u>
 <u>TOTAL LIABILITIES AND NET POSITION</u>	 <u>\$ 1,779,065</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, 2023

	Pension Trust Fund
<u>ADDITIONS</u>	
<u>Contributions</u>	
Employer	\$ -
<u>Total Contributions</u>	-
<u>Investment Income</u>	123,864
<u>TOTAL ADDITIONS</u>	123,864
<u>DEDUCTIONS</u>	
Benefits	42,262
Administrative Expense	3,375
<u>TOTAL DEDUCTIONS</u>	45,637
<u>CHANGE IN NET POSITION</u>	78,227
<u>NET POSITION BEGINNING OF YEAR</u>	1,700,838
<u>NET POSITION END OF YEAR</u>	\$ 1,779,065

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023

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, 2023

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, 2023

*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, 2023

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, 2023

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, 2023

*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, 2023

- 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:

	<u>Revenues</u>	<u>Expenditures</u>
Total budgetary basis - Non GAAP	\$ 8,534,470	\$ 7,723,295
Teachers retirement system on behalf payments	258,455	258,455
Teachers retirement system OPEB	3,656	3,656
BOE Lapsing Fund Expenditures	-	5,800
Total GAAP Basis	<u>\$ 8,796,581</u>	<u>\$ 7,991,206</u>

**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, 2023, the carrying amount of the Town’s cash deposits were as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Governmental Funds		
Cash and cash equivalents	\$ 3,744,275	4,086,100
Certificates of deposit classified as investments	111,195	111,195
STIF Account Cash Equivalent	(679,808)	(679,808)
	<u>3,175,662</u>	<u>3,517,487</u>
Fiduciary Funds		
Cash and cash equivalents	<u>65,875</u>	<u>65,875</u>
Total Cash	<u>\$ 3,241,537</u>	<u>\$ 3,583,362</u>

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023, \$2,887,676 of the Town's bank balance of \$3,583,362 was exposed to custodial credit risk as follows:

Uninsured and collateralized with securities held by the pledging Bank's trust department or agent but not in the Town's name	\$ 277,648
Uninsured and uncollateralized	2,610,028
	\$ 2,887,676

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, 2023, 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, 2023, the Town had the following investments:

Pension investments held by administrator	\$ 1,713,190
Common Stock held by trust funds	223,724
Certificates of deposit classified as investments	111,195
	\$ 2,048,109

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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.

**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, 2023.

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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, 2023.

**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2023 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>Bridge Projects</u>	<u>Non-Major and Other Funds</u>	<u>Total</u>
Property taxes	\$ 76,995	\$ -	\$ -	\$ 76,995
Interest due on taxes	74,197	-	-	74,197
Less allowance	(20,000)	-	-	(20,000)
Bridge Grants	<u>-</u>	<u>708,769</u>	<u>-</u>	<u>708,769</u>
 Total Receivables	 <u>\$ 131,192</u>	 <u>\$ 708,769</u>	 <u>\$ -</u>	 <u>\$ 839,961</u>

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of June 30, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From</u>	<u>Due To</u>
General fund	\$ -	\$ 105,985
Capital reserve fund	42,724	-
ARPA Fund	52,547	-
Loss retention	3,000	-
Historical Records	7,714	-
Total	<u>\$ 105,985</u>	<u>\$ 105,985</u>

A summary of interfund transfers is presented as follows:



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	Transfers In	Transfers Out
Capital reserve fund	\$ 380,000	236,069
General Fund	7,053	381,500
ARPA Fund	-	212,000
Trust Funds	-	2,312
Wooster Memorial	-	19
Botelle Fuel Tank	180,000	-
Loss Retention	1,500	-
NVHD FireTruck	268,069	-
General Cemeteries	-	4,722
Total	\$ 836,622	\$ 836,622

**NOTE 7 -DEFICIT FUND BALANCES**

As of June 30, 2023, no funds had a deficit fund balance

**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.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town’s financial condition, liquidity and future results of operations. The Town has not included any contingencies in the financial statements specific to this issue.

**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, 2023 was as follows:

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	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 380,052	\$ -	\$ -	\$ 380,052
Construction in Progress	738,082	1,296,955	146,158	1,888,879
	1,118,134	1,296,955	146,158	2,268,931
Capital assets being depreciated:				
Buildings and improvements	9,330,674	106,881	-	9,437,555
Infrastructure	854,276	2,002,807	-	2,857,083
Machinery and Equipment	1,151,429	46,591	31,203	1,166,817
Vehicles	2,130,119	110,685	66,475	2,174,329
Total capital assets being depreciated	13,466,498	2,266,964	97,678	15,635,784
Less accumulated depreciation for:				
Buildings and improvements	4,628,052	207,859	-	4,835,911
Infrastructure	15,717	44,565	-	60,282
Machinery and Equipment	706,681	60,610	31,203	736,088
Vehicles	1,519,303	93,438	66,475	1,546,266
Total accumulated depreciation	6,869,753	406,472	97,678	7,178,547
Total capital assets being depreciated, net	6,596,745	1,860,492	-	8,457,237
Governmental activities, capital assets, net	\$ 7,714,879	\$ 3,157,447	\$ 146,158	\$ 10,726,168

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

Governmental activities:	
General Government	\$ 127,847
Public Safety	65,431
Public Works	118,318
Education	94,876
Total depreciation expenses governmental activities	\$ 406,472

**NOTE 12 - GENERAL OBLIGATION DEBT**

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

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	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
General Obligation Bond Refinancing	\$ 639,509	\$ -	\$ 129,615	\$ 509,894
General Obligation Bond Public Works Vehicles	180,000	-	180,000	-
Mountain Road Bridge Revolving demand note, 2.25% interest, additional principal paid July 2023 of \$620,745, remaining balance termed out over 10 years with \$56,000 annual payments due.	591,924	767,475	240,756	1,118,643
River Place Road Bridge Revolving demand note, 2.25% interest only originally expires September 15, 2023, extended until 2024.	146,158	1,292,699	978,491	460,366
	\$ 1,557,591	\$ 2,060,174	\$ 1,528,862	\$ 2,088,903

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
2024	1,254,677	20,247	1,274,924
2025	173,778	16,633	190,411
2026	173,862	13,014	186,876
2027	174,016	9,390	183,406
2028	48,967	7,033	56,000
2029	50,069	5,931	56,000
2030	51,195	4,805	56,000
2031	52,347	3,653	56,000
2032	53,525	2,475	56,000
2033	56,467	1,270	57,737
	\$ 2,088,903	\$ 84,451	\$ 2,173,354

**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

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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, 2023.

**NOTE 13 – FUND BALANCES**

As of June 30, 2023, governmental fund balances are composed of the following:

	General Fund	Capital Nonrecurring Fund	Bridge Projects Fund	Haystack Woods Project	City Meadows	Non Major Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Funds	-	-	-	-	-	212,541	212,541
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,541</u>	<u>212,541</u>
<b>Restricted</b>							
Special Revenue Funds	-	-	-	-	-	140,634	140,634
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,634</u>	<u>140,634</u>
<b>Committed</b>							
Capital Non-Recurring Fund	-	729,927	-	-	-	-	729,927
Bridge Projects Fund	-	-	708,769	-	-	-	708,769
City Meadows Fund	-	-	-	-	7,673	-	7,673
Haystak Woods project	-	-	-	10,000	-	-	10,000
Special Revenue Funds	-	-	-	-	-	258,858	258,858
	<u>-</u>	<u>729,927</u>	<u>708,769</u>	<u>10,000</u>	<u>7,673</u>	<u>258,858</u>	<u>1,715,227</u>
<b>Assigned</b>							
Subsequent year's budget	150,000	-	-	-	-	-	150,000
BOE Lapsing Fund	38,826	-	-	-	-	-	38,826
Special Revenue Funds	-	-	-	-	-	56,717	56,717
	<u>188,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,717</u>	<u>245,543</u>
<b>Unassigned</b>	<u>2,384,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,384,671</u>
<b>Total governmental funds</b>	<u>\$ 2,573,497</u>	<u>\$ 729,927</u>	<u>#####</u>	<u>\$ 10,000</u>	<u>\$ 7,673</u>	<u>\$ 668,750</u>	<u>\$ 4,698,616</u>

**NOTE 14 - PENSION PLANS**

**Defined Benefit Plan**

**Plan Description and Significant Accounting Policies**

The Town has 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.

TOWN OF NORFOLK  
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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.

The Town’s current pension cost is calculated to amortize the current unfunded employer past service liability over 25 years. As of the latest available actuarial valuation date of July 1, 2023 PERS membership consisted of the following:

Current employees vested with non-frozen benefits	0
Current employees vested with frozen benefits	<u>2</u>
	<u><u>9</u></u>

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 allocated as follows as of June 30, 2023:

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Asset Class	Allocation
Cash Equivalents	3.70%
Fixed Income Securities	56.14%
Equities	40.16%
Total	100.00%

Rate of Return: For the year ended June 30, 2023, the annual weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.1% for the plan.

Net Pension Liability

In accordance with GASB Statement No. 67, the components of the net pension liability (asset) of the Town at June 30, 2023 were as follows:

Plan fiduciary net position	1,779,065
Total Net Pension Liability (Asset)	\$(1,084,189)
Plan fiduciary net position as a percentage of the total pension liability	
	256.03%

Actuarial Assumptions: The total liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	N/A
Investment rate of return	4.50%
Discount rate	4.50%

Mortality rates were based on the RP-2014 (adjusted) with MP-2017 mortality improvements

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 5.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.50%) or 1 percentage point higher (6.50%) than the current rate:

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Net pension liability	\$ 769,995	\$ 694,879	\$ 630,872

Schedule of Employer Contributions

Employer Contribution	\$ -
Actuarially determined contribution	13,400
Contribution excess (deficiency)	\$ (13,400)

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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, 2021	\$ 666,259	\$ 1,700,838
Charges for the year			
Service cost	-	-	-
Interest	22,579	-	22,579
Differences between expected and actual experience	(15,704)	-	(15,704)
Employer contributions	-		-
Changes of assumptions	64,004	-	64,004
Net investment income	-	123,864	(123,864)
Benefit payments and fees	(42,262)	(45,637)	3,375
Net changes	28,617	78,227	(49,610)
Balance at June 30, 2022	\$ 694,876	\$ 1,779,065	\$ (1,084,189)
Plan fiduciary net position as a percentage of the total pension liability			256.03%
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, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 164,093
Change in assumptions	107,827
Net difference between projected and actual earnings on plan investments	(452)
	\$ 271,468

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Amounts reported as deferred outflows and inflows of resources related to pensions related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended:	
June 30, 2024	\$ 74,766
June 30, 2025	65,531
June 30, 2026	137,467
June 30, 2027	(6,296)
	<u>\$ 271,468</u>

**Defined Contribution Plan**

Effective July 1, 2012, the Town established a defined contribution pension plan for eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers Retirement System. Eligible employees means all employees of the Town hired on and after July 1, 2012, and all non certified employees of the Norfolk Board of Education hired on and after July 1, 2012, and any employees of the Town and any non-certified employees of the Board of Education hired prior to July 1, 2013, who irrevocably elect to cease participation in the defined benefit plan described above, with the accrued benefit earned pursuant to the defined benefit plan (if any) frozen subject to the vesting provisions of that plan) as of the later of the effective date of this plan, or the first day of the plan year of that plan in which such election becomes effective.

Employees who have completed one year of service and have attained age 21 shall be eligible to participate under the plan as of the January 1 or July 1 following the date they have satisfied such requirements. The plan provides that benefits are 100% vested after 5 years of service with respect to all of the amounts allocated to employee's accounts.

The Town will contribute an amount equal to an annually determined percentage of each eligible employee's annual compensation. The plan operates on a calendar year basis. For the fiscal year ended June 30, 2023, actual contributions by the Town were \$43,085. As of June 30, 2023, 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.

**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.

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 \$29,271 and the Board of Education's contributions totaled \$12,144.

As of June 30, 2023, 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.



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**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](http://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). 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.

*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.

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.

*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 nonservice 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 System, but not less than 15%, nor more than 50%. In addition, disability benefits under this System (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed average annual salary.

*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.

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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 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, 2023 the amount of "on-behalf" contributions made by the state was \$386,371 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*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, 2023, 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		3,278,139
Total	<u>\$</u>	<u>3,278,139</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. As of June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized benefits expense and contribution revenue of \$258,455 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$316,836 for pension expense and revenue for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, with a reporting date of June 30, 2023, using the following key actuarial assumptions, applied to all periods included in the measurement:

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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:

Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

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%.

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.

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, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market International Stock Fund	11.0%	6.4%
Emerging Market International Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	100.0%	

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](http://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 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](http://www.ct.gov/trb).

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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.

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.

TOWN OF NORFOLK  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023

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, 2023, the amount of "on-behalf" contributions made by the state was \$3,656 and is recognized in the General Fund as intergovernmental revenues and education expenditures. In the government-wide financial statements, the Town recognized \$17,305 for OPEB expense and revenue for on-behalf amounts for the benefits provided by the State.

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

As of June 30, 2023, 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		287,090
Total	\$	<u>287,090</u>

The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. As of June 30, 2023, the Town has no proportionate share of the net OPEB liability.

TOWN OF NORFOLK  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 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 position is projected to be depleted in 2027.

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.

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.

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:

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Asset Class	Target Allocation	Expected 10- Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.00%	-0.98%	1.12%
Price Inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		1.50%	

The actuarial assumptions used in the June 30, 2022, 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 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, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, 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



TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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](http://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:

- **GASB Statement No. 99**, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This statement addresses a variety of topics with the requirements related to financial guarantees and the classification and reporting of derivative instruments effective for the Town's reporting periods beginning July 1, 2023.
- **GASB Statement No. 100**, *Accounting Changes and Error Corrections*—an amendment of **GASB Statement No. 62**. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2023.
- **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.

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

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b><u>Total pension liability</u></b>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	22,579	27,052	46,377	96,327	96,145	93,926
Differences between expected and actual experience	(15,704)	(517)	360,171	1,677	37,999	34,842
Changes of assumptions	64,004	60,423	49,752	(5,507)	(4,160)	29,334
Benefit payments	(42,262)	(43,715)	(1,353,017)	(109,438)	(144,918)	(103,033)
	<u>28,617</u>	<u>43,243</u>	<u>(896,717)</u>	<u>(16,941)</u>	<u>(14,934)</u>	<u>55,069</u>
<b><u>Net change in total pension liability</u></b>						
<b><u>Total pension liability - beginning</u></b>	<u>666,259</u>	<u>623,016</u>	<u>1,519,733</u>	<u>1,536,674</u>	<u>1,551,608</u>	<u>1,496,539</u>
<b><u>Total pension liability - ending</u></b>	<u>694,876</u>	<u>666,259</u>	<u>623,016</u>	<u>1,519,733</u>	<u>1,536,674</u>	<u>1,551,608</u>
<b><u>Plan fiduciary net position</u></b>						
Employer contributions	-	-	160,000	264,395	106,642	160,188
Net investment income	123,864	(177,895)	539,035	102,348	116,195	159,334
Benefit payments & Fees	(45,637)	(51,340)	(1,364,942)	(114,188)	(150,648)	(106,663)
	<u>78,227</u>	<u>(229,235)</u>	<u>(665,907)</u>	<u>252,555</u>	<u>72,189</u>	<u>212,859</u>
<b><u>Net Change in plan fiduciary net position</u></b>						
<b><u>Plan fiduciary net position - beginning</u></b>	<u>1,700,838</u>	<u>1,930,073</u>	<u>2,595,980</u>	<u>2,343,425</u>	<u>2,271,236</u>	<u>2,058,377</u>
<b><u>Plan fiduciary net position - ending</u></b>	<u>1,779,065</u>	<u>1,700,838</u>	<u>1,930,073</u>	<u>2,595,980</u>	<u>2,343,425</u>	<u>2,271,236</u>
<b><u>Net pension liability (asset) - Ending</u></b>	<u>\$ (1,084,189)</u>	<u>\$ (1,034,579)</u>	<u>\$ (1,307,057)</u>	<u>\$ (1,076,247)</u>	<u>\$ (806,751)</u>	<u>\$ (719,628)</u>
<b><u>Plan fiduciary net position as a percentage of the total pension liability</u></b>	256.03%	255.28%	309.80%	170.82%	152.50%	146.38%
<b><u>Covered-employee payroll</u></b>	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Net pension liability as a percentage of covered employee payroll</u></b>	N/A	N/A	N/A	N/A	N/A	N/A

**Note to Schedule**

As disclosed in note 12 to the financial statements the plan benefits were frozen as of December 31, 2011, therefore there is no current covered-employee payroll

TOWN OF NORFOLK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Actuarially determined contribution</u>	\$ 14,200	\$ 17,500	\$ 14,200	\$ 14,800	\$ 13,692	\$ 14,994	\$ 12,602	\$ 11,857	\$ 30,732	\$ 37,450
<u>Contributions in relation to the actuarially determined contribution</u>	-	-	160,000	264,395	106,642	160,188	10,000	175,353	190,127	307,876
<u>Contribution deficiency (excess)</u>	\$ 14,200	\$ 17,500	\$ (145,800)	\$ (249,595)	\$ (92,950)	\$ (145,194)	\$ 2,602	\$ (163,496)	\$ (159,395)	\$ (270,426)

Covered-employee payroll

Contributions as a percentage of covered-employee payroll

Notes to Schedule

Valuation date  
Measurement Date

July 1, 2022  
June 30, 2022

The plan benefits were frozen as of December 31, 2011

Methods and assumptions used to determine the contribution rates:

Actuarial cost method	Unit credit
Asset valuation method	Fair Market Value
Discount Rate	4.50%
Salary increases	N/A
Investment rate of return	4.50%
Retirement age	Age 65 or attained age if greater
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale	MP-2019
Inflation	2.25%

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

	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%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the town	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	\$2,514,180	\$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	\$ 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%
Plan fiduciary net position as a percentage of the total pension liability	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: Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.  
Changes of assumptions: None  
Actuarial cost method: Entry age  
Amortization method: Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation  
Single Equivalent amortization period: 27.8 years  
Asset valuation method: 4-year smoothed fair value  
Inflation: 2.50%  
Salary increases: 3.00%-6.50%, including inflation  
Investment rate of return: 6.90%, net of investment related expense

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

	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%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the town	287,090	273,915	473,467	546,714	540,347	722,107
Total	\$ 287,090	\$ 273,915	\$ 473,467	\$ 546,714	\$ 540,347	\$ 722,107
Town's covered-employee payroll	\$ 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%
Plan fiduciary net position as a percentage of the total OPEB liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms  
Changes of assumptions

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110,\$220 to \$220,\$440. Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022.

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 claims 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.

Actuarial cost method  
Amortization method  
Remaining amortization period  
Asset valuation method  
Investment rate of return  
Inflation

Entry Age  
Level percent of payroll over an open period  
30 years  
Market value of assets  
3.00%, net of pension plan investment expense  
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.

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***Appendix B***

***Form of Opinion of Bond Counsel and Tax Exemption***

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## **APPENDIX B – FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION**

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Norfolk, Connecticut  
Town Hall  
19 Maple Avenue  
Norfolk, CT 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 \$4,010,000\* General Obligation Refunding Bonds, dated May 28, 2024, maturing July 15, 2024 through 2048 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of May 28, 2024, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. 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 Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Bonds 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.

\* Preliminary, subject to change.

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 Bonds if interest on the Bonds 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 Bonds 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 Bonds 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 Bonds. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Bonds, 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 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

The rights of the holders of the Bonds and the enforceability of the Bonds 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.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

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

## CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

*Recent Tax Legislation.* The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

*Alternative Minimum Tax.* The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. 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.

*Financial Institutions.* The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds 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.

*Changes in Federal Tax Law.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or the market price of the Bonds.

*Other.* Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

#### **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

#### **ORIGINAL ISSUE DISCOUNT.**

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth in this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**ORIGINAL ISSUE PREMIUM.**

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

\* \* \* \* \*

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

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***Appendix C***

***Form of Continuing Disclosure Agreement***

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## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date, all pursuant to a Continuing Disclosure Agreement for the Bonds in substantially the following form:

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 28th day of May, 2024 by the Town of Norfolk, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$4,010,000\* General Obligation Refunding Bonds, Issue of 2024 (the "Bonds"), dated May 28, 2024 for the benefit of the beneficial owners from time to time of the Bonds.

**Section 1. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

### **Section 2. Annual Financial Information.**

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2024), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

(ii) the following financial information and operating data to the extent not included in the financial statements described in (i) above:

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- A. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- B. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- C. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- D. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- E. total direct debt and total direct net debt of the Town per capita,
- F. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- G. statement of statutory debt limitation as of the close of the fiscal year, and
- H. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2024. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) (The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

### **Section 3. Listed Events.**

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

**Section 4. Notice of Failure to Provide Annual Financial Information.**

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

**Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

**Section 6. Termination.**

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 7. Identifying Information.**

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

**Section 8. Enforcement.**

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Treasurer receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Treasurer is Town of Norfolk, Town Hall, 19 Maple Avenue, Norfolk, Connecticut 06058. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 9. Miscellaneous.**

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

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

TOWN OF NORFOLK, CONNECTICUT

By \_\_\_\_\_  
Matthew T. Riiska  
First Selectman

By \_\_\_\_\_  
Chelsea DeWitt  
Treasurer

***Appendix D***

***Notice of Sale***

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# NOTICE OF SALE

**\$4,010,000\***

## TOWN OF NORFOLK, CONNECTICUT

### GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2024 (BANK QUALIFIED)

**ELECTRONIC PROPOSALS via PARITY®** Competitive Bidding System (“PARITY”) will be received by the Town of Norfolk, Connecticut (the "Town") at the office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, until **11:30 A.M. (Eastern Time) on TUESDAY,**

**May 14, 2024**

for the purchase, when issued, of the whole of the Town's \$4,010,000\* General Obligation Refunding Bonds, Issue of 2024, dated May 28, 2024, bearing interest payable semiannually on July 15 and January 15 in each year until maturity, commencing July 15, 2024, and maturing on July 15 in each year as follows:

2024	\$240,000*	2037	\$160,000*
2025	\$175,000*	2038	\$160,000*
2026	\$175,000*	2039	\$155,000*
2027	\$175,000*	2040	\$150,000*
2028	\$175,000*	2041	\$150,000*
2029	\$175,000*	2042	\$145,000*
2030	\$175,000*	2043	\$140,000*
2031	\$175,000*	2044	\$135,000*
2032	\$170,000*	2045	\$135,000*
2033	\$170,000*	2046	\$130,000*
2034	\$170,000*	2047	\$125,000*
2035	\$165,000*	2048	\$120,000*
2036	\$165,000*		

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about May 28, 2024. The Bonds **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.

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

The Bonds maturing on or before July 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after July 15, 2034 at any time in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

\* Preliminary, subject to change.

**Redemption Dates**  
July 15, 2034 and thereafter

**Redemption Price**  
100%

**Adjustment of Principal Amount and Maturity Schedule for the Bonds.** Phoenix Advisors, municipal advisor to the Town, reserves the right to adjust the principal amount of each maturity of the Bonds and the aggregate principal amount of the Bonds after the determination of the winning bidder. The final aggregate principal amount of the Bonds shall not increase or decrease by more than 15%. All calculations will be rounded to the nearest \$5,000. The Town anticipates that the final maturity schedule will be communicated to the successful bidder within three (3) hours of the Town's receipt of the reoffering prices and yields for the Bonds from the successful bidder. The dollar amount bid by the bidder will be adjusted to reflect any adjustments in the final maturity schedule and the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount as calculated from the bid and the initial reoffering prices required to be delivered to the Town as stated herein. **The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices for any Bonds as a result of any changes made to the principal amounts within these limits.**

**Right to Change Timing and Terms of Sale.** The right to amend this Notice of Sale at any time prior to the date and time for receipt of bids by publishing the amendments on the PARITY® website, is reserved. The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg and MuniHub at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

**Proposals.** All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$4,010,000\* Bonds, or for less than par and accrued interest, will be considered.**

**Basis of Award.** As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to July 15, 2024, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true 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, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

**Electronic Proposals Bidding Procedure.** Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY by **11:30 A.M. (Eastern Time), on TUESDAY, MAY 14, 2024**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

**Disclaimer** - Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The Town is using PARITY as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

**Bond Counsel Opinion.** 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 Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds 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 Bonds 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 imposed on 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 Bonds is excluded from Connecticut taxable income for purposes of the

Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

**Obligation to Deliver Issue Price Certificate.** Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. **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 Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, Email: [mspoerndle@muniadvisors.com](mailto: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 Bonds, 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 Bonds 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 Bonds. **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 Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of May 14, 2024 (the “Sale Date”).

**Competitive Sale Rule Not Met.** By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds 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 Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. 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 Bonds 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 Bonds 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 Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 (5<sup>th</sup>) business day after the Sale Date of the Bonds; 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 Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

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

If the winning bidder has purchased any maturity of the Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds.

**Preliminary Official Statement and Official Statement.** The Town has prepared a Preliminary Official Statement dated May 7, 2024 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser 25 copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

**DTC Book-Entry.** The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. 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.

**Certifying, Transfer and Paying Agent; Registrar.** The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

**CUSIP Numbers.** The deposit of the Bonds 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, LLC, to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Phoenix Advisors, LLC will provide CUSIP Global Services with the final details of the sale of the Bonds 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 Bonds with DTC due to the failure of Phoenix Advisors, LLC 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.

**Continuing Disclosure Agreement.** The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

**Additional Information.** For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated May 7, 2024. The Preliminary Official Statement may be accessed via the Internet at <https://munihub.com>. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement and Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement may be obtained from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, telephone (203) 878-4945.

May 7, 2024

Matthew T. Riiska  
First Selectman

Chelsea DeWitt  
Treasurer

**ISSUE PRICE RULE SELECTION CERTIFICATE**

Town of Norfolk, Connecticut  
 \$4,010,000\* General Obligation Refunding Bonds, Issue of 2024

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 bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated May 7, 2024 (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>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (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>
7/15/2024	\$240,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2025	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2026	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2027	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2028	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2029	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2030	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2031	175,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2032	170,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2033	170,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2034	170,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2035	165,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2036	165,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2037	160,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2038	160,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2039	155,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2040	150,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2041	150,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2042	145,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2043	140,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2044	135,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2045	135,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2046	130,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2047	125,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
7/15/2048	120,000*	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

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

**[NAME OF UNDERWRITER/  
REPRESENTATIVE]**

By: \_\_\_\_\_  
 Name:  
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. (ET) on May 15, 2024:  
**Bond Counsel:** [mrutter@goodwin.com](mailto:mrutter@goodwin.com)    **Municipal Advisor:** [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com)

\*Preliminary, subject to change.