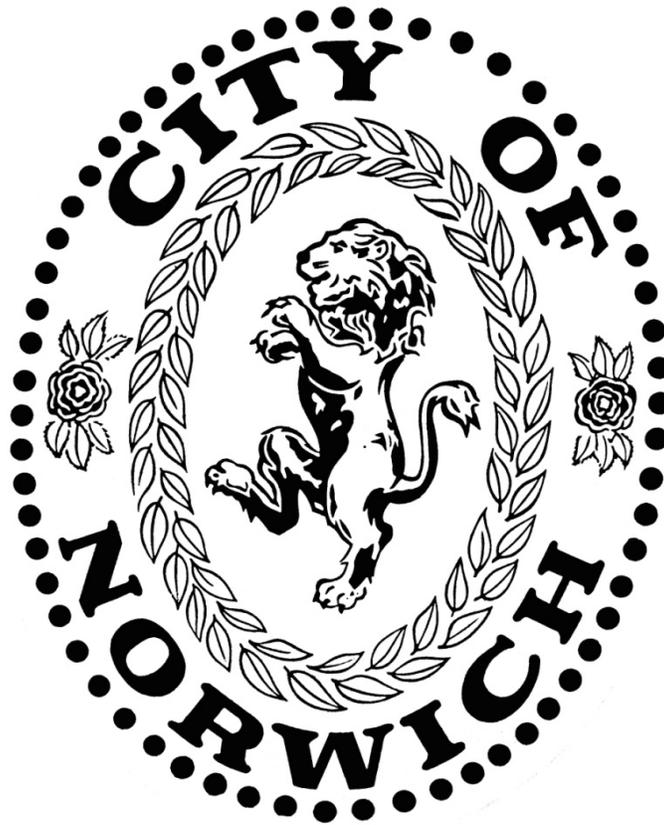


**CITY OF NORWICH, CONNECTICUT**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**FISCAL YEAR ENDED JUNE 30, 2024**  
**DEPARTMENT OF FINANCE**  
**UNION SQUARE**  
**NORWICH, CONNECTICUT**

**Annual Comprehensive  
Financial Report  
of the  
  
City of Norwich,  
Connecticut**

Fiscal Year Ended June 30, 2024

Prepared By:

City of Norwich Finance Department

Joshua A. Pothier, CPA, CPFO  
Comptroller

Orla McKiernan  
Deputy Comptroller

Sandra Kuchta  
Accountant

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## **INTRODUCTORY SECTION**



JOSHUA A. POTHIER, C.P.A.  
COMPTROLLER  
Phone: (860) 823-3720  
Fax: (860) 823-3812

100 Broadway Room 105  
Norwich, CT 06360-4431  
[www.norwichct.org/finance](http://www.norwichct.org/finance)  
[jpothier@cityofnorwich.org](mailto:jpothier@cityofnorwich.org)

December 9, 2024

To the Citizens, Honorable Mayor and Members of the City Council  
City of Norwich  
Norwich, Connecticut

I am pleased to submit the Annual Comprehensive Financial Report (“ACFR”) of the City of Norwich (the “City”) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The City’s management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to manage spending within prescribed budget limitations and for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State Statute and the City Charter require an annual audit by an independent certified public accountant. The statute further prescribes that each municipality’s annual report shall be prepared in accordance with accounting principles generally accepted in the United States of America. This report has been prepared according to these standards. The auditors’ unmodified opinion is included in this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and U.S. Office of Management and Budget’s “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (commonly called “Uniform Guidance”). Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors’ reports on the internal control over financial reporting and compliance with applicable laws and regulations, are issued under separate covers and are not included in this report. The City is also required to undergo a State single audit. Information related to this State single audit will be issued separately.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the management discussion and analysis (“MD&A”).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Government**

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Norwich, founded in 1659, is Connecticut's 25<sup>th</sup> largest city by population. The City was incorporated in May 1784. The Town and City were consolidated on January 1, 1952. Norwich covers an area of 27.1 square-miles located 40 miles southeast of Hartford surrounded by Montville, Preston, Lisbon, Sprague, Franklin and Bozrah.

The City is approximately three hours from New York City by rail or highway transportation. Providence, Rhode Island is approximately an hour from the City and Boston is approximately two hours away. The City is served by interstate, intrastate and local bus lines. The City is served by Interstate 395 from north to south connecting Norwich with 1-95 and 1-90 to Boston and New York. Route 2 links the City with Hartford and 1-91. State Route 82 connects downtown Norwich with 1-395. Rail transportation and freight service is available to major points including New York, Boston, Providence and Montreal. Air services are available at Groton-New London Airport to the south, Green Airport (Providence) to the east and Bradley Airport to the north. Norwich Harbor provides a 600-foot turning basin connecting the Thames River and Long Island Sound.

The City operates under a Charter adopted in 1952, which was most recently revised on November 3, 2015. The City operates under a Council/Manager form of government. The City Manager is appointed by the City Council and serves as the Chief Executive Officer. The City Manager serves at the pleasure of the City Council and is responsible to the City Council for the supervision and administration of City departments. The City Council consists of six members and one Mayor, all elected at large. Elections are held during odd calendar years as provided by state statute.

This report includes all funds of the City. The City provides a full range of services to its citizens. These services include public safety, street maintenance and sanitation, health and human services, public parks and recreation, library, education, public improvements, planning, zoning, water, gas, electric, sewer and general administrative services.

The City Council is required to adopt a final budget no later than the second Monday in June for the following fiscal year. This annual budget serves as the foundation for the City of Norwich's financial planning and control. The budget sets the annual spending limits for each department and the property tax mill rate. After the budget is set, departments may transfer resources within their department with the approval of the City Manager. Additional appropriations or transfers between departments require approval by the City Council.

## **Local Economy**

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The City pursues economic and physical stabilization and revitalization. The City has maintained the quality of services to its citizens while having the 17<sup>th</sup> lowest per capita tax burdens in the State at \$2,158 for fiscal year 2022.

The Mayor is responsible and accountable for economic development. The overriding goal for the City is to increase its grand list through activities which enhance community life, attract newcomers to the City, reduces reliance on government agencies, and attract economic development investment from the State of Connecticut. Objectives identified to achieve this goal include revitalizing downtown, adaptively reusing existing structures, increasing availability of viable commercial and industrial properties, maintaining the existing infrastructure and attracting new educational institutions into the City.

The City's economic development activities are assisted by Norwich Community Development Corporation (NCDC), a private not-for-profit corporation established in 1964 to improve the economic well-being of the City.

The Mayor works closely with NCDC as an independent non-profit that is neither directly nor indirectly controlled by the City or any other governmental entity, but by Norwich City Council resolution, is the economic development arm of the City. Many activities are underway which support these objectives and will move the community toward the City's primary economic development goals.

The City along with NCDC were awarded a Bronze Certification by the Connecticut Economic Development Association for effective and efficient land use planning and economic development policies and procedures. This acknowledgement is manifest in the business growth and infrastructure rehabilitation currently assisting the economy of the City. This significant revitalization of infrastructure and small business assistance has boosted our local economy which (according to data published by CT DOL on September 4<sup>th</sup>, 2024) has experienced the greatest post-pandemic growth in the Connecticut Town Economic Indicator of any town or city in the state with a population of over 20,000.

## Commercial/ Industrial Activity

### Business Park North (Occum Industrial Center)

NCDC acquired 384 acres in the Occum section of Norwich in December 2022 for \$3.55 million to be used as a second business park, just north of the existing Stanley Israelite Business Park. The current industrial park hovers at 90% occupied. NCDC was awarded \$11.9 million in grants in March 2023 to help build out road and utility infrastructure to enable development of the park. NCDC estimates that Occum Industrial Park could attract \$300 million of private investment with parcels currently being actively marketed with one current pending contract.

### Marina

Patten Marina acquired the lease for the downtown marina in October 2023. Since the acquisition, Patten has invested nearly \$300,000 into renovations in addition to over \$1,000,000 that the City was awarded in State and Federal funding for this public-private partnership. As a result, the facility has added and reopened an onsite restaurant and is engineering an on-site fuel solution. In their first year, marina slip occupancy is up 125%. Over the next 3 years, significant public-private investment will continue to enhance this strategic municipal asset increasing downtown visitation by local and regional tourists and boaters.

### 85 Main Street

In March 2020, the developer received approval from the Commission on the City Plan to renovate a historic contributing building located in the Downtown Norwich National Historic District to include 42 residential units and 10,288 square-feet of commercial tenant space. The City Council approved ARPA funds managed by NCDC which will allow for a \$400,000 loan and a \$400,000 grant to be provided to the owners to make code corrections as part of an \$8.8 million renovation to the property. The developer commenced construction in September 2022 and anticipates a full certificate of occupancy by the end of 2024, with over a dozen applications queued for future residents, and two first floor restaurants under design.

### Norwich Revitalization Program

The Norwich Revitalization Program is a \$3.5 million ARPA-funded small business effort to rehabilitate unused, vacant space to expand and attract new business and rehabilitate occupied space by funding code corrections and building envelope repair to retain business. As a result, 19 small businesses, more than half of which are MBWE owned-operated, have been retained, attracted, expanded or developed. This effort has secured 116 jobs and revitalized or reactivated 90,528 square feet of previously blighted or unused retail space. This program created an overall investment of \$5,388,745 in the community with \$3,521,766 in private funding being matched by \$1,866,979 in public ARPA funds for an overall public investment of \$20/sq ft in the rehabilitated space and \$16,000 per job created in the Norwich economy.

## Former Hale Mill Property

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In June 2018, a New York development firm purchased the 10-acre Hale Mill property in the Yantic section of Norwich for \$826,000. The new owner is a \$34 million destination-themed, Hilton Tapestry branded 151-room hotel operation with a restaurant, banquet space, and a pool in the 1864 former textile mill. The City Council approved a tax abatement ordinance and approved up to \$400,000 in ARPA funding towards the project. The developers began construction in August 2022 and expect to complete the project by August 2026.

## Cannabis Cultivation and Retail

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The City was identified as a Disproportionately Impacted Area. As such, three cannabis cultivators, one micro-cultivator, one food & beverage manufacturer, and one retail operator have chosen to locate in the City. Each is a multi-state cannabis cultivation operator and, in the aggregate, will bring nearly 250,000 square-feet of plant manufacturing to the City which represents over 150 new jobs and significant utility usage. The indoor grow operators are locating in the former Mr. Big's department store on Eighth Street in Greeneville and in a former manufacturing facility on Forest Drive. Each will require approximately \$20 million investment to reach full operational capability. The other two cultivators are utilizing a recent legislative change allowing outdoor growth and will both locate on former golf driving ranges in the City. By legislative mandate, all the operators must reach operational capability no later than December of 2025. Cannabis retail sales have commenced in the City, with Zen Leaf opening its retail operation in July 2023. Retail operations are subject to a 3% municipal tax on gross receipts, resulting in a steady state flow of approximately \$150,000 a year in revenue to the City.

## 201 Main Street

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Heritage Properties, the owners of the Wauregan Hotel, have purchased the former Reid & Hughes department store property is investing approximately \$6.2 million to convert it into 17 apartments and first-floor retail space. Current occupancy of the Wauregan is 100% and demand for downtown space is on the rise. NCDC was awarded \$550,000 in brownfield remediation grant funds through the Connecticut Community Investment Fund 2030, and the City has set aside \$300,000 of ARPA funds to assist with this project. Heritage Properties is negotiating the purchase of Historic Tax Credits with Eversource, and submitting Historic Tax Credit Part II to the State Historic Preservation Office and the National Park Service. The goal is project completion in April of 2025.

## Moove In Self-Storage Facility – 208 & 210 Salem Turnpike/11 Montville Road

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In May 2022, the Commission on the City Plan approved a large three-story modern 87,000-square-foot, 656-unit self-storage facility for Lyman Development Corporation. The project will be constructed on a vacant parcel located between the existing Coreplus Credit Union and Walmart on Salem Tpk. It is currently under construction and should be completed in 2024.

## Former Thermos Property Solar Installation

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In August 2023, the Connecticut DECD awarded a \$2 million brownfields mitigation grant to NCDC which will be used to demolish two former Thermos factory buildings. Once demolished, a solar array will be installed to generate power for the Thermos of the Thames condominium complex.

## Former YMCA Building

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Mattern Construction was selected by RFP to be the developer/owner of the former YMCA building in downtown. The City was awarded a \$2 million Connecticut Community Communities Challenge Grant to assist with the redevelopment of the YMCA property from the DECD in April of 2022. The City also received grant and loan assistance from the Capital Region Council of Governments and for brownfield remediation funding. The brownfield remediation was completed in September 2024 and Mattern anticipates completing the rehabilitation and construction of the space in 2025 with the relocation of Mattern's headquarters into the former YMCA building, as well as the creation of eight residential units.

## Regional Activity

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### Electric Boat

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General Dynamics Electric Boat (EB), is the region's largest employer and the nation's largest manufacturer of submarines, servicing the U.S. Navy. EB has sourced contracts that will maintain their production facilities and personnel needs for decades. A component of this work involves a new class of submarine, the Columbia class, for which a new production facility is needed. General Dynamics Electric Boat currently has a workforce of more than 19,500 employees at its three primary locations in Groton and New London, Connecticut, and Quonset Point, Rhode Island and expects to hire 5,000 employees per year for the next several years to meet the demands of its contracts.

The Columbia class program includes 12 ballistic missile submarines to replace the Navy's 14 aging Ohio-class submarines. EB was awarded a \$9.47 billion contract in November 2020 for the first two Columbia class submarines. The first submarine is scheduled for delivery to the Navy in 2027, and the second one in 2029.

### Wind Turbine Assembly Facility

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The 184-acre New London Pier is being used as a wind turbine assembly facility. The Connecticut Port Authority worked with terminal operator, Gateway Terminal, and Ørsted and Eversource to redevelop State Pier in New London into a state-of-the-art heavy-lift capable port facility which could bring approximately 400 offshore wind-related jobs to the area. The \$310 million project was completed in 2023. The downstream impact on Norwich is demand for new industrial space. Three offshore wind projects commissioned by Connecticut, New York and Rhode Island – a total of approximately 160 turbines, with an output of 1,760 MW (enough to power over 1 million homes) – are scheduled for assembly and delivery from New London. The first of these projects, the South Fork Wind, was fully operational in March 2024. The two larger projects, Revolution Wind and Sunrise Wind, are expected to be completed by the end of 2025.

### Housing Market

---

The City has an estimated 19,000 housing units, including single family homes, apartments, duplexes, condominiums, townhouses and mobile homes. Norwich is the largest municipality in Southeastern Connecticut and is located in New London County. According to the Eastern Connecticut Association of Realtors, during calendar year 2023, 336 single-family homes, 99 multi-family homes, 37 mobile homes and 97 condos sold in Norwich. The median sales price for a single-family home during this period was \$255,000.

As part of the City's investment to stabilize the housing stock, Norwich has committed federal and state resources towards neighborhood preservation. The Office of Community Development uses Federal Housing & Urban Development funds to rehabilitate approximately 24 units of housing each year. These funds address health, safety and code issues impacting properties. In addition to addressing health and safety issues, rehabilitation aids in increasing property values (approximately 13% average increase in values).

The City was awarded a Lead Based Paint Hazard Control/Healthy Homes grant for \$3.1 million in fall of 2024. These funds will further improve owner occupied and investor housing units.

### State of Connecticut Projects

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#### Route 82 Redesign

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The State of Connecticut Department of Transportation (CTDOT) proposed a two-phase reconstruction of Route 82 in August 2015. This project was approved by the Norwich City Council which cleared the way for CTDOT to begin preliminary design work. Field surveying and preliminary engineering have been completed. As a result of input from a June 2022 informational meeting, the preliminary design is being reviewed to explore the

possibility of fewer roundabouts. Construction may start by 2026. The preliminary design includes the replacement of several traffic signals with roundabouts and the installation of a median divider. The intent of these changes is to reduce accidents and improve the flow of traffic.

## Major City Initiatives

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### Road Improvements

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The residents of the City passed \$5 million bond referendum items in November 2013, 2017 and 2019 for infrastructure improvements. Voters most recently approved the \$6 million infrastructure bond referendum item on the November 2023 ballot. In addition to bond funding, the City secured a \$2.1 million Local Transportation and Capital Improvement Program grant for the reconstruction of Dunham Street, a 0.75-mile urban collector road connecting West Main Street to West Thames Street. Construction was completed in the summer of 2022. The City received a \$400,000 Connectivity Grant for constructing a modern roundabout at the intersection of Franklin Street and Main Street. This project was completed in October 2021 and has improved traffic flow and pedestrian movement. Recently, the City and the Town of Montville have secured a \$2.1 million grant for the reconstruction of the southern mile of New London Turnpike.

### Sherman Street, Sunnyside Street, and Pleasant Street Bridge Rehabilitations

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The Public Works Department previously secured approximately \$12 million in Federal and state grant money to pursue rehabilitation projects to all four of these bridges. Construction for the replacement of the Sherman Street bridges started in June of 2022. Both bridges were replaced and a 600-foot section of Asylum Street was also reconstructed in order to allow raising the bridges by 18-inches, making them less prone to flooding. Construction was completed in the summer of 2024.

### Uncas Leap

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Located along a gorge carved out by the Yantic River, Uncas Leap is a natural resource with a cultural legacy. The neighborhood surrounding the falls is also an important part of the City's industrial heritage. City agencies, the Mohegan Tribe, and numerous stakeholder groups have been working together to improve this resource; to protect it and share it with future generations. In 2018, the Uncas Leap Heritage Area was recognized by the American Planning Association as one of five finalists for the People's Choice designation for Great Places in America.

Over the years, the City has received several grants utilized to further the project. DECD and Federal Environmental Protection Agency (EPA) grants awarded to the City assisted with addressing environmental and structural concerns, and master planning to create a unique heritage park. Additionally, the Norwich City Council approved the use of Federal CDBG funds to demolish a blighted and dangerous on-site brick mill building with the concurrence of the State Historic Preservation Office (SHPO). The City purchased 232 Yantic Street and demolished a blighted residential structure to install an eight-space parking lot for the park. SHPO approved deconstruction of the granite mill building allowed for the a future community gathering space within the existing ruin

The Norwich City Council allocated \$2.8 million dollars of ARPA funds towards the continued design and development of the site into a Heritage Park, including amenities proposed within the Master Plan; such as an amphitheater, bathrooms, walkways, viewing platforms, lighting, and accessible parking. Construction started in August of 2023 and the site dedication ceremony and opening occurred in November 2024; creating a regional tourism draw.

## American Rescue Plan Act

---

In addition to the funding allocated towards the Uncas Leap project and various economic development initiatives, the Norwich City Council has also allocated ARPA funds to several other initiatives such as recreation facilities improvements and social services programs. The City received a total of \$28.8 million of ARPA funds to be spent by 2026.

## School Initiatives

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### *Programs*

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Norwich Public Schools is designated as an Alliance School District, fostering partnerships with the Connecticut Department of Education to drive innovative instruction. While Moriarty and Wequonnoc Elementary Schools, as well as Kelly and Global Middle Schools, previously benefited from Magnet funding, this support has ended. Consequently, magnet school transportation and staffing are no longer available; however, many magnet themes continue to be integrated into the curriculum.

All pre-kindergarten classrooms are in five of the seven elementary schools. The Norwich Transition Academy at Case Street School provides a tailored learning program for students aged 18-22, focusing on smooth transitions to adulthood.

Excitingly, for the 2024-25 school year, we are launching the Rose City School Program. This therapeutic initiative will be staffed by experienced providers to support students with disabilities who face social-emotional and behavioral challenges. This year, we aim to establish two elementary classrooms, with plans to expand to a middle school program next year. Students will benefit from individualized learning, counseling, and inclusive opportunities. We are also accepting out-of-district referrals for this program.

Additionally, all elementary schools within the district offer full-day kindergarten, and every student in Norwich Public Schools enjoys free breakfast and lunch. Each school features an afterschool program, providing students with access to a complimentary dinner.

### *Facilities*

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Norwich voters approved a \$385 million bond ordinance referendum in November 2022. The project includes the consolidation of the school district's seven elementary schools into four new, larger schools on the sites of the former Greenville, Stanton, Moriarty, and Uncas schools; either renovating-as-new or replacing Teachers' Memorial School; and renovating Huntington School as the new home for the City's adult education program and the Board of Education administrative offices.

## Norwich Public Utilities (NPU)

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Each year, NPU provides the City with a payment of 10% of its gross revenues from the revenue from natural gas, electric and water utilities. In Fiscal Year 2025, the payment from NPU to the City will be approximately \$10.3 million.

Over the past ten years, NPU payments to the City have totaled \$88 million, which reduces Norwich taxpayer's burdens by an estimated 4.4 mills per year.

### *Water Division*

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NPU has been working on a critical, multi-year effort to upgrade and improve private water service lines to individual residences in Norwich that contain lead. NPU is conducting a comprehensive survey of its entire water

system to confirm all material in water service lines; this information will be submitted to the State of Connecticut in the Fall of 2024. The next steps in this federally mandated program will be a survey of schools and childcare facilities which is expected to be completed in early 2025.

### *Electric Division*

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NPU is among 118 of the nation’s more than 2,000 public power utilities that have earned the Reliable Public Power Provider designation from the American Public Power Association (APPA) for providing reliable and safe electrical service. The designation, which is for three years, was most recently awarded to NPU in 2021. This significant achievement recognizes public power utilities that demonstrate proficiency in four disciplines: reliability, safety, workforce development, and system improvements.

NPU has secured approximately \$800,000 from the State of Connecticut for a study to evaluate options for either relocating or strengthening the Bean Hill Substation to prevent the flooding of the facility in the future. In the Winter of 2024, several days of heavy rain led to flooding along the Yantic River in Norwich which impacted the operation of the substation for several hours.

### *Wastewater*

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In November 2023, NPU broke ground on the large-scale upgrade of its wastewater treatment plant. The project, which has a budget of approximately \$200 million, will be the largest construction project in the history of Norwich, and bring critically important infrastructure upgrades to Norwich and the region. NPU has secured more than \$74 million in grant funding from the State of Connecticut for this project.

Working with Senators Blumenthal and Murphy, NPU secured \$1.6 million to support the re-lining of older sewer mains in the Greeneville section of Norwich. The funding, a federal appropriation through the Environmental Protection Agency (EPA) will allow this critical work to continue and improve water quality in the Shetucket and Thames Rivers and well as Long Island Sound. This work is currently out to bid and NPU anticipates construction to get underway in mid-2025.

### *Natural Gas Division*

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In April, 2023, NPU was awarded \$10 million by the Pipeline and Hazardous Materials Safety Administration (PHMSA - part of the U.S. Department of Transportation) to modernize a significant portion of its natural gas infrastructure. In April of 2024, NPU was awarded an additional \$10.9 million from PHMSA to complete additional upgrades. This will be a multi-year effort that will ultimately improve the safety and efficiency of NPU’s system, while also providing environmental benefits to the region by reducing the number of natural gas leaks into the atmosphere.

## **Long-Term Financial Planning & Relevant Financial Policies**

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### **Unassigned Fund Balance**

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The City Council adopted by ordinance a formal General Fund Unassigned Fund Balance (“UFB”) policy in December 2014. This policy identifies a target fund balance range of 12% to 17% of annual General Fund expenditures and operating transfers.

The UFB may be used for absorbing operating deficits at any time. If UFB goes over 17%, the Council may appropriate the excess to:

- fund capital improvements beyond the level required by the Charter
- transfer funds to the bonded projects fund to finance authorized, but unissued projects
- retire existing debt early

- make extra contributions into the Pension or OPEB funds

In June 2021, the City Council voted to add a policy for a nonlapsing account for unexpended education funds. This policy allows the BOE to request that an unexpended General Fund appropriation be deposited into the nonlapsing account. The funds may be later used to offset future BOE operating deficits, or pay for improvements to school facilities, equipment, or programs which would not increase ongoing operating costs.

## Capital Improvements

City departments submit a five-year capital improvement plan each year. The City Manager and City Council weigh the needs of the City and either include the most crucial projects in the capital budget or introduce bond ordinances to finance the projects. Norwich's Charter requires that the City budget at least the value of two percent of the previous General Fund appropriations in capital projects each year.

## Debt Management

In addition to statutory debt limitations, the City further restricts debt by 1) not allowing debt service expenditures to grow at a rate greater than all other General Fund expenditures and, 2) limiting net indebtedness to 15% of the City's taxable assessed value.

## Pension & Other Post-Employment Benefits Funding

The City has committed to funding the City Employee Pension Trust Fund, Volunteer Firefighters Relief Fund, and OPEB Fund. Starting with fiscal year 2014-15, the City reviewed its assumptions for these plans, lowered the assumed rate of return, and shortened amortization periods. As a result, the liabilities and actuarially determined employer contributions for these plans will be higher than they would have been under the previous sets of assumptions. The city shall contribute the amount recommended by its actuary each fiscal year unless the amount varies by more than 10% +/- from the previous year. This variance shall be calculated by division (e.g., NPU, Norwich Public Schools, Police, Fire, Volunteer Fire, and all other General City). If the contribution recommended by the actuary is less than 90% of the previous year's contribution, then the city shall contribute an amount equal to 90% of the previous year's contribution. If the contribution recommended by the actuary is greater than 110% of the previous year's contribution, then the city shall contribute an amount equal to 110% of the previous year's contribution.

In November 2021, the voters of the City of Norwich approved a \$145 million pension obligation bond referendum. The City Council also voted to amend the pension funding policies for pensions and created a pension reserve fund as a further hedge against volatility while the City has pension obligation bonds outstanding. The pension obligation bonds were sold in February 2022.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norwich, Connecticut, for its annual comprehensive financial report each year since the fiscal year ended June 30, 1993. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA has awarded the City a "Distinguished Budget Presentation Award" for its budget document each year since the fiscal year which began July 1, 2000. The budgets submitted had to satisfy four different criteria: the budget as a Policy Document, the budget as a Financial Plan, the budget as an Operations Guide and the budget as a Communications Device. The award earned by the City is the highest form of recognition in the area of budgeting.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff and members of other departments who assisted in its compilation. I would like to express my appreciation to all members of the City who assisted in its preparation. The combined support of you, the City Manager and the City Council, who remain committed to fiscal integrity and financial leadership, is also appreciated.

Respectfully submitted,

A handwritten signature in black ink that reads "Joshua A. Pothier". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Joshua A. Pothier, CPA, CPFO  
Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

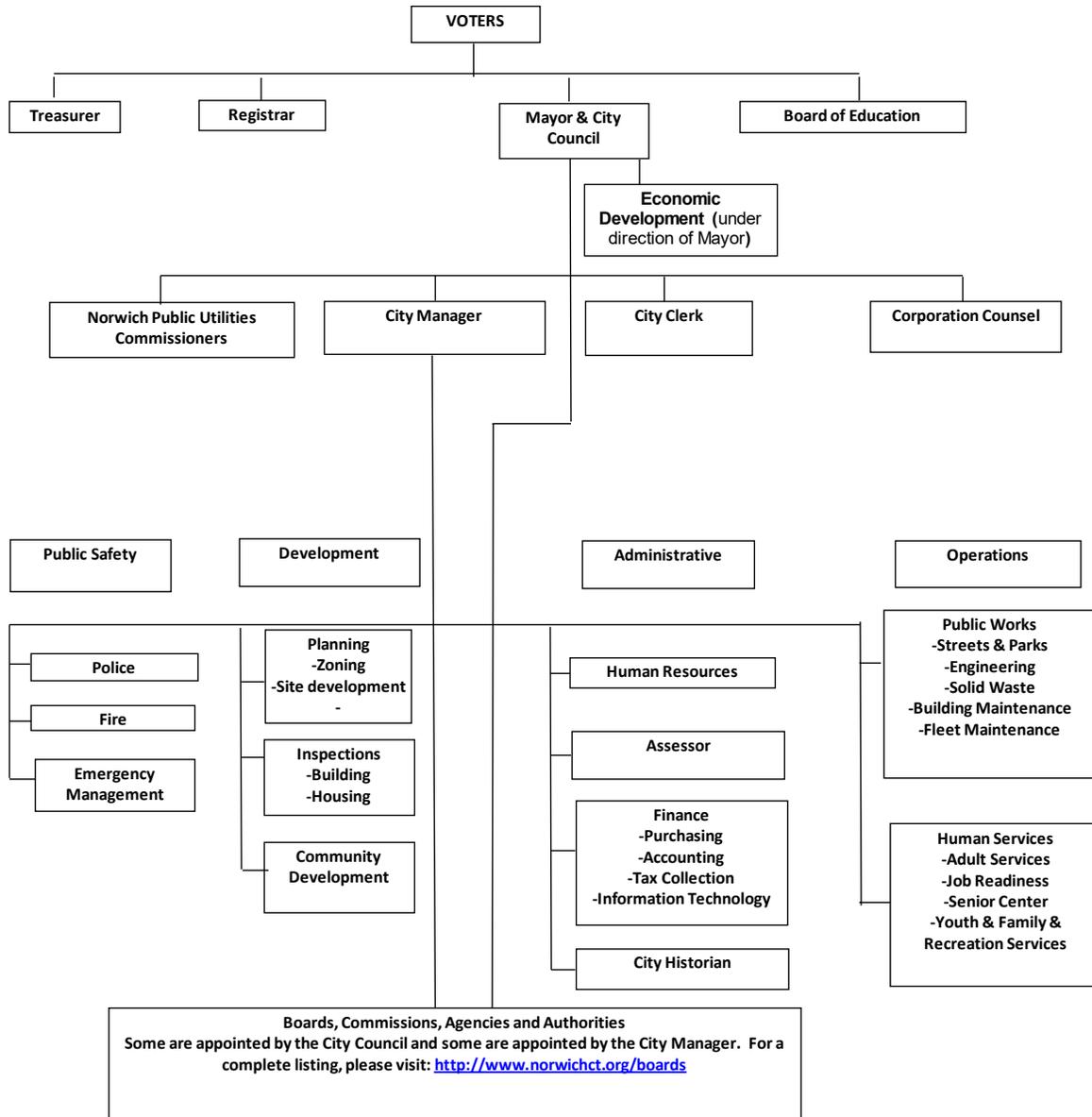
Presented to

**City of Norwich  
Connecticut**

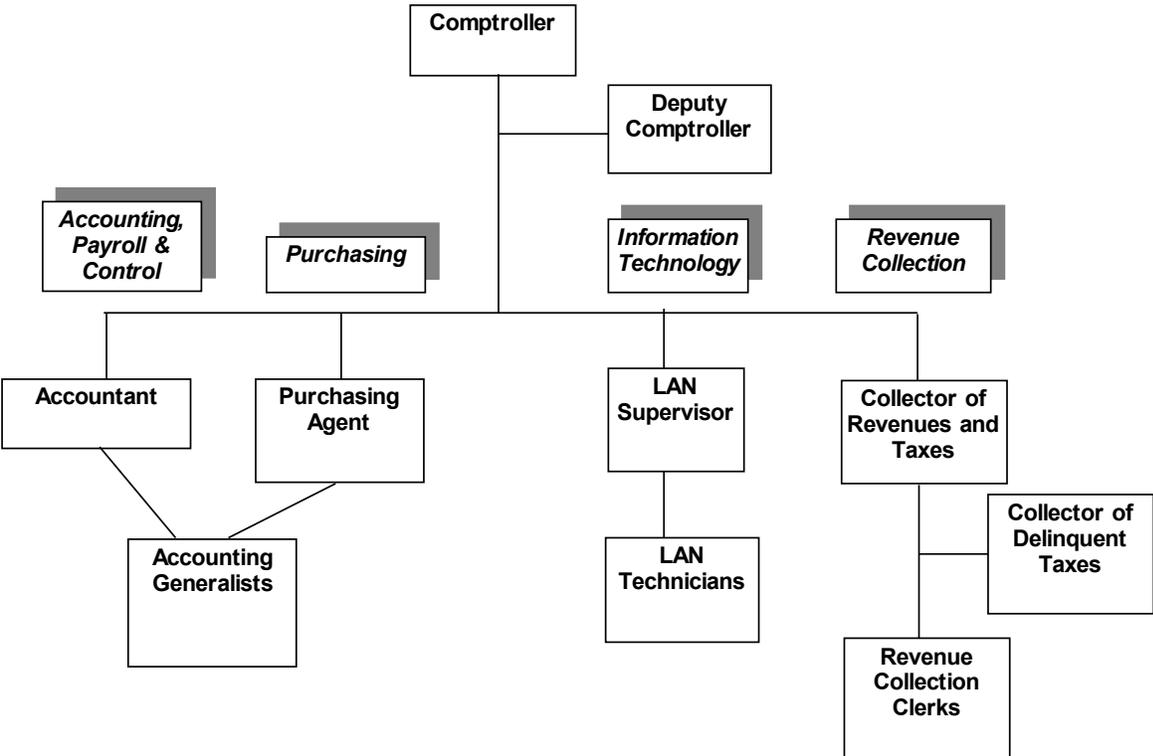
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

Organization Chart



# City of Norwich Finance Department Organization Chart



## City Officials

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### Elected City Officials & NPU Commissioners

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|  | <u>Term Length</u> | <u>Term Expires</u> |
|--|--------------------|---------------------|
| <i>City Council</i>                          |                    |                     |
| Peter A. Nystrom, Mayor (R)                  | 4 Years            | 12/2/25             |
| Joseph A. DeLucia, President Pro Tempore (D) | 2 Years            | 12/2/25             |
| Mark Bettencourt (D)                         | 2 Years            | 12/2/25             |
| Stacy L. Gould (R)                           | 2 Years            | 12/2/25             |
| Sheila Hayes (D)                             | 2 Years            | 12/2/25             |
| William L. Nash (R)                          | 2 Years            | 12/2/25             |
| Swarnjit Bhatia Singh (D)                    | 2 Years            | 12/2/25             |
| <i>Board of Education</i>                    |                    |                     |
| Mark Kulos, Chairperson (D)                  | 2 Years            | 12/2/25             |
| John Iovino, Vice Chairperson (D)            | 2 Years            | 12/2/25             |
| Carline Charmelus, Secretary (D)             | 2 Years            | 12/2/25             |
| Christine Distasio (R)                       | 2 Years            | 12/2/25             |
| Heather Fowler (R)                           | 2 Years            | 12/2/25             |
| Christopher Milton (R)                       | 2 Years            | 12/2/25             |
| Ella Myles (D)                               | 2 Years            | 12/2/25             |
| Gregory Perry (D)                            | 2 Years            | 12/2/25             |
| Kevin Saythany (D)                           | 2 Years            | 12/2/25             |
| <i>Treasurer</i>                             |                    |                     |
| Robert Buckley (R)                           | 2 Years            | 12/2/25             |
| <i>Registrar of Voters</i>                   |                    |                     |
| Cate Larkin (D)                              | 4 Years            | 1/8/25              |
| Dianne Slopak (R) *                          | 4 Years            | 1/8/25              |
| <i>Appointed NPU Commissioners</i>           |                    |                     |
| Robert A. Staley, Chairperson (R)            | 5 Years            | 3/1/28              |
| Stewart Peil, Vice Chairperson (R)           | 5 Years            | 3/1/27              |
| Michael A. Goldblatt, Secretary (R)          | 5 Years            | 3/1/25              |
| Ashon Avent (D)                              | 5 Years            | 3/1/29              |
| William Warzecha (D)                         | 5 Years            | 3/1/26              |

\* Dianne Slopak is finishing the term previously filled by Cheryl Stover. Cheryl resigned on March 8, 2024.

## Directory of City Administrative Officials

| <b>Title</b>   | <b>Name</b>            | <b>Phone Number</b> |
|--|------------------------|---------------------|
| <b>City Manager</b>                                    | John Salomone          | (860) 823-3750      |
| <b>Assessor</b>  | William Lee            | (860) 823-3722      |
| <b>Building Inspector</b>                              | Daniel Coley           | (860) 823-3775      |
| <b>City Clerk</b>                                      | Roseanne Muscarella    | (860) 823-3734      |
| <b>City Planner</b>                                    | Deanna Rhodes          | (860) 823-3767      |
| <b>Collector of Taxes &amp; Revenues</b>               | Karlene Deal           | (860) 823-3760      |
| <b>Comptroller</b>                                     | Joshua A. Pothier      | (860) 823-3720      |
| <b>Deputy Comptroller</b>                              | Orla McKiernan         | (860) 823-3813      |
| <b>Corporation Counsel</b>                             | Michael E. Driscoll    | (860) 889-3321      |
| <b>Emergency Management Director</b>                   | Tracy Montoya          | (860) 892-6080      |
| <b>Engineer</b>  | Brian Long             | (860) 823-3798      |
| <b>Fire Chief, Norwich (CCD)</b>                       | Tracy Montoya          | (860) 892-6080      |
| <b>Fire Chief, East Great Plain VFD</b>                | Robert Drozynski       | (860) 886-0392      |
| <b>Fire Chief, Laurel Hill VFD</b>                     | Aaron Westervelt       | (860) 892-1973      |
| <b>Fire Chief, Occum VFD</b>                           | Scott Eggert           | (860) 822-8285      |
| <b>Fire Chief, Taftville VFD</b>                       | Timothy Jencks         | (860) 887-6676      |
| <b>Fire Chief, Yantic VFD</b>                          | B.J. Herz              | (860) 887-2221      |
| <b>Health Director</b>                                 | Patrick McCormack, MPH | (860) 823-1189      |
| <b>Housing Authority Director</b>                      | Jeffrey Arn            | (860) 887-1605      |
| <b>Human Resources Director</b>                        | Robert Scalise         | (860) 823-3786      |
| <b>Human Services Director</b>                         | Kate Milde             | (860) 823-3778      |
| <b>Information Technology Manager</b>                  | Raymond LaRose         | (860) 859-4404      |
| <b>Police Chief</b>                                    | Patrick Daley          | (860) 886-5561      |
| <b>Public Utilities Manager</b>                        | Chris LaRose           | (860) 887-2555      |
| <b>Public Works Director</b>                           | Patrick McLaughlin     | (860) 823-3789      |
| <b>Purchasing Agent</b>                                | Robert Castronova      | (860) 823-3706      |
| <b>Senior Center Manager</b>                           | Michael Wolak          | (860) 889-5960      |
| <b>Superintendent of Schools, Acting</b>               | Susan Lessard          | (860) 823-6284      |
| <b>Youth, Family &amp; Recreation Services Manager</b> | Erin Haggan            | (860) 823-3782      |
| <b>Zoning Enforcement Officer</b>                      | Richard Shuck          | (860) 823-3752      |

## FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of Norwich, Connecticut

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Norwich, 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 the 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 City of Norwich, 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' Responsibilities 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 auditors' 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 GAAS 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 GAAS 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 City of Norwich, 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 City of Norwich, 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, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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 GAAS, 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 City of Norwich, Connecticut's basic financial statements. The combining and individual fund statements and schedules and the supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic 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 GAAS. In our opinion, the combining and individual fund statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Members of the City Council  
City of Norwich, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the City of Norwich, 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 City of Norwich, Connecticut'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 City of Norwich, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 9, 2024

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

This discussion and analysis of the City of Norwich, Connecticut's (the City) financial performance is offered by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis, the assets and deferred outflows of resources (\$551.5 million) of the City exceeded its liabilities and deferred inflows of resources (\$371.0 million), resulting in total net position at the close of the fiscal year of \$180.5 million. Total net position for governmental activities at fiscal year-end was \$35.2 million, and total net position for business-type activities was \$145.2 million. Total unrestricted net *deficit* at June 30, 2024 was \$66.2 million.
- On a government-wide basis, during the year, the City's net position increased by \$10.0 million from \$170.5 million to \$180.5 million. Governmental activities net position decreased by \$3.2 million and net position increased by \$13.2 million for business-type activities. Governmental activities expenses were \$221.1 million, while total revenues including transfers were \$217.9 million.
- At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$118.2 million, a decrease of \$4.0 million from the prior fiscal year. Of the total fund balance as of June 30, 2024, \$112.2 million represents the combined unrestricted fund balance in the General, Special Revenue, Debt Service and Capital Projects funds.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$20.2 million, a decrease of \$0.8 million from the prior fiscal year. As of June 30, 2024, \$20.1 of the \$20.2 million fund balance is unassigned, representing 13.6% of total General Fund actual expenditures and operating transfers on a budgetary basis.
- The City's governmental activities total bonded debt decreased by \$3.4 million during the current fiscal year because of the issuance of \$5.3 million in new bonds and the paydown of \$8.7 million of existing bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the City as a whole begins with Exhibits I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

These two statements report the City's net position and changes in them. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

In the statement of net position and the statement of activities, the City is divided into two types of activities:

- *Governmental Activities* - Most of the City's basic services are reported here, including education, public safety, sanitation, social services, public works and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Department of Public Utilities ("DPU"), Golf Course Authority, Stadium Authority and Ice Rink Authority are reported here.

***Fund Financial Statements***

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by Charter. However, the City establishes many other funds to help control and manage financial activities for particular purposes (like the capital projects funds) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut's Department of Education). The City's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

*Fiduciary Funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension and other benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's combined net position increased from a year ago from \$170.5 million to \$180.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**Table 1  
NET POSITION  
(In Thousands)**

|                                       | Governmental<br>Activities |                  | Business-Type<br>Activities |                   | Total             |                   |
|---------------------------------------|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
|                                       | 2024                       | 2023             | 2024                        | 2023              | 2024              | 2023              |
| <b>Assets:</b>                        |                            |                  |                             |                   |                   |                   |
| Current and Other Assets              | \$ 158,819                 | \$ 172,022       | \$ 25,647                   | \$ 18,478         | \$ 184,466        | \$ 190,500        |
| Capital Assets                        | 140,405                    | 133,108          | 195,277                     | 167,655           | 335,682           | 300,763           |
| Total Assets                          | <u>299,224</u>             | <u>305,130</u>   | <u>220,924</u>              | <u>186,133</u>    | <u>520,148</u>    | <u>491,263</u>    |
| <b>Deferred Outflows of Resources</b> | 22,301                     | 34,922           | 9,022                       | 17,084            | 31,323            | 52,006            |
| <b>Liabilities:</b>                   |                            |                  |                             |                   |                   |                   |
| Long-Term Debt Outstanding            | 244,323                    | 259,971          | 57,746                      | 55,463            | 302,069           | 315,434           |
| Unearned Revenue                      | 9,886                      | 18,919           | 349                         | 743               | 10,235            | 19,662            |
| Other Liabilities                     | 15,229                     | 13,692           | 21,437                      | 12,988            | 36,666            | 26,680            |
| Total Liabilities                     | <u>269,438</u>             | <u>292,582</u>   | <u>79,532</u>               | <u>69,194</u>     | <u>348,970</u>    | <u>361,776</u>    |
| <b>Deferred Inflows of Resources</b>  | <u>16,825</u>              | <u>9,054</u>     | <u>5,199</u>                | <u>1,959</u>      | <u>22,024</u>     | <u>11,013</u>     |
| <b>Net Position:</b>                  |                            |                  |                             |                   |                   |                   |
| Net Investment in Capital Assets      | 89,257                     | 88,076           | 151,169                     | 140,816           | 240,426           | 228,892           |
| Restricted                            | 5,989                      | 2,533            | 251                         | 358               | 6,240             | 2,891             |
| Unrestricted                          | (59,984)                   | (52,193)         | (6,205)                     | (9,110)           | (66,189)          | (61,303)          |
| Total Net Position                    | <u>\$ 35,262</u>           | <u>\$ 38,416</u> | <u>\$ 145,215</u>           | <u>\$ 132,064</u> | <u>\$ 180,477</u> | <u>\$ 170,480</u> |

Net position of the City's governmental activities decreased by \$3.2 million to \$35.3 million. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased from (\$52.2) million at June 30, 2023 to (\$60.0) million at the end of this year. The unrestricted net position of business-type activities decreased from (\$9.1) million compared to (\$15.4) million in 2024.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Table 2  
CHANGES IN NET POSITION  
(In Thousands)**

|  | Governmental<br>Activities |                  | Business-Type<br>Activities |                   | Total             |                   |
|--|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
|  | 2024                       | 2023             | 2024                        | 2023              | 2024              | 2023              |
| <b>Revenues:</b>   |                            |                  |                             |                   |                   |                   |
| Program Revenues:  |                            |                  |                             |                   |                   |                   |
| Charges for Services   | \$ 6,195                   | \$ 6,730         | \$ 104,360                  | \$ 112,486        | \$ 110,555        | \$ 119,216        |
| Operating Grants and Contributions                           | 78,188                     | 86,846           | -                           | -                 | 78,188            | 86,846            |
| Capital Grants and Contributions                             | 15,487                     | 15,679           | 11,525                      | 1,227             | 27,012            | 16,906            |
| General Revenues:  |                            |                  |                             |                   |                   |                   |
| Property Taxes   | 92,190                     | 91,207           | -                           | -                 | 92,190            | 91,207            |
| Grants and Contributions not Restricted to Specific Purposes | 10,296                     | 9,163            | -                           | -                 | 10,296            | 9,163             |
| Unrestricted Investment Earnings                             | 3,794                      | 2,303            | -                           | -                 | 3,794             | 2,303             |
| Other General Revenues                                       | 2,637                      | 5,154            | 1,441                       | 616               | 4,078             | 5,770             |
| <b>Total Revenues</b>  | <b>208,787</b>             | <b>217,082</b>   | <b>117,326</b>              | <b>114,329</b>    | <b>326,113</b>    | <b>331,411</b>    |
| <b>Program Expenses:</b>                                     |                            |                  |                             |                   |                   |                   |
| General Government   | 9,534                      | 10,728           | -                           | -                 | 9,534             | 10,728            |
| Public Safety  | 42,142                     | 42,179           | -                           | -                 | 42,142            | 42,179            |
| Social Services  | 4,738                      | 4,881            | -                           | -                 | 4,738             | 4,881             |
| Public Works   | 18,330                     | 13,756           | -                           | -                 | 18,330            | 13,756            |
| Education  | 140,232                    | 140,633          | -                           | -                 | 140,232           | 140,633           |
| Interest on Long-Term Debt                                   | 6,103                      | 5,364            | -                           | -                 | 6,103             | 5,364             |
| Department of Public Utilities                               | -                          | -                | 93,113                      | 105,515           | 93,113            | 105,515           |
| Other Enterprise Funds                                       | -                          | -                | 1,924                       | 1,782             | 1,924             | 1,782             |
| <b>Total Program Expenses</b>                                | <b>221,079</b>             | <b>217,541</b>   | <b>95,037</b>               | <b>107,297</b>    | <b>316,116</b>    | <b>324,838</b>    |
| <b>Excess (Deficiency) Before Transfers</b>                  | <b>(12,292)</b>            | <b>(459)</b>     | <b>22,289</b>               | <b>7,032</b>      | <b>9,997</b>      | <b>6,573</b>      |
| Transfers  | 9,138                      | 8,706            | (9,138)                     | (8,706)           | -                 | -                 |
| Increase (Decrease) In Net Position                          | (3,154)                    | 8,247            | 13,151                      | (1,674)           | 9,997             | 6,573             |
| Net Position - Beginning of Year                             | 38,416                     | 30,169           | 132,064                     | 133,738           | 170,480           | 163,907           |
| <b>Net Position - End of Year</b>                            | <b>\$ 35,262</b>           | <b>\$ 38,416</b> | <b>\$ 145,215</b>           | <b>\$ 132,064</b> | <b>\$ 180,477</b> | <b>\$ 170,480</b> |

The City's total revenues were \$326.1 million. The total cost of all programs and services was \$316.1 million. Our analysis below separately considers the operations of governmental and business-type activities.

**Governmental Activities**

Governmental activities decreased the City's net position by \$3.2 million during the year. Total revenues of \$208.8 million and \$9.1 million in transfers from the City's business-type activities provided funding for the City's \$221.1 million of governmental program expenses incurred during the year.

The City's revenues decreased \$8.3 million (\$217.1 million compared to \$208.8 million) which was primarily caused by the decrease in education grants.

Total program expenses were \$221.1 million as compared with \$217.5 million reported last year. The large decrease is primarily attributable to public works expenses.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Table 3 presents the cost of each of the City's five largest programs - general government, public safety, social services, public works and education - as well as each program's net cost (total cost minus revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

|                    | <b>Total Cost of Services</b> |             | <b>Net Cost of Services</b> |             |
|--------------------|-------------------------------|-------------|-----------------------------|-------------|
|                    | <b>2024</b>                   | <b>2023</b> | <b>2024</b>                 | <b>2023</b> |
| General Government | \$ 9,534                      | \$ 10,728   | \$ 1,520                    | \$ 7,282    |
| Public Safety      | 42,142                        | 42,179      | 31,151                      | 31,200      |
| Social Services    | 4,738                         | 4,881       | 2,794                       | 2,220       |
| Public Works       | 18,330                        | 13,756      | 10,987                      | 4,135       |
| Education          | 140,232                       | 140,633     | 68,654                      | 58,085      |
| All Others         | 6,103                         | 5,364       | 6,103                       | 5,364       |
| Totals             | \$ 221,079                    | \$ 217,541  | \$ 121,209                  | \$ 108,286  |

***Business-Type Activities***

Revenues of the City's business-type activities (see Table 2) increased by \$3.0 million during the year (\$117.3 million in 2024 compared to \$114.3 million in 2023) and expenses decreased by \$12.2 million. Overall net position increased \$13.2 million in 2024. For the DPU, revenues in 2024 increased primarily because of capital grants for the Wastewater Treatment Plan project. DPU expenses in 2024 decreased with the decline in costs to purchase power and gas.

**CITY FUNDS FINANCIAL ANALYSIS**

***Governmental Funds***

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$118.2 million, which is a decrease of \$4.0 million from last year's total of \$122.2 million. Included in this year's total change in fund balance is a decrease of \$0.8 million in the City's General Fund. The primary reasons for the General Fund's increase are higher than anticipated special education and student transportation costs. Please see the general fund activities analysis in RSI-1 and RSI-2 for further detail.

The Debt Service Fund reported a fund balance of \$60.9 million at June 30, 2024. The fund balance decreased by \$2.7 million during the year due to paydown of a long-term interfund receivable from DPU for its portion of the Gas Line Extension Bonds and Pension Obligation Bond debt.

The Education Grants Fund's fund balance \$0.1 million was essentially unchanged from the previous year.

The General Government Grants & Programs fund, in which the City records activity for the American Rescue Plan Act grant in addition to other grants, had a fund deficit of (\$337.0), a \$317 decrease from the prior year.

The other nonmajor governmental funds have a total fund balance of \$37.4 million - a \$0.2 million decrease from last year.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

***Proprietary Funds***

Net position of the DPU was \$137.6 million, as compared to \$124.6 million in the prior year, and City's other nonmajor enterprise funds' net position increased by \$0.3 million to \$7.7 million.

Unrestricted net deficit of the DPU was (\$4.4) million, and a deficit of (\$1.8) million for the other nonmajor enterprise funds. The DPU had operating revenues of \$102.3 million from user fees, and other enterprise funds had \$2.0 million. The total increase in net position for the fiscal year ended June 30, 2024 was \$12.9 million. The change in the DPU net position is largely attributable to the capital grants for the Wastewater Treatment Plan project.

***General Fund Budgetary Highlights***

During the year, actual revenues and other financing sources on a budgetary basis were \$146.5 million, which was \$1.8 million higher than budgetary estimates. The variance was caused primarily by higher than anticipated delinquent property tax collections, conveyance taxes, interest income and building permit revenues. Please see the general fund activities analysis in RSI-1 for further detail.

Actual expenditures on a budgetary basis and other financing uses totaled \$147.2 million, which were higher than actual revenues and other financing sources on a budgetary basis by \$0.7 million and higher than the original appropriation by \$2.5 million. The budget variance, approved by an additional appropriation by the City Council in September 2024, was primarily due to higher than anticipated special education and student transportation costs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At June 30, 2024, the City had \$335.7 million invested in a broad range of capital assets, including land, building and system improvements, machinery and equipment, park facilities, roads, software, sewers and bridges - Table 4. This amount represents a net increase (including additions, deductions and depreciation) of \$35.0 million, or 11.61%, compared to last year. The largest cause of the increase was the construction in progress for the Wastewater Treatment Plant.

**Table 4  
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)  
(In Thousands)**

|   | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total             |                   |
|---|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
|   | 2024                       | 2023              | 2024                        | 2023              | 2024              | 2023              |
| Land  | \$ 28,508                  | \$ 28,508         | \$ 3,365                    | \$ 3,285          | \$ 31,873         | \$ 31,793         |
| Buildings and Improvements  | 50,702                     | 53,259            | 32,815                      | 33,130            | 83,517            | 86,389            |
| Vehicles, Machinery, Equipment,<br>Pumping and Distributions Systems<br>Technology Upgrade and Road<br>Infrastructure | 12,327                     | 9,419             | 116,989                     | 115,693           | 129,316           | 125,112           |
| Construction in Progress  | 25,570                     | 21,585            | -                           | -                 | 25,570            | 21,585            |
| Right-To-Use Lease Assets   | 23,038                     | 20,337            | 41,380                      | 14,438            | 64,418            | 34,775            |
| SBITA Assets  | 260                        | -                 | 374                         | 641               | 634               | 641               |
| Totals  | <u>\$ 140,405</u>          | <u>\$ 133,108</u> | <u>\$ 195,277</u>           | <u>\$ 167,655</u> | <u>\$ 335,682</u> | <u>\$ 300,763</u> |

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

This year's major capital asset additions included the following (in thousands):

|   |                  |
|---|------------------|
| NPU Fleet Vehicles  | \$ 1,535         |
| NPU State of CT - DOT - Utility Relocations - Sherman St Bridge | 1,328            |
| NPU Gas Service Installations                                   | 1,560            |
| NPU Electric Transformers & Distribution Devices                | 695              |
| NPU Rose Alley Wastewater Force Main                            | 1,965            |
| Howard T. Brown Park Docks                                      | 1,344            |
| Radio system improvements                                       | 3,175            |
| Dunham Street reconstruction                                    | 1,693            |
| Sunnyside Street Bridge   | 1,676            |
|   | <hr/>            |
| Total   | <u>\$ 14,971</u> |

The City's fiscal-year 2025 capital budget calls for spending \$2.9 million for road overlays, public works vehicles, police vehicles, fire equipment and other projects. More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

***Long-Term Debt***

At June 30, 2024, the City had total bonds, notes, leases, and subscription-based information technology arrangements (SBITA) outstanding of \$222.3 million. The general obligation bond debt is backed by the full faith and credit of the City. The City's outstanding long-term debt had a net increase of \$4.9 million during fiscal 2024 primarily because of the new Clean Water Fund notes issued for the Wastewater Treatment Plan project.

**Table 5  
OUTSTANDING DEBT, AT YEAR-END  
(In Thousands)**

|                          | Governmental<br>Activities |                   | Business-Type<br>Activities |                  | Total             |                   |
|--------------------------|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
|                          | 2024                       | 2023              | 2024                        | 2023             | 2024              | 2023              |
| General Obligation Bonds | \$ 187,151                 | \$ 190,570        | \$ -                        | \$ -             | \$ 187,151        | \$ 190,570        |
| Notes Payable            | -                          | -                 | 67                          | 346              | 67                | 346               |
| Serial Notes Payable     | -                          | -                 | 34,334                      | 25,762           | 34,334            | 25,762            |
| Lease Liability          | 260                        | -                 | 406                         | 574              | 666               | 574               |
| SBITA Liability          | -                          | -                 | 127                         | 157              | 127               | 157               |
| Total                    | <u>\$ 187,411</u>          | <u>\$ 190,570</u> | <u>\$ 34,934</u>            | <u>\$ 26,839</u> | <u>\$ 222,345</u> | <u>\$ 217,409</u> |

In November 2024, Standard & Poor's assigned an AA rating on Norwich's \$10.6 million general obligation bond issue and affirmed this rating on the rest of Norwich's debt outstanding as of that date. In March 2024, Moody's affirmed Norwich's rating of Aa3.

State statutes limit the amount of general obligation debt a governmental entity may issue to up to seven times its annual receipts from taxation. The current debt limitation for the City of Norwich is \$637 million. The City's outstanding general obligation debt is at 49.72% of this limitation. Table 9 presents more detailed information about the debt limitation.

Other obligations include net OPEB obligation, accrued vacation pay and sick leave, and risk management claims. More detailed information about the City's long-term liabilities is presented in Note 9 to the financial statements.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As of October 2024, the unemployment rate for the Norwich was 2.9%, down from 3.8% in the prior year. Connecticut's overall unemployment rate stood at 2.5%, compared with 3.4% for the same time last year. Until recently the State of Connecticut's education and noneducation formula grants had not kept pace with inflation for many years. State legislators have been working on increasing non-property tax revenue streams to municipalities like Norwich; such as increases to the City's Mashantucket-Pequot/ Mohegan and PILOT grants as well as local shares of cannabis sales tax. The City has not lost sight of controlling costs as it continues to negotiate lower cost long-term employee benefits and seek efficiencies. As an example, the City sold \$145 million of pension obligation bonds in February 2022 which could potentially save City taxpayers and NPU ratepayers several millions of dollars over the next 25 years. Other initiatives are noted in the transmittal letter. Additionally, voters approved a \$385 million bond referendum in November 2022 to consolidate its seven elementary schools into four new buildings, renovate-as-new or replace Teachers' Memorial Middle School, and repurpose a school as the home of Norwich Public Schools' administrative offices. The conservative estimated net cost of these projects of \$153 million compares favorably to the estimated cost of \$225 million to repair all of the existing schools.

The fiscal year 2025 General Fund budget calls for \$153.6 million in revenues and expenditures, a 6.16% increase in over fiscal year 2024. Noneducation expenditures increased by 4.94% and education expenditures increased by 6.94%. On the revenue side, because of the October 2023 revaluation, the fiscal year 2025 General Fund mill rate decreased 8.86 mills, or 21.17%, from 41.85 to 32.99. No unrestricted fund balance was used to balance the budget.

In the City's business-type activities, the Norwich Public Utilities projects a 3.14% decrease in revenues from fiscal year 2024 to 2025 from \$112.2 million to \$108.7 million. This decrease is based on projected normalized sales and includes Board approved rate decreases in the gas and electric divisions. Norwich Public Utilities budgeted \$108.5 million in capital improvements including \$82.3 million towards the wastewater treatment plant improvements.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Comptroller, 100 Broadway, Norwich, Connecticut 06360-4431.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Governmental<br>Activities | Business-Type<br>Activities | Total             |
|--|----------------------------|-----------------------------|-------------------|
| <b>ASSETS</b>                            |                            |                             |                   |
| Cash and Cash Equivalents                | \$ 15,671                  | \$ 65,089                   | \$ 80,760         |
| Investments                              | 59,431                     | -                           | 59,431            |
| Receivables, Net                         | 22,182                     | 18,252                      | 40,434            |
| Internal Balances                        | 61,535                     | (61,535)                    | -                 |
| Supplies                                 | -                          | 2,838                       | 2,838             |
| Other Assets                             | -                          | 1,003                       | 1,003             |
| Capital Assets:                          |                            |                             |                   |
| Assets Not Being Depreciated             | 51,546                     | 44,745                      | 96,291            |
| Assets Being Depreciated, Net            | 88,859                     | 150,532                     | 239,391           |
| Total Assets                             | <u>299,224</u>             | <u>220,924</u>              | <u>520,148</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                            |                             |                   |
| Deferred Outflows - Pensions             | 12,990                     | 6,650                       | 19,640            |
| Deferred Outflows - OPEB                 | 8,419                      | 2,372                       | 10,791            |
| Deferred Charge on Refunding             | 892                        | -                           | 892               |
| Total Deferred Outflows of Resources     | <u>22,301</u>              | <u>9,022</u>                | <u>31,323</u>     |
| <b>LIABILITIES</b>                       |                            |                             |                   |
| Accounts and Other Payables              | 15,229                     | 21,437                      | 36,666            |
| Unearned Revenue                         | 9,886                      | 349                         | 10,235            |
| Noncurrent Liabilities:                  |                            |                             |                   |
| Due Within One Year                      | 13,144                     | 4,528                       | 17,672            |
| Due in More Than One Year                | 231,179                    | 53,218                      | 284,397           |
| Total Liabilities                        | <u>269,438</u>             | <u>79,532</u>               | <u>348,970</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                            |                             |                   |
| Deferred Inflows - Leases                | 1,494                      | 364                         | 1,858             |
| Deferred Inflows - Pensions              | 5,630                      | 3,097                       | 8,727             |
| Deferred Inflows - OPEB                  | 9,701                      | 1,738                       | 11,439            |
| Total Deferred Inflows of Resources      | <u>16,825</u>              | <u>5,199</u>                | <u>22,024</u>     |
| <b>NET POSITION</b>                      |                            |                             |                   |
| Net Investment in Capital Assets         | 89,257                     | 151,169                     | 240,426           |
| Restricted for:                          |                            |                             |                   |
| Permanent Trust Purposes - Expendable    | 2,245                      | -                           | 2,245             |
| Permanent Trust Purposes - Nonexpendable | 33                         | -                           | 33                |
| Capital Improvements                     | 1,287                      | -                           | 1,287             |
| Bond Expenditures                        | 1,773                      | -                           | 1,773             |
| Other                                    | 651                        | -                           | 651               |
| Energy Conservation                      | -                          | 251                         | 251               |
| Unrestricted                             | (59,984)                   | (6,205)                     | (66,189)          |
| Total Net Position                       | <u>\$ 35,262</u>           | <u>\$ 145,215</u>           | <u>\$ 180,477</u> |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

| Functions/Programs   | Expenses   | Program Revenues     |                                    |                                  | Net Revenue (Expense) and Changes in Net Position |                          |            |
|--|------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------|
|  |            | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total      |
| <b>GOVERNMENTAL ACTIVITIES</b>                               |            |                      |                                    |                                  |   |                          |            |
| General Government   | \$ 9,534   | \$ 2,601             | \$ 5,385                           | \$ 28                            | \$ (1,520)  | \$ -                     | \$ (1,520) |
| Public Safety  | 42,142     | 281                  | 834                                | 9,876                            | (31,151)  | -                        | (31,151)   |
| Social Services  | 4,738      | 552                  | 1,392                              | -                                | (2,794)   | -                        | (2,794)    |
| Public Works   | 18,330     | 1,756                | 4                                  | 5,583                            | (10,987)  | -                        | (10,987)   |
| Education  | 140,232    | 1,005                | 70,573                             | -                                | (68,654)  | -                        | (68,654)   |
| Interest on Long-Term Debt                                   | 6,103      | -                    | -                                  | -                                | (6,103)   | -                        | (6,103)    |
| Total Governmental Activities                                | 221,079    | 6,195                | 78,188                             | 15,487                           | (121,209)   | -                        | (121,209)  |
| <b>BUSINESS-TYPE ACTIVITIES</b>                              |            |                      |                                    |                                  |   |                          |            |
| Department of Public Utilities                               | 93,113     | 102,316              | -                                  | 11,401                           | -   | 20,604                   | 20,604     |
| Nonmajor Enterprise Funds:                                   |            |                      |                                    |                                  |   |                          |            |
| Golf Course Authority  | 1,442      | 1,680                | -                                  | 124                              | -   | 362                      | 362        |
| Stadium Authority  | 363        | 117                  | -                                  | -                                | -   | (246)                    | (246)      |
| Ice Rink Authority   | 119        | 247                  | -                                  | -                                | -   | 128                      | 128        |
| Total Business-Type Activities                               | 95,037     | 104,360              | -                                  | 11,525                           | -   | 20,848                   | 20,848     |
| Total  | \$ 316,116 | \$ 110,555           | \$ 78,188                          | \$ 27,012                        | (121,209)   | 20,848                   | (100,361)  |
| <b>GENERAL REVENUES AND TRANSFERS</b>                        |            |                      |                                    |                                  |   |                          |            |
| Property Taxes   |            |                      |                                    |                                  | 92,190  | -                        | 92,190     |
| Grants and Contributions not Restricted to Specific Programs |            |                      |                                    |                                  | 10,296  | -                        | 10,296     |
| Unrestricted Investment Earnings                             |            |                      |                                    |                                  | 3,794   | -                        | 3,794      |
| Miscellaneous  |            |                      |                                    |                                  | 2,637   | 1,441                    | 4,078      |
| Transfers  |            |                      |                                    |                                  | 9,138   | (9,138)                  | -          |
| Total General Revenues and Transfers                         |            |                      |                                    |                                  | 118,055   | (7,697)                  | 110,358    |
| <b>CHANGE IN NET POSITION</b>                                |            |                      |                                    |                                  |   |                          |            |
|  |            |                      |                                    |                                  | (3,154)   | 13,151                   | 9,997      |
| Net Position - Beginning of Year                             |            |                      |                                    |                                  | 38,416  | 132,064                  | 170,480    |
| <b>NET POSITION - END OF YEAR</b>                            |            |                      |                                    |                                  |   |                          |            |
|  |            |                      |                                    |                                  | \$ 35,262   | \$ 145,215               | \$ 180,477 |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024  
(IN THOUSANDS)**

| <b>ASSETS</b>  | General          | Debt<br>Service  | Education<br>Grants | General<br>Government<br>Grants and<br>Programs | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------|------------------|---------------------|---|-----------------------------------|--------------------------------|
| Cash and Cash Equivalents  | \$ 13,360        | \$ -             | \$ -                | \$ -  | \$ 2,311                          | \$ 15,671                      |
| Investments  | 57,208           | -                | -                   | -   | 2,223                             | 59,431                         |
| Receivables, Net   | 5,956            | -                | 4,899               | 552   | 9,963                             | 21,370                         |
| Due from Other Funds   | 5,421            | 60,890           | 2,075               | 9,190   | 30,410                            | 107,986                        |
| <b>Total Assets</b>  | <b>\$ 81,945</b> | <b>\$ 60,890</b> | <b>\$ 6,974</b>     | <b>\$ 9,742</b>                                 | <b>\$ 44,907</b>                  | <b>\$ 204,458</b>              |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                  |                  |                     |   |                                   |                                |
| <b>LIABILITIES</b>   |                  |                  |                     |   |                                   |                                |
| Accounts and Other Payables  | \$ 9,511         | \$ -             | \$ 2,140            | \$ 1,389  | \$ 1,691                          | \$ 14,731                      |
| Due to Other Funds   | 47,239           | -                | 4,239               | -   | 317                               | 51,795                         |
| Unearned Revenue   | 151              | -                | 481                 | 8,690   | 566                               | 9,888                          |
| <b>Total Liabilities</b>   | <b>56,901</b>    | <b>-</b>         | <b>6,860</b>        | <b>10,079</b>                                   | <b>2,574</b>                      | <b>76,414</b>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                  |                  |                     |   |                                   |                                |
| Unavailable Revenue - Property Taxes   | 2,859            | -                | -                   | -   | 139                               | 2,998                          |
| Unavailable Revenue - Special Assessments                                      | 799              | -                | -                   | -   | 87                                | 886                            |
| Unavailable Revenue - Loans Receivable   | -                | -                | -                   | -   | 4,411                             | 4,411                          |
| Unavailable Revenue - Grants Receivable  | -                | -                | 28                  | -   | 15                                | 43                             |
| Unavailable Revenue - Other  | -                | -                | -                   | -   | 13                                | 13                             |
| Unavailable Revenue - Leases   | 1,178            | -                | -                   | -   | 316                               | 1,494                          |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>4,836</b>     | <b>-</b>         | <b>28</b>           | <b>-</b>  | <b>4,981</b>                      | <b>9,845</b>                   |
| <b>FUND BALANCES</b>   |                  |                  |                     |   |                                   |                                |
| Nonspendable   | -                | -                | -                   | -   | 33                                | 33                             |
| Restricted   | -                | -                | -                   | -   | 5,956                             | 5,956                          |
| Committed  | -                | 60,890           | 86                  | -   | 21,316                            | 82,292                         |
| Assigned   | 136              | -                | -                   | -   | 10,269                            | 10,405                         |
| Unassigned   | 20,072           | -                | -                   | (337)   | (222)                             | 19,513                         |
| <b>Total Fund Balances</b>   | <b>20,208</b>    | <b>60,890</b>    | <b>86</b>           | <b>(337)</b>                                    | <b>37,352</b>                     | <b>118,199</b>                 |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 81,945</b> | <b>\$ 60,890</b> | <b>\$ 6,974</b>     | <b>\$ 9,742</b>                                 | <b>\$ 44,907</b>                  | <b>\$ 204,458</b>              |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2024  
(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

|  |    |         |
|--|----|---------|
| Fund Balances - Total Governmental Funds | \$ | 118,199 |
|--|----|---------|

Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

|  |  |           |
|--|--|-----------|
| Governmental Capital Assets                    |  | 259,247   |
| Less Accumulated Depreciation and amortization |  | (118,842) |
| Net Capital Assets                             |  | 140,405   |

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

|   |  |        |
|---|--|--------|
| Property Tax Receivables Greater than 60 Days     |  | 2,999  |
| Loans Receivable                                  |  | 4,386  |
| Accounts and Other Receivables                    |  | 1,766  |
| Deferred Outflows:                                |  |        |
| Deferred Outflow of Resources Related to Pensions |  | 12,990 |
| Deferred Outflow of Resources Related to OPEB     |  | 8,419  |
| Deferred Charge on Refunding                      |  | 892    |

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.

(826)

Long-term liabilities, including bonds payable and deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

|  |  |           |
|--|--|-----------|
| Bonds and Notes Payable                          |  | (184,750) |
| Unamortized Bond Premium                         |  | (2,401)   |
| Interest Payable on Bonds and Notes              |  | (478)     |
| Lease Obligations                                |  | (260)     |
| Compensated Absences                             |  | (3,264)   |
| Landfill Closure                                 |  | (153)     |
| Net Pension Liability                            |  | (21,867)  |
| Net OPEB Liability                               |  | (25,464)  |
| Deferred Inflow of Resources Related to Pensions |  | (5,630)   |
| Deferred Inflow of Resources Related to OPEB     |  | (9,701)   |

|   |    |        |
|---|----|--------|
| Net Position of Governmental Activities (Exhibit I) | \$ | 35,262 |
|---|----|--------|

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | General          | Debt<br>Service  | Education<br>Grants | General<br>Government<br>Grants and<br>Programs | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------|------------------|---------------------|---|-----------------------------------|--------------------------------|
| <b>REVENUES</b>  |                  |                  |                     |   |                                   |                                |
| Property Taxes, Interest, and Liens                          | \$ 88,311        | \$ -             | \$ -                | \$ -  | \$ 4,791                          | \$ 93,102                      |
| Intergovernmental Revenues                                   | 57,191           | -                | 26,035              | 10,492  | 10,923                            | 104,641                        |
| Charges for Services   | 3,173            | -                | 82                  | -   | 1,994                             | 5,249                          |
| Licenses, Permits, and Fees                                  | 1,128            | -                | -                   | -   | -                                 | 1,128                          |
| Investment Income  | 2,779            | -                | -                   | -   | 984                               | 3,763                          |
| Other  | 380              | 1,870            | 52                  | 82  | 688                               | 3,072                          |
| Total Revenues   | <u>152,962</u>   | <u>1,870</u>     | <u>26,169</u>       | <u>10,574</u>                                   | <u>19,380</u>                     | <u>210,955</u>                 |
| <b>EXPENDITURES</b>  |                  |                  |                     |   |                                   |                                |
| Current:   |                  |                  |                     |   |                                   |                                |
| General Government   | 5,603            | -                | -                   | 169   | 503                               | 6,275                          |
| Public Safety  | 19,570           | -                | -                   | 8,201   | 8,354                             | 36,125                         |
| Social Services  | 1,968            | -                | -                   | 234   | 2,559                             | 4,761                          |
| Public Works   | 12,699           | -                | -                   | 1,261   | 881                               | 14,841                         |
| Education  | 106,406          | -                | 26,183              | -   | 6,039                             | 138,628                        |
| Other  | 2,966            | -                | -                   | -   | -                                 | 2,966                          |
| Capital Outlay   | -                | -                | -                   | -   | 11,729                            | 11,729                         |
| Debt Service   |                  |                  |                     |   |                                   |                                |
| Principal  | -                | 8,455            | -                   | -   | -                                 | 8,455                          |
| Interest   | -                | 5,791            | -                   | -   | -                                 | 5,791                          |
| Total Expenditures   | <u>149,212</u>   | <u>14,246</u>    | <u>26,183</u>       | <u>9,865</u>                                    | <u>30,065</u>                     | <u>229,571</u>                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 3,750            | (12,376)         | (14)                | 709   | (10,685)                          | (18,616)                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                  |                     |   |                                   |                                |
| Transfers In   | 7,324            | 9,716            | -                   | -   | 7,468                             | 24,508                         |
| Transfers Out  | (11,834)         | -                | -                   | (1,026)   | (2,510)                           | (15,370)                       |
| Issuance of General Obligation Bonds                         | -                | -                | -                   | -   | 5,000                             | 5,000                          |
| Issuance of Leases   | -                | -                | -                   | -   | 264                               | 264                            |
| Bond Premiums  | -                | -                | -                   | -   | 262                               | 262                            |
| Total Other Financing Sources (Uses)                         | <u>(4,510)</u>   | <u>9,716</u>     | <u>-</u>            | <u>(1,026)</u>                                  | <u>10,484</u>                     | <u>14,664</u>                  |
| <b>NET CHANGE IN FUND BALANCES</b>                           | (760)            | (2,660)          | (14)                | (317)   | (201)                             | (3,952)                        |
| Fund Balances - Beginning of Year                            | 20,968           | 63,550           | 100                 | (20)  | 37,553                            | 122,151                        |
| <b>FUND BALANCES - END OF YEAR</b>                           | <u>\$ 20,208</u> | <u>\$ 60,890</u> | <u>\$ 86</u>        | <u>\$ (337)</u>                                 | <u>\$ 37,352</u>                  | <u>\$ 118,199</u>              |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (3,952)

Amounts reported for governmental activities in the Statement of Activities (Exhibit II) are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

|                                       |         |
|---------------------------------------|---------|
| Capital Outlay                        | 15,687  |
| Depreciation and Amortization Expense | (8,390) |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

|   |       |
|---|-------|
| Property Tax Receivable - Accrual Basis Change        | (915) |
| Loan Repayments                                       | (589) |
| Accounts and Other Receivables - Accrual Basis Change | (110) |

Change in Deferred Outflows:

|   |          |
|---|----------|
| Deferred Outflow of Resources Related to Pensions | (15,046) |
| Deferred Outflow of Resources Related to OPEB     | 2,551    |

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized and deferred in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

|  |         |
|--|---------|
| Issuance of Bonds                            | (5,000) |
| Premium on Bonds                             | (262)   |
| Bond Principal Payments                      | 8,455   |
| Amortization of Deferred Charge on Refunding | (126)   |
| Amortization of Premiums                     | 226     |
| Capital Lease Issuances                      | (264)   |
| Capital Lease Principal Payments             | 4       |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

|  |         |
|--|---------|
| Compensated Absences                             | 161     |
| Accrued Interest                                 | (409)   |
| Landfill Postclosure Care                        | (53)    |
| Change in Net Pension Liability                  | 11,970  |
| Change in Net OPEB Liability                     | 909     |
| Change in Deferred Inflows:                      |         |
| Deferred Inflow of Resources Related to Pensions | (5,149) |
| Deferred Inflow of Resources Related to OPEB     | (2,590) |

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(262)

Change in Net Position of Governmental Activities (Exhibit II) \$ (3,154)

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Business-Type Activities             |                                 |                   | Governmental                 |
|--|--------------------------------------|---------------------------------|-------------------|------------------------------|
|  | Department<br>of Public<br>Utilities | Nonmajor<br>Enterprise<br>Funds | Total             | Internal<br>Service<br>Funds |
| <b>ASSETS</b>                            |                                      |                                 |                   |                              |
| Current Assets:                          |                                      |                                 |                   |                              |
| Cash and Cash Equivalents                | \$ 65,089                            | \$ -                            | \$ 65,089         | \$ -                         |
| Receivables, Net                         | 17,939                               | 19                              | 17,958            | 12                           |
| Due from Other Funds                     |                                      | 171                             | 171               | 5,344                        |
| Supplies                                 | 2,838                                | -                               | 2,838             | -                            |
| Other Assets                             | 1,003                                | -                               | 1,003             | -                            |
| Total Current Assets                     | <u>86,869</u>                        | <u>190</u>                      | <u>87,059</u>     | <u>5,356</u>                 |
| Noncurrent Assets:                       |                                      |                                 |                   |                              |
| Lease Receivable                         | 294                                  | -                               | 294               | -                            |
| Capital Assets, Net                      | 185,784                              | 9,493                           | 195,277           | -                            |
| Total Noncurrent Assets                  | <u>186,078</u>                       | <u>9,493</u>                    | <u>195,571</u>    | <u>-</u>                     |
| Total Assets                             | <u>272,947</u>                       | <u>9,683</u>                    | <u>282,630</u>    | <u>5,356</u>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                                      |                                 |                   |                              |
| Deferred Outflows - Pensions             | 6,650                                | -                               | 6,650             | -                            |
| Deferred Outflows - OPEB                 | 2,372                                | -                               | 2,372             | -                            |
| Total Deferred Outflows of Resources     | <u>9,022</u>                         | <u>-</u>                        | <u>9,022</u>      | <u>-</u>                     |
| <b>LIABILITIES</b>                       |                                      |                                 |                   |                              |
| Current Liabilities:                     |                                      |                                 |                   |                              |
| Accounts Payable and Accrued Liabilities | 16,222                               | 879                             | 17,101            | 6                            |
| Notes Payable                            | 1,934                                | -                               | 1,934             | -                            |
| Compensated Absences                     | 2,224                                | -                               | 2,224             | -                            |
| Risk Management Claims                   | 209                                  | -                               | 209               | 2,502                        |
| Lease Liability                          | 65                                   | 16                              | 81                | -                            |
| SBITA Liability                          | 80                                   | -                               | 80                | -                            |
| Cash Advances from Other Funds           | 2,679                                | -                               | 2,679             | -                            |
| Due to Other Funds                       | 33                                   | 784                             | 817               | -                            |
| Due to Other Governments                 | -                                    | 3                               | 3                 | -                            |
| Unearned Revenue                         | -                                    | 349                             | 349               | 12                           |
| Total Current Liabilities                | <u>23,446</u>                        | <u>2,031</u>                    | <u>25,477</u>     | <u>2,520</u>                 |
| Noncurrent Liabilities:                  |                                      |                                 |                   |                              |
| Customer Deposits                        | 4,333                                | -                               | 4,333             | -                            |
| Notes Payable                            | 32,467                               | -                               | 32,467            | -                            |
| Compensated Absences                     | 3,351                                | -                               | 3,351             | -                            |
| Risk Management Claims                   | 669                                  | -                               | 669               | 3,662                        |
| Lease Liability                          | 325                                  | -                               | 325               | -                            |
| SBITA Liability                          | 47                                   | -                               | 47                | -                            |
| Cash Advances from Other Funds           | 58,210                               | -                               | 58,210            | -                            |
| Net Pension Liability                    | 8,245                                | -                               | 8,245             | -                            |
| Net OPEB Liability                       | 8,114                                | -                               | 8,114             | -                            |
| Total Noncurrent Liabilities             | <u>115,761</u>                       | <u>-</u>                        | <u>115,761</u>    | <u>3,662</u>                 |
| Total Liabilities                        | <u>139,207</u>                       | <u>2,031</u>                    | <u>141,238</u>    | <u>6,182</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                                      |                                 |                   |                              |
| Deferred Inflows - Leases                | 364                                  | -                               | 364               | -                            |
| Deferred Inflows - Pensions              | 3,097                                | -                               | 3,097             | -                            |
| Deferred Inflows - OPEB                  | 1,738                                | -                               | 1,738             | -                            |
| Total Deferred Outflows of Resources     | <u>5,199</u>                         | <u>-</u>                        | <u>5,199</u>      | <u>-</u>                     |
| <b>NET POSITION</b>                      |                                      |                                 |                   |                              |
| Net Investment in Capital Assets         | 141,692                              | 9,477                           | 151,169           | -                            |
| Restricted for Energy Conservation       | 251                                  | -                               | 251               | -                            |
| Unrestricted                             | <u>(4,380)</u>                       | <u>(1,825)</u>                  | <u>(6,205)</u>    | <u>(826)</u>                 |
| Total Net Position                       | <u>\$ 137,563</u>                    | <u>\$ 7,652</u>                 | <u>\$ 145,215</u> | <u>\$ (826)</u>              |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Business-Type Activities             |                                 |                   | Governmental                 |
|---|--------------------------------------|---------------------------------|-------------------|------------------------------|
|   | Department<br>of Public<br>Utilities | Nonmajor<br>Enterprise<br>Funds | Total             | Internal<br>Service<br>Funds |
| <b>OPERATING REVENUES</b>                                   |                                      |                                 |                   |                              |
| Charges for Services  | \$ 100,880                           | \$ 1,581                        | \$ 102,461        | \$ 21,822                    |
| Use of Property   | 402                                  | -                               | 402               | -                            |
| Other Services  | 1,034                                | 99                              | 1,133             | -                            |
| Rent  | -                                    | 364                             | 364               | -                            |
| Total Operating Revenues                                    | <u>102,316</u>                       | <u>2,044</u>                    | <u>104,360</u>    | <u>21,822</u>                |
| <b>OPERATING EXPENSES</b>                                   |                                      |                                 |                   |                              |
| Purchased Gas and Electric                                  | 29,974                               | -                               | 29,974            | -                            |
| Operations and Maintenance                                  | 20,146                               | 1,438                           | 21,584            | -                            |
| General and Administrative                                  | 16,911                               | -                               | 16,911            | -                            |
| Depreciation and Amortization                               | 9,991                                | 479                             | 10,470            | -                            |
| Pension Expense   | 6,581                                | -                               | 6,581             | -                            |
| Customer Accounts   | 3,477                                | -                               | 3,477             | -                            |
| Gross Revenue and Property Taxes                            | 2,221                                | -                               | 2,221             | -                            |
| OPEB Expense  | 1,194                                | -                               | 1,194             | -                            |
| Claims  | -                                    | -                               | -                 | 18,575                       |
| Premiums and Administrative Charges                         | -                                    | -                               | -                 | 3,509                        |
| Total Operating Expenses                                    | <u>90,495</u>                        | <u>1,917</u>                    | <u>92,412</u>     | <u>22,084</u>                |
| <b>OPERATING INCOME (LOSS)</b>                              | 11,821                               | 127                             | 11,948            | (262)                        |
| <b>NONOPERATING INCOME (EXPENSE)</b>                        |                                      |                                 |                   |                              |
| Interest Income   | 928                                  | 7                               | 935               | -                            |
| Interest Expense  | (2,618)                              | (7)                             | (2,625)           | -                            |
| Gain on Disposal of Capital Assets                          | 37                                   | -                               | 37                | -                            |
| Other Nonoperating Revenue                                  | 469                                  | -                               | 469               | -                            |
| Total Nonoperating Income (Expense)                         | <u>(1,184)</u>                       | <u>-</u>                        | <u>(1,184)</u>    | <u>-</u>                     |
| <b>INCOME (LOSS) BEFORE<br/>CONTRIBUTIONS AND TRANSFERS</b> | 10,637                               | 127                             | 10,764            | (262)                        |
| Capital Contributions                                       | 11,401                               | 124                             | 11,525            | -                            |
| Transfers In  | -                                    | 100                             | 100               | -                            |
| Transfers Out   | (9,114)                              | (124)                           | (9,238)           | -                            |
| <b>CHANGE IN NET POSITION</b>                               | 12,924                               | 227                             | 13,151            | (262)                        |
| Net Position - Beginning of Year                            | <u>124,639</u>                       | <u>7,425</u>                    | <u>132,064</u>    | <u>(564)</u>                 |
| <b>NET POSITION - END OF YEAR</b>                           | <u>\$ 137,563</u>                    | <u>\$ 7,652</u>                 | <u>\$ 145,215</u> | <u>\$ (826)</u>              |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | Business-Type Activities             |                                 |                  | Governmental                 |
|--|--------------------------------------|---------------------------------|------------------|------------------------------|
|  | Department<br>of Public<br>Utilities | Nonmajor<br>Enterprise<br>Funds | Total            | Internal<br>Service<br>Funds |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |                                      |                                 |                  |                              |
| Cash Received from Charges for Services                                    | \$ 98,289                            | \$ 1,646                        | \$ 99,935        | \$ 8,618                     |
| Cash Receipts for Interfund Services Provided                              | -                                    | -                               | -                | 12,962                       |
| Cash Paid to Vendors   | (51,606)                             | (975)                           | (52,581)         | (21,580)                     |
| Cash Paid to Employees for Services  | (24,466)                             | (541)                           | (25,007)         | -                            |
| Cash Received from Other Nonoperating Revenues                             | 469                                  | -                               | 469              | -                            |
| Net Cash Provided (Used) by Operating Activities                           | 22,686                               | 130                             | 22,816           | -                            |
| <b>CASH FLOWS FROM NONCAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>     |                                      |                                 |                  |                              |
| Transfers to Other Funds   | (9,114)                              | -                               | (9,114)          | -                            |
| Customer Deposits  | 442                                  | -                               | 442              | -                            |
| Transfers from (to) Other Funds  | (101)                                | (24)                            | (125)            | -                            |
| Net Cash Provided (Used) by Noncapital<br>and Related Financing Activities | (8,773)                              | (24)                            | (8,797)          | -                            |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>        |                                      |                                 |                  |                              |
| Capital Contributions  | 11,400                               | -                               | 11,400           | -                            |
| Purchases of Capital Assets  | (28,700)                             | (58)                            | (28,758)         | -                            |
| Proceeds from Sale of Capital Assets                                       | 158                                  | -                               | 158              | -                            |
| Lease Payments Received  | 155                                  | -                               | 155              | -                            |
| Proceeds from Notes Payable  | 10,435                               | -                               | 10,435           | -                            |
| Principal Payment on Notes Payable   | (2,142)                              | -                               | (2,142)          | -                            |
| Payments on Leases   | (145)                                | (47)                            | (192)            | -                            |
| Payments on SBITAs   | (161)                                | -                               | (161)            | -                            |
| Interest Payment on Debt   | (2,618)                              | (2)                             | (2,620)          | -                            |
| Interest Payments on Leases  | -                                    | (6)                             | (6)              | -                            |
| Capital Advances (Repayments) from Other Funds                             | (2,661)                              | -                               | (2,661)          | -                            |
| Net Cash Provided (Used) by Capital<br>and Related Financing Activities    | (14,279)                             | (113)                           | (14,392)         | -                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |                                      |                                 |                  |                              |
| Income on Investments  | 928                                  | 7                               | 935              | -                            |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                           | 562                                  | -                               | 562              | -                            |
| Cash and Cash Equivalents - Beginning of Year                              | 64,527                               | -                               | 64,527           | -                            |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                             | <u>\$ 65,089</u>                     | <u>\$ -</u>                     | <u>\$ 65,089</u> | <u>\$ -</u>                  |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | Business-Type Activities             |                                 |                  | Governmental                 |
|--|--------------------------------------|---------------------------------|------------------|------------------------------|
|  | Department<br>of Public<br>Utilities | Nonmajor<br>Enterprise<br>Funds | Total            | Internal<br>Service<br>Funds |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED)<br/>BY OPERATING ACTIVITIES</b> |                                      |                                 |                  |                              |
| Operating Income (Loss)  | \$ 11,821                            | \$ 127                          | \$ 11,948        | \$ (262)                     |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash Provided (Used) by Operating Activities:     |                                      |                                 |                  |                              |
| Depreciation/Amortization Expense  | 9,991                                | 479                             | 10,470           | -                            |
| Other Nonoperating Revenues  | 469                                  | -                               | 469              | -                            |
| Changes in Assets, Deferred Outflows, Liabilities, and<br>Deferred Inflows:                                  |                                      |                                 |                  |                              |
| Change in Deferred Outflow of Resources Related to Pensions  | 9,009                                | -                               | 9,009            | -                            |
| Change in Deferred Outflow of Resources Related to OPEB  | (946)                                | -                               | (946)            | -                            |
| Change in Net Pension Liability  | (6,964)                              | -                               | (6,964)          | -                            |
| Change in Net OPEB Liability   | 1,074                                | -                               | 1,074            | -                            |
| Change in Deferred Inflow of Resources Related to Leases   | (172)                                | -                               | (172)            | -                            |
| Change in Deferred Inflow of Resources Related to Pensions   | 3,097                                | -                               | 3,097            | -                            |
| Change in Deferred Inflow of Resources Related to OPEB   | 315                                  | -                               | 315              | -                            |
| (Increase) Decrease in Receivables   | (3,856)                              | (3)                             | (3,859)          | 1                            |
| (Increase) Decrease in Inventories and Other Assets  | (41)                                 | -                               | (41)             | -                            |
| (Increase) Decrease in Due from Other Funds  | -                                    | (42)                            | (42)             | (249)                        |
| Increase (Decrease) in Due to Other Funds  | -                                    | (57)                            | (57)             | -                            |
| Increase (Decrease) in Unearned Revenues   | -                                    | (394)                           | (394)            | 6                            |
| Increase (Decrease) in Accounts Payable and Accrued Expenses   | (1,111)                              | 20                              | (1,091)          | 504                          |
| Total Adjustments  | <u>10,865</u>                        | <u>3</u>                        | <u>10,868</u>    | <u>262</u>                   |
| Net Cash Provided (Used) by Operating Activities   | <u>\$ 22,686</u>                     | <u>\$ 130</u>                   | <u>\$ 22,816</u> | <u>\$ -</u>                  |
| <b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>  |                                      |                                 |                  |                              |
| Capital Asset Contributions  | \$ 11,401                            | \$ 124                          | \$ -             | \$ -                         |
| Leases   | 46                                   | -                               | -                | -                            |
| Subscription-Based Information Technology Arrangements   | 144                                  | -                               | -                | -                            |
| Total Noncash Capital and<br>Financing Activities  | <u>\$ 11,591</u>                     | <u>\$ 124</u>                   | <u>\$ -</u>      | <u>\$ -</u>                  |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                 | <u>Pension and<br/>Other<br/>Employee<br/>Benefit<br/>Trust Funds</u> |
|---------------------------------|---|
| <b>ASSETS</b>                   |   |
| Cash and Cash Equivalents       | \$ 4,873  |
| Investments:                    |   |
| U.S. Government Securities      | 31,002  |
| U.S. Government Agencies        | 10,580  |
| Corporate Bonds                 | 26,733  |
| Mutual Funds                    | 257,526   |
| Common Stock                    | 71,005  |
| Real Estate                     | 8,657   |
| Accounts Receivable             | <u>5</u>  |
| Total Assets                    | <u>410,381</u>  |
| <b>LIABILITIES</b>              |   |
| Accounts and Other Payables     | <u>489</u>  |
| <b>NET POSITION</b>             |   |
| Restricted for OPEB Benefits    | 38,467  |
| Restricted for Pension Benefits | <u>371,425</u>  |
| Total Net Position              | <u>\$ 409,892</u>   |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Pension and<br>Other<br>Employee<br>Benefit<br>Trust Funds |
|---|--|
| <b>ADDITIONS</b>                        |  |
| Contributions:                          |  |
| Employer                                | \$ 9,045   |
| Plan Members                            | 5,894  |
| Total Contributions                     | 14,939   |
| Investment Income:                      |  |
| Net Change in Fair Value of Investments | 35,785   |
| Interest and Dividends                  | 10,657   |
| Total Investment Income                 | 46,442   |
| Less Investment Expense                 | (1,034)  |
| Net Investment Income                   | 45,408   |
| Total Additions                         | 60,347   |
| <b>DEDUCTIONS</b>                       |  |
| Benefits                                | 27,024   |
| Administration                          | 644  |
| Lump Sum Distributions and Withdrawals  | 1,025  |
| Total Deductions                        | 28,693   |
| <b>CHANGE IN NET POSITION</b>           | 31,654   |
| Net Position - Beginning of Year        | 378,238  |
| <b>NET POSITION - END OF YEAR</b>       | \$ 409,892   |

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Norwich, Connecticut (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the City are described below.

**A. Reporting Entity**

The City was incorporated in May 1784. The City and Town consolidated on January 1, 1952. The City covers an area of 27.1 square miles and is located 40 miles southeast of Hartford. The City operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

**B. Government-Wide and Fund Financial Statements**

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

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

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

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

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

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

**General Fund**

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

**Debt Service Fund**

The Debt Service Fund accounts for financial resources transferred in from other funds to fund debt service obligations.

**Education Grants Fund**

The Education Grants Fund accounts for all the educational grants administered by the Board of Education.

**General Government Grants and Programs**

The General Government Grants and Programs Fund accounts for various other grants administered by the City.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The City reports the following major proprietary fund:

**Department of Public Utilities**

The Department of Public Utilities accounts for the operation of the City's water, sewer, electric and gas divisions. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

**Internal Service Fund**

The Internal Service Fund accounts for employee health insurance provided to other departments of the City and the City's self-insured workers' compensation program.

**Pension and Other Employee Benefit Trust Funds**

The Pension and Other Employee Benefit Trust Funds account for the activities of the City's two defined benefit pension plans, which accumulate resources for pension benefit payments to qualified retired employees and also the activities of the City's other postemployment benefit plan, which accumulate resources for medical and life insurance benefits provided to qualified retired employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City functions because the 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 property taxes.

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

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

**D. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the City are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i. e. , the current portion of interfund loans) or "advances to/from other funds" (i. e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes on all property are assessed as of October 1 prior to the beginning of the fiscal year and become legally due and payable on the following July 1 and January 1. If taxes are unpaid as of June 30 following the payable date, a lien is placed on the real property. Property assessments are made at 70% of the market value. Property taxes receivable are recorded on the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of one and one-half percent per month. The City is not a part of any overlapping government which assesses separate property taxes.

**F. Supplies and Prepaid Items**

All supplies are valued at cost using the first-in/first-out (FIFO) method. Supplies of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure, assets (e. g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition 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.

Other property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

|   |                |
|---|----------------|
| Buildings   | 40 to 50 Years |
| Building Improvements   | 20 Years       |
| Infrastructure, Public Doman Infrastructure,<br>and Distribution and Collection Systems | 20 to 50 Years |
| Machinery and Equipment   | 5 to 20 Years  |
| Right-of-Use Lease Asset  | 2 to 10 Years  |
| Subscription-Based Information Technology<br>Arrangement Assets                         | 2 to 5 Years   |

**H. 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees).

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Deferred Outflows/Inflows of Resources (Continued)**

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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings, or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees). The City also reports deferred inflow(s) of resources related to leases in the government-wide statement of net position and in the governmental funds. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, loans and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**I. Compensated Absences**

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Unused sick leave may be accumulated for future absences in accordance with employee contracts and employment policies. Upon retirement, vested sick leave is payable to employees subject to union contract payment provisions. Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are due (matured). The liability for the remainder of the accrued vacation earned and not due is reported in the government-wide and proprietary fund financial statements.

**J. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plans' fiduciary net position. The pension plans' fiduciary net position is determined using the same valuation methods that are used by the pension plans for purposes of preparing their statements of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Net OPEB Liability**

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**L. Long-Term Obligations**

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

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

**M. Fund Balance and Net Position**

In the government-wide financial statements and in proprietary fund types, net position 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/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted Net Position* – This category represents the net position of the City, which is restricted by externally imposed constraints placed on net position by grantors, contributors or laws and regulations of other governments.

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

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance and Net Position (Continued)**

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

*Nonspendable Fund Balance* – This represents amounts that cannot be spent due to form (e. g. , inventories and prepaid amounts).

*Restricted Fund Balance* – This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

*Committed Fund Balance* – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Council). A fund balance commitment is established, modified and/or rescinded by ordinance.

*Assigned Fund Balance* – This balance represents the resources to be used to liquidate encumbered purchase orders and amounts appropriated for subsequent budget years. Encumbrances are authorized by an approval process, which includes the department head, the purchasing agent, and the comptroller. Appropriations for subsequent budget years are approved by ordinance by the City Council.

*Unassigned Fund Balance* – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The City Council adopted by ordinance a formal General Fund Unassigned Fund Balance (UFB) policy in December 2014. This policy identifies a target fund balance range of 12% to 17% of annual General Fund expenditures and transfers out.

The UFB may be used for absorbing operating deficits at any time. If UFB goes over 17%, the Council may appropriate the excess to:

- fund capital improvements beyond the level required by the Charter
- transfer funds to the bonded projects fund to finance authorized, but unissued projects
- retire existing debt early
- make extra contributions into the Pension or OPEB funds

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance and Net Position (Continued)**

In June 2021, the City Council voted to add a policy for a nonlapsing account for unexpended education funds. This policy allows the BOE to request that an unexpended General Fund appropriation be deposited into the nonlapsing account which the City is treating as a Special Revenue Fund. The funds may be later used to offset future BOE operating deficits, or pay for improvements to school facilities, equipment, or programs which would not increase ongoing operating costs.

The City is assumed to use restricted resources first if both restricted and unrestricted resources are to be used for the same purpose.

**N. Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and deferred inflows including disclosures of contingent assets and liabilities and reported revenues expenditures/expenses during the fiscal year.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

In October, the City Manager, through the Comptroller's Office, distributes budget instructions to department heads. On or before a date set by the City Manager, the head of every department, office or agency must submit a written proposed budget for the following year to the City Manager. The City Manager and Comptroller review these proposals and may revise them as deemed advisable, except in the case of the Department of Education where the City Manager has the authority to revise only the total estimated expenditures. The City Manager and Comptroller compare proposed expenditures to expected revenues and prepare a proposed budget for presentation to the City Council.

As required by City Charter, on or before the first Monday in April, the City Manager submits a balanced annual budget, as well as appropriation and tax levy ordinances to the City Council. Between the presentation of the budget and the first public hearing, department heads are given the opportunity to make presentations in support of their proposed budget. The City Council holds a first public hearing on the budget prior to the third Monday in April, but not sooner than one week after the submission of the budget. This hearing is to listen to citizens' comments on the budget. The Council meets by the second Monday in May to take initial action on the budget. A second public hearing is then held regarding the Council's proposed changes, prior to the third Monday in May.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

After the second public hearing, the Council may revise expenditures, except that it may not reduce appropriations for debt service and may revise only the total estimated expenditures for the Department of Education. The Council adopts the budget, appropriation, and tax levy ordinances by the second Monday of June; if it fails to do so, the budget as submitted by the City Manager stands.

The General Fund and the Fire Districts nonmajor governmental fund have legally adopted budgets.

Except for encumbrance accounting, the on-behalf contributions from the State of Connecticut into the TRB Pension and OPEB plans as well as some intergovernmental grant revenues, the budget is prepared on the modified accrual basis of accounting. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The City Manager may transfer unexpended balances within a department, office, or agency; the Council may transfer unexpended balances between departments at the City Manager's request within the last three months of the fiscal year. The Comptroller oversees revenues and expenditures according to the budget established by the City Council. The Board of Education may transfer unexpended balances between accounts within its total line appropriation. Additional appropriations may be made upon the City Manager's recommendation, provided the Comptroller certifies the availability of a sufficient General Fund surplus.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year end and may not be used by the department.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
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**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**B. Deficit Fund Balance**

Certain individual funds had fund balance/net position deficits at June 30, 2024 as follows:

|  |          |
|--|----------|
| Major Governmental Funds:              |          |
| General Government Grants and Programs | \$ 337 * |
| Nonmajor Governmental Funds:           |          |
| Dog License                            | 126 *    |
| Economic Development                   | 3 *      |
| Community Development Fund             | 6 *      |
| Fire Grants and Programs               | 1 *      |
| Property Rehabilitation                | 85 *     |
| Internal Service Funds:                |          |
| Workers' Compensation                  | 2,480 *  |

\* Deficit will be reduced by future operating surpluses or, if necessary, future contributions from the General Fund adopted as part of the budget process.

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**A. Deposits**

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City has a formal investment policy. Under this policy, the Treasurer shall mitigate concentration of credit risk on deposits by spreading deposits among different financial institutions. Because the benefits of lower fees and higher rates of return often outweigh the attendant risks of carrying large balances with a few financial institutions, the Treasurer will use their judgment rather than target percentages to guide their deposit strategy. For other investments, no more than 10% of the funds covered under this policy may be invested in securities from any one federal, state, or local political subdivision or agency. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. 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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$99,713 of the City’s bank balance of \$133,295 was exposed to custodial credit risk as follows:

|  |    |        |
|--|----|--------|
| Uninsured and Uncollateralized   | \$ | 89,521 |
| Uninsured and Collateral Held by the Pledging Bank's<br>Trust Department, not in the City's Name |    | 10,192 |
| Total Amount Subject to Custodial Credit Risk  | \$ | 99,713 |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Cash Equivalents**

At June 30, 2024, the City's cash equivalents amounted to \$8,003. The following table provides a summary of the City's cash equivalents (excluding U.S. Government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

|   | Standard &<br>Poor's |
|---|----------------------|
| State Short-Term Investment Fund (STIF) | AAA/m                |
| Dime Bank                               | AAA/m                |

**NOTE 4 INVESTMENTS**

As of June 30, 2024, the City had the following investments:

|                               | Fair Value | Investment Maturities (Years) |           |                 |
|-------------------------------|------------|-------------------------------|-----------|-----------------|
|                               |            | Less<br>Than 1                | 1 - 10    | More<br>Than 10 |
| Interest-Bearing Investments: |            |                               |           |                 |
| Certificate of Deposit        | \$ 53,179  | \$ 48,874                     | \$ 4,305  | \$ -            |
| U.S. Government Securities    | 35,301     | 5,538                         | 26,310    | 3,453           |
| U.S. Government Agencies      | 10,600     | 280                           | 81        | 10,239          |
| Corporate Bonds               | 27,278     | 3,100                         | 21,086    | 3,092           |
| Total                         | 126,358    | \$ 57,792                     | \$ 51,782 | \$ 16,784       |
| Other Investments:            |            |                               |           |                 |
| Mutual Funds                  | 257,735    |                               |           |                 |
| Common Stock                  | 72,183     |                               |           |                 |
| Private Equity - Real Estate  | 8,658      |                               |           |                 |
| Total Investments             | \$ 464,934 |                               |           |                 |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 4 INVESTMENTS (CONTINUED)**

Presented below is the rating of investments for each debt investment type:

| Average<br>Rating | Corporate<br>Bonds | U.S.<br>Government<br>Securities | U.S.<br>Government<br>Agencies | Certificate<br>of Deposit |
|-------------------|--------------------|----------------------------------|--------------------------------|---------------------------|
| Aaa               | \$ 14              | \$ 35,108                        | \$ -                           | \$ -                      |
| Aa1               | 161                | 44                               | -                              | -                         |
| Aa2               | 6                  | -                                | -                              | -                         |
| Aa3               | 303                | 43                               | -                              | -                         |
| A1                | 3,771              | -                                | -                              | -                         |
| A2                | 2,699              | -                                | -                              | -                         |
| A3                | 347                | 30                               | -                              | -                         |
| Baa1              | 2,886              | -                                | -                              | -                         |
| Baa2              | 5,203              | -                                | -                              | -                         |
| Baa3              | 8,833              | -                                | -                              | -                         |
| Ba1               | 2,064              | -                                | -                              | -                         |
| Ba2               | 167                | -                                | -                              | -                         |
| Ba3               | 323                | -                                | -                              | -                         |
| B1                | 419                | -                                | -                              | -                         |
| B2                | 73                 | -                                | -                              | -                         |
| Unrated           | 9                  | 76                               | 10,600                         | 53,179                    |
| Totals            | <u>\$ 27,278</u>   | <u>\$ 35,301</u>                 | <u>\$ 10,600</u>               | <u>\$ 53,179</u>          |

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2024:

|  | June 30,<br>2024  | Fair Value Measurements Using |             |             |
|--|-------------------|-------------------------------|-------------|-------------|
|  |                   | Level 1                       | Level 2     | Level 3     |
| Investments by Fair Value Level:         |                   |                               |             |             |
| Debt Securities:                         |                   |                               |             |             |
| U.S. Government Securities               | \$ 35,301         | \$ 35,301                     | \$ -        | \$ -        |
| U.S. Government Agencies                 | 10,600            | 10,600                        | -           | -           |
| Corporate Bonds                          | 27,278            | 27,278                        | -           | -           |
| Equity Securities:                       |                   |                               |             |             |
| Common Stock                             | 72,183            | 72,183                        | -           | -           |
| Mutual Funds                             | 257,735           | 257,735                       | -           | -           |
| Total Investments by<br>Fair Value Level | 403,097           | <u>\$ 403,097</u>             | <u>\$ -</u> | <u>\$ -</u> |
| Investments Recorded at Amortized Cost:  |                   |                               |             |             |
| Certificate of Deposit                   | 53,179            |                               |             |             |
| Investments Recorded at Net Asset Value  |                   |                               |             |             |
| Private Equity - Real Estate             | 8,658             |                               |             |             |
| Total Investments                        | <u>\$ 464,934</u> |                               |             |             |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

The Employees' Pension Plan formal investment policy states that for fixed income investments, no issues may be purchased with a maturity that exceeds the maximum maturity in the applicable benchmark index. Maturity duration is managed to remain within plus or minus 25% of the applicable benchmark index. The City does not further limit its other investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

**Credit Risk – Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Employees' Pension Plan formal investment policy does not allow for investment in any company that has filed for bankruptcy without prior Personnel and Pension Board approval. For domestic equities, investments must be with companies that meet a specified minimum capitalization threshold at the date of purchase. For fixed income instruments, the average quality of the portfolio must exceed minimum rating levels at all times as defined in the investment policy and must meet or exceed a credit rating of BBB-/Baa3. The City's investment policy governing other investments limits holdings to highly rated fixed income instruments, mutual funds, and government investment pools.

**Concentration of Credit Risk**

The Employees' Pension Plan formal investment policy includes provisions for domestic equities stating that the cost of an individual security in a portfolio at the date of purchase may not exceed 5% of the total market value of that portfolio. Fixed income instruments with a single issuer (excluding U. S. Government and Government Agencies) may not exceed 5% of the market value of that portfolio. The City's investment policy governing other investments does not permit direct equity or fixed income investments in private-sector companies.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has a formal investment policy. Under this policy, the Treasurer shall mitigate concentration of credit risk on deposits by spreading deposits among different financial institutions. Because the benefits of lower fees and higher rates of return often outweigh the attendant risks of carrying large balances with a few financial institutions, the Treasurer will use their judgment rather than target percentages to guide their deposit strategy. For other investments, no more than 10% of the funds covered under this policy may be invested in securities from any one federal, state, or local political subdivision or agency. The City's individual investments in U. S. government obligations, equities and corporate bonds are uninsured and unregistered securities held by a counterparty, or by its trust department or agent that are not in the City's name. The City's investments are held in open-end mutual funds which, because they are pooled investments rather than separate identifiable securities, are not subject to custodial risk determination. The City will only deposit funds in institutions rated within one of the top three rating categories of any nationally recognized rating service. Financial institutions in which the City deposits funds shall be accepted by City Council resolution. For financial institutions which have not been ranked by a nationally recognized rating service, the Treasurer shall assess the financial capacity and creditworthiness of the institution before recommending it to the City Council for approval.

**NOTE 5 RECEIVABLES**

Receivables as of year-end for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

|                                       | General         | Education<br>Grants | Department<br>of Public<br>Utilities | General<br>Government<br>Grants and<br>Programs | Nonmajor<br>and Other<br>Funds | Total            |
|---------------------------------------|-----------------|---------------------|--------------------------------------|---|--------------------------------|------------------|
| Receivables:                          |                 |                     |                                      |   |                                |                  |
| Taxes                                 | \$ 4,517        | \$ -                | \$ -                                 | \$ -  | \$ 203                         | \$ 4,720         |
| Intergovernmental                     | -               | 4,899               | 3,773                                | 552   | 4,845                          | 14,069           |
| User Charges                          | -               | -                   | 17,779                               | -   | 19                             | 17,798           |
| Leases                                | 1,163           | -                   | 389                                  | -   | 314                            | 1,866            |
| Assessments                           | 799             | -                   | -                                    | -   | -                              | 799              |
| Loans                                 | -               | -                   | -                                    | -   | 4,449                          | 4,449            |
| Accounts and Other                    | 587             | -                   | -                                    | -   | 384                            | 971              |
| Gross Receivables                     | <u>7,066</u>    | <u>4,899</u>        | <u>21,941</u>                        | <u>552</u>                                      | <u>10,214</u>                  | <u>44,672</u>    |
| Less Allowance for<br>Uncollectibles: |                 |                     |                                      |   |                                |                  |
| Taxes                                 | (1,110)         | -                   | -                                    | -   | (27)                           | (1,137)          |
| User Charges                          | -               | -                   | (3,708)                              | -   | -                              | (3,708)          |
| Accounts and Other                    | -               | -                   | -                                    | -   | (193)                          | (193)            |
| Total Allowance                       | <u>(1,110)</u>  | <u>-</u>            | <u>(3,708)</u>                       | <u>-</u>  | <u>(220)</u>                   | <u>(5,038)</u>   |
| Net Total Receivables                 | <u>\$ 5,956</u> | <u>\$ 4,899</u>     | <u>\$ 18,233</u>                     | <u>\$ 552</u>                                   | <u>\$ 9,994</u>                | <u>\$ 39,634</u> |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

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

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. The City also operates a cash pool in the General Fund, and there are bonded projects in one fund that benefit another fund.

A summary of interfund balances as of June 30, 2024 is presented below.

|  | Due from<br>Other Funds | Due to<br>Other Funds |
|--|-------------------------|-----------------------|
| General Fund                           | \$ 5,421                | \$ 47,239             |
| Debt Service Fund                      | 60,890                  | -                     |
| Education Grants                       | 2,075                   | 4,239                 |
| General Government Grants and Programs | 9,190                   | -                     |
| Nonmajor Governmental                  | 30,410                  | 317                   |
| Department of Public Utilities         | -                       | 60,922                |
| Nonmajor Enterprise                    | 171                     | 784                   |
| Internal Service Funds                 | 5,344                   | -                     |
| Total                                  | <u>\$ 113,501</u>       | <u>\$ 113,501</u>     |

Included within the balances above are \$60,890 of long-term interfund advances receivable by the Debt Service Fund from the Department of Public Utilities. These advances are primarily for the construction of gas-related infrastructure and the Department's portion of the pension obligation bonds and are to be repaid over the term of the corresponding debt.

A summary of interfund transfers is presented below:

|  | Transfers In    |                             |                          |                        | Total            |
|--|-----------------|-----------------------------|--------------------------|------------------------|------------------|
|  | General         | Debt Service<br>Expenditure | Nonmajor<br>Governmental | Nonmajor<br>Enterprise |                  |
| Transfers Out:                         |                 |                             |                          |                        |                  |
| General Fund                           | \$ -            | \$ 8,691                    | \$ 3,043                 | \$ 100                 | \$ 11,834        |
| General Government Grants and Programs | -               | -                           | 1,026                    | -                      | 1,026            |
| Department of Public Utilities         | 5,814           | -                           | 3,300                    | -                      | 9,114            |
| Nonmajor Governmental                  | 1,485           | 1,025                       | -                        | -                      | 2,510            |
| Nonmajor Enterprise                    | 25              | -                           | 99                       | -                      | 124              |
| Total                                  | <u>\$ 7,324</u> | <u>\$ 9,716</u>             | <u>\$ 7,468</u>          | <u>\$ 100</u>          | <u>\$ 24,608</u> |

Transfers from the General Fund to other nonmajor governmental funds are in support of the City's capital improvement program, debt service and other special revenue programs accounted for outside of the General Fund. Transfers from nonmajor governmental funds to the General Fund are derived primarily from net income generated from private duty police services accounted for outside of the General Fund. Transfers from nonmajor governmental funds to the bond expenditure fund are for debt service payments. The Department of Public Utilities annually transfers 10% of gross revenues derived from gas, electric and water sales to the General Fund and the Fire Districts Fund.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 7 LEASES**

**A. Lessor**

The City, acting as lessor, leases various property under long-term, non-cancelable lease agreements. The leases expire at various dates through 2036. During the year ended June 30, 2024, the City recognized \$103 in lease revenue pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

| <u>Year Ending June 30,</u> | Governmental Activities |          |
|-----------------------------|-------------------------|----------|
|                             | Principal               | Interest |
| 2025                        | \$ 140                  | \$ 11    |
| 2026                        | 139                     | 15       |
| 2027                        | 329                     | 53       |
| 2028                        | 131                     | 21       |
| 2029                        | 129                     | 25       |
| Thereafter                  | 608                     | 173      |
| Total                       | \$ 1,476                | \$ 298   |

The Department of Public Utilities, acting as lessor, leases space on and/or adjacent to two water tanks for the purpose of the tenants' transmission and reception of communications signals under long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2036, inclusive of renewal options ranging from ten to fifteen years from transition date of July 1, 2021. During the year ended June 30, 2024, the Department of Public Utilities recognized \$119 in lease revenue pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

| <u>Year Ending June 30,</u> | Business-Type Activities |          |
|-----------------------------|--------------------------|----------|
|                             | Principal                | Interest |
| 2025                        | \$ 95                    | \$ 10    |
| 2026                        | 64                       | 7        |
| 2027                        | 20                       | 7        |
| 2028                        | 21                       | 6        |
| 2029                        | 21                       | 5        |
| Thereafter                  | 168                      | 17       |
| Total                       | \$ 389                   | \$ 52    |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LEASES (CONTINUED)**

**B. Lessee**

The City, Department of Public Utilities, and Golf Course Authority leases equipment, land, and office equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2059 and provide for renewal options ranging from two to five years.

Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments under lease agreements are as follows:

| Year Ending June 30, | Governmental Activities |               | Business-Type Activities |              |
|----------------------|-------------------------|---------------|--------------------------|--------------|
|                      | Principal               | Interest      | Principal                | Interest     |
| 2025                 | \$ 14                   | \$ -          | \$ 81                    | \$ 15        |
| 2026                 | 14                      | 1             | 67                       | 12           |
| 2027                 | 13                      | 2             | 68                       | 9            |
| 2028                 | 12                      | 2             | 70                       | 6            |
| 2029                 | 12                      | 3             | 68                       | 3            |
| Thereafter           | 195                     | 240           | 52                       | 2            |
| Total                | <u>\$ 260</u>           | <u>\$ 248</u> | <u>\$ 406</u>            | <u>\$ 47</u> |

Right-to-use lease assets acquired through outstanding contracts are shown below:

|                                |               |
|--------------------------------|---------------|
| Right-to-Use Lease Assets:     |               |
| Land                           | \$ 500        |
| Equipment                      | 256           |
| Less: Accumulated Amortization | <u>(382)</u>  |
| Total                          | <u>\$ 374</u> |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 CAPITAL ASSETS**

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

|   | Beginning<br>Balance | Increases | Decreases | Transfers | Ending<br>Balance |
|---|----------------------|-----------|-----------|-----------|-------------------|
| Governmental Activities:                    |                      |           |           |           |                   |
| Capital Assets Not Being Depreciated:       |                      |           |           |           |                   |
| Land  | \$ 28,508            | \$ -      | \$ -      | \$ -      | \$ 28,508         |
| Construction in Progress                    | 20,337               | 11,574    | -         | (8,873)   | 23,038            |
| Total Capital Assets Not Being Depreciated  | 48,845               | 11,574    | -         | (8,873)   | 51,546            |
| Capital Assets Being Depreciated:           |                      |           |           |           |                   |
| Buildings and Improvements                  | 108,166              | 309       | -         | 514       | 108,989           |
| Vehicles, Machinery, and Equipment          | 34,788               | 2,259     | (1,023)   | 3,579     | 39,603            |
| Technology Upgrade and Infrastructure       | 52,784               | 1,281     | -         | 4,780     | 58,845            |
| Total Capital Assets Being Depreciated      | 195,738              | 3,849     | (1,023)   | 8,873     | 207,437           |
| Less Accumulated Depreciation for:          |                      |           |           |           |                   |
| Buildings and Improvements                  | (54,907)             | (3,380)   | -         | -         | (58,287)          |
| Vehicles, Machinery, and Equipment          | (25,369)             | (2,930)   | 1,023     | -         | (27,276)          |
| Technology Upgrade and Infrastructure       | (31,199)             | (2,076)   | -         | -         | (33,275)          |
| Total Accumulated Depreciation              | (111,475)            | (8,386)   | 1,023     | -         | (118,838)         |
| Right to Use - Lease Asset:                 |                      |           |           |           |                   |
| Land  | -                    | 264       | -         | -         | 264               |
| Less Accumulated Amortization:              |                      |           |           |           |                   |
| Land  | -                    | (4)       | -         | -         | (4)               |
| Total Capital Assets Being Depreciated, Net | 84,263               | (4,277)   | -         | 8,873     | 88,859            |
| Governmental Activities Capital Assets, Net | \$ 133,108           | \$ 7,297  | \$ -      | \$ -      | \$ 140,405        |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 8 CAPITAL ASSETS (CONTINUED)**

|   | Beginning<br>Balance | Increases | Decreases | Transfers | Ending<br>Balance |
|---|----------------------|-----------|-----------|-----------|-------------------|
| Business-Type Activities:                                     |                      |           |           |           |                   |
| Capital Assets Not Being Depreciated:                         |                      |           |           |           |                   |
| Land  | \$ 3,285             | \$ -      | \$ -      | \$ 80     | \$ 3,365          |
| Construction in Progress                                      | 14,438               | 38,120    | -         | (11,178)  | 41,380            |
| Total Capital Assets Not Being Depreciated                    | 17,723               | 38,120    | -         | (11,098)  | 44,745            |
| Capital Assets Being Depreciated:                             |                      |           |           |           |                   |
| Structures and Improvements                                   | 69,559               | -         | (53)      | 1,275     | 70,781            |
| Intangible Plant  | 4,319                | -         | -         | -         | 4,319             |
| Machinery, Equipment, Pumping, and Distribution Systems       | 277,883              | 58        | (2,710)   | 9,823     | 285,054           |
| Total Capital Assets Being Depreciated                        | 351,761              | 58        | (2,763)   | 11,098    | 360,154           |
| Less Accumulated Depreciation for:                            |                      |           |           |           |                   |
| Structures and Improvements                                   | (36,429)             | (1,573)   | 36        | -         | (37,966)          |
| Intangible Plant  | (216)                | (216)     | -         | -         | (432)             |
| Machinery, Equipment, Pumping, and Distribution Systems       | (166,293)            | (8,288)   | 2,629     | -         | (171,952)         |
| Total Accumulated Depreciation                                | (202,938)            | (10,077)  | 2,665     | -         | (210,350)         |
| Right to Use - Lease Asset:                                   |                      |           |           |           |                   |
| Land  | 582                  | -         | (82)      | -         | 500               |
| Equipment   | 408                  | 27        | (179)     | -         | 256               |
| Total Right to Use - Lease Asset                              | 990                  | 27        | (261)     | -         | 756               |
| Less Accumulated Amortization:                                |                      |           |           |           |                   |
| Land  | (118)                | (59)      | 6         | -         | (171)             |
| Equipment   | (231)                | (89)      | 109       | -         | (211)             |
| Total Accumulated Amortization                                | (349)                | (148)     | 115       | -         | (382)             |
| Subscription Based Information Technology Arrangement (SBITA) |                      |           |           |           |                   |
| Assets:   |                      |           |           |           |                   |
| SBITA   | 641                  | 131       | (211)     | -         | 561               |
| Less Accumulated Amortization:                                |                      |           |           |           |                   |
| SBITA   | (173)                | (245)     | 211       | -         | (207)             |
| Total Capital Assets Being Depreciated, Net                   | 149,932              | (10,254)  | (244)     | 11,098    | 150,532           |
| Business-Type Activities Capital Assets, Net                  | \$ 167,655           | \$ 27,866 | \$ (244)  | \$ -      | \$ 195,277        |

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 8 CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:

|  |    |       |
|--|----|-------|
| General Government   | \$ | 307   |
| Public Safety  |    | 2,317 |
| Social Services  |    | 3,934 |
| Public Works   |    | 120   |
| Education  |    | 1,712 |
| Total Depreciation and Amortization Expense -<br>Governmental Activities | \$ | 8,390 |

Business-Type Activities:

|   |    |        |
|---|----|--------|
| Department of Public Utilities  | \$ | 9,991  |
| Golf Course Authority   |    | 189    |
| Stadium Authority   |    | 187    |
| Ice Rink Authority  |    | 103    |
| Total Depreciation and Amortization Expense -<br>Business-Type Activities | \$ | 10,470 |

**Construction Commitments**

The City has active construction projects as of June 30, 2024. At year-end, the City's commitments with contractors on active authorizations are as follows:

| Project  | Cumulative<br>Authorization | Current<br>Expenditures | Cumulative<br>Expenditures | Balance<br>June 30, 2024 |
|--|-----------------------------|-------------------------|----------------------------|--------------------------|
| PHMSA Grant - Gas Distribution Replacement Phase I * | \$ 10,000                   | \$ 84                   | \$ 84                      | \$ 9,916                 |
| Primary Electric Distribution Circuit Upgrades *     | 1,800                       | 554                     | 1,383                      | 417                      |
| DEEP Grant - Bean Hill Substation Floodproofing      | 650                         | 3                       | 3                          | 647                      |
| Groton Water Main Interconnect *                     | 850                         | 564                     | 603                        | 247                      |
| Industrial Park Water Tank Upgrade *                 | 1,800                       | 2                       | 3                          | 1,797                    |
| Richard Brown Water Tank Upgrade *                   | 1,800                       | 2                       | 3                          | 1,797                    |
| Caribou/Nemczuk Water Distribution System *          | 3,350                       | 1,068                   | 1,107                      | 2,243                    |
| Lead Service Water Line Replacement *                | 2,500                       | 401                     | 539                        | 1,961                    |
| Norwichtown Well PFAS Treatment System *             | 4,500                       | 28                      | 28                         | 4,472                    |
| Yantic Water Tank Upgrade *                          | 2,400                       | 72                      | 76                         | 2,324                    |
| South Thames/Cove St Wastewater Force Main *         | 6,750                       | 254                     | 1,701                      | 5,049                    |
| Greenville CIPP Sewer Main Replacement *             | 750                         | 358                     | 629                        | 121                      |
| Wastewater Treatment Plant Construction *            | 200,000                     | 24,604                  | 34,197                     | 165,803                  |
| Sherman Street Bridge                                | 12,703                      | 2,760                   | 11,460                     | 1,243                    |
| Armstrong Tennis Courts                              | 861                         | 343                     | 830                        | 31                       |
| Uncas Leap Heritage Park                             | 2,800                       | 1,387                   | 1,565                      | 1,235                    |
| Motorola CAD RMS Project                             | 4,100                       | 1,072                   | 3,819                      | 281                      |
| Total  | \$ 257,614                  | \$ 33,555               | \$ 58,030                  | \$ 199,584               |

\* As an enterprise fund, the Department of Public Utilities does not encumber project spending, instead annual project spending is approved through the budget process. Due to the timing of spending and projects, the same work can be approved in multiple year(s)/budget(s) as capital project budgets are not cumulative. Due to this significant difference in budgeting/project approval, the Department of Public Utilities has provided Estimated Project Costs in place of "Cumulative Authorization."

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 9 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2024 was as follows:

|  | Beginning<br>Balance  | Additions            | Reductions           | Ending<br>Balance     | Due Within<br>One Year |
|--|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| <b>Governmental Activities:</b>                                |                       |                      |                      |                       |                        |
| Bonds Payable:   |                       |                      |                      |                       |                        |
| General Obligation Bonds                                       | \$ 188,205            | \$ 5,000             | \$ 8,455             | \$ 184,750            | \$ 8,725               |
| Add Unamortized Premiums                                       | 2,365                 | 262                  | 226                  | 2,401                 | 193                    |
| Total Bonds Payable  | <u>190,570</u>        | <u>5,262</u>         | <u>8,681</u>         | <u>187,151</u>        | <u>8,918</u>           |
| Compensated Absences   | 3,425                 | 1,618                | 1,779                | 3,264                 | 1,687                  |
| Lease Liability  | -                     | 264                  | 4                    | 260                   | 14                     |
| Landfill Closure   | 100                   | 53                   | -                    | 153                   | 23                     |
| Net Pension Liability  | 33,837                | -                    | 11,970               | 21,867                | -                      |
| Net OPEB Liability   | 26,373                | -                    | 909                  | 25,464                | -                      |
| Risk Management Claims   | 5,666                 | 18,575               | 18,077               | 6,164                 | 2,502                  |
|  | <u>5,666</u>          | <u>18,575</u>        | <u>18,077</u>        | <u>6,164</u>          | <u>2,502</u>           |
| <br>Total Governmental<br>Activities Long-Term<br>Liabilities  | <br><u>\$ 259,971</u> | <br><u>\$ 25,772</u> | <br><u>\$ 41,420</u> | <br><u>\$ 244,323</u> | <br><u>\$ 13,144</u>   |
| <br><b>Business-Type Activities:</b>                           |                       |                      |                      |                       |                        |
| Notes Payable - Direct Borrowing:                              |                       |                      |                      |                       |                        |
| Notes Payable  | \$ 346                | \$ -                 | \$ 279               | \$ 67                 | \$ 67                  |
| State of Connecticut -<br>Serial Notes                         | 25,762                | 10,434               | 1,862                | 34,334                | 1,867                  |
| Total Notes Payable  | <u>26,108</u>         | <u>10,434</u>        | <u>2,141</u>         | <u>34,401</u>         | <u>1,934</u>           |
| Compensated Absences   | 5,207                 | 2,610                | 2,242                | 5,575                 | 2,224                  |
| Lease Liability  | 574                   | 46                   | 214                  | 406                   | 81                     |
| SBITA Liability  | 157                   | 144                  | 174                  | 127                   | 80                     |
| Workers' Compensation  | 1,167                 | -                    | 289                  | 878                   | 209                    |
| Net Pension Liability  | 15,209                | -                    | 6,964                | 8,245                 | -                      |
| Net OPEB Liability   | 7,041                 | 1,073                | -                    | 8,114                 | -                      |
|  | <u>7,041</u>          | <u>1,073</u>         | <u>-</u>             | <u>8,114</u>          | <u>-</u>               |
| <br>Total Business-Type<br>Activities Long-Term<br>Liabilities | <br><u>\$ 55,463</u>  | <br><u>\$ 14,307</u> | <br><u>\$ 12,024</u> | <br><u>\$ 57,746</u>  | <br><u>\$ 4,528</u>    |

The governmental activities net pension liability and the net OPEB liability have primarily been liquidated with General Fund resources.

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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

A schedule of bonds outstanding at June 30, 2024 is presented below:

| Description  | Date of Issue | Date of Maturity | Interest Rate (%) | Amount of Original Issue | Balance Outstanding June 30, 2024 |
|--|---------------|------------------|-------------------|--------------------------|-----------------------------------|
| Governmental Activities:                                   |               |                  |                   |                          |                                   |
| General Purpose Bonds Payable:                             |               |                  |                   |                          |                                   |
| General Purpose - Series A                                 | 3/3/2015      | 8/1/2034         | 3.0-4.0           | \$ 5,600                 | \$ 2,775                          |
| General Purpose - Series B                                 | 3/3/2015      | 8/1/2024         | 2.0-3.0           | 1,140                    | 110                               |
| General Purpose - Series A                                 | 3/1/2016      | 8/1/2035         | 2.0-2.6           | 6,300                    | 3,390                             |
| General Purpose - Series B                                 | 3/1/2016      | 8/1/2025         | 2.0-3.0           | 2,500                    | 500                               |
| Refunding - (Partial 12/02/2009 Series A) Bonds - Series C | 10/12/2016    | 8/1/2024         | 1.8-4.0           | 2,925                    | 585                               |
| General Purpose - Series A                                 | 3/1/2017      | 8/1/2036         | 3.0-4.0           | 4,450                    | 2,875                             |
| Refunding - (Partial 12/02/2009 Series A) Bonds - Series A | 3/1/2017      | 8/1/2036         | 3.0-4.0           | 2,825                    | 2,825                             |
| General Purpose - Series B                                 | 3/1/2017      | 8/1/2036         | 1.0-3.9           | 1,000                    | 650                               |
| General Purpose - Series A                                 | 12/6/2018     | 8/1/2038         | 3.0-5.0           | 7,970                    | 6,300                             |
| General Purpose - Series A                                 | 12/5/2019     | 8/1/2039         | 2.0-5.0           | 3,575                    | 3,020                             |
| General Purpose - Series A                                 | 10/28/2020    | 8/1/2040         | 3.0-5.0           | 1,205                    | 1,020                             |
| General Purpose - Series B                                 | 10/28/2020    | 8/1/2040         | 2.0-5.1           | 15,920                   | 10,590                            |
| Pension Obligation Bonds                                   | 2/25/2022     | 8/1/2046         | 1.4-3.3           | 145,000                  | 136,370                           |
| General Purpose - Series A                                 | 12/29/2022    | 8/1/2043         | 4.0-5.0           | 9,200                    | 8,740                             |
| General Purpose - Series A                                 | 12/14/2023    | 8/1/2044         | 4.0               | 5,000                    | 5,000                             |
| Total  |               |                  |                   |                          | <u>\$ 184,750</u>                 |
| Business-Type Activities:                                  |               |                  |                   |                          |                                   |
| Notes Payable:   |               |                  |                   |                          |                                   |
| Equipment Financing Loan                                   | 7/1/2020      | 10/31/2024       | 3.05              | \$ 344                   | \$ 67                             |
| State of Connecticut Serial Notes Payable:                 |               |                  |                   |                          |                                   |
| Clean Water Act 625-D                                      | 12/31/2012    | 12/31/2031       | 2.00              | 1,865                    | 780                               |
| Clean Water Act 495-C                                      | 5/31/2013     | 6/1/2032         | 2.00              | 5,748                    | 2,528                             |
| Clean Water Act 625-D1                                     | 5/31/2015     | 12/31/2031       | 2.00              | 2,510                    | 1,177                             |
| Clean Water Act 707-Pd                                     | 2/26/2021     | 1/31/2041        | 2.00              | 1,655                    | 1,372                             |
| Clean Water Act 743-D                                      | 10/31/2023    | 9/30/2043        | 2.00              | 2,061                    | 1,957                             |
| Clean Water Act 743-D                                      | *             | *                | *                 | *                        | 10,425                            |
| Drinking Water State Revolving Fund 200801-C               | 7/1/2009      | 7/1/2029         | 2.27              | 450                      | 111                               |
| Drinking Water State Revolving Fund 2010-8005              | 3/31/2010     | 12/31/2029       | 2.06              | 145                      | 40                                |
| Drinking Water State Revolving Fund 2010-8006              | 3/31/2010     | 6/30/2030        | 2.06              | 326                      | 98                                |
| Drinking Water State Revolving Fund 2010-7005              | 4/30/2014     | 10/31/2032       | 2.00              | 160                      | 72                                |
| Drinking Water State Revolving Fund 2010-7006              | 4/30/2014     | 4/30/2032        | 2.00              | 148                      | 64                                |
| Drinking Water State Revolving Fund 2014-7027              | 6/30/2015     | 12/31/2034       | 2.27              | 506                      | 266                               |
| Drinking Water State Revolving Fund 2014-7036              | 5/31/2016     | 11/30/2036       | 2.00              | 4,052                    | 2,313                             |
| Drinking Water State Revolving Fund 2015-7037              | 10/12/2016    | 9/30/2034        | 2.00              | 1,528                    | 870                               |
| Drinking Water State Revolving Fund 2017-7056              | 2/28/2019     | 6/30/2028        | 2.00              | 2,695                    | 1,909                             |
| Drinking Water State Revolving Fund 2019-7069              | 12/31/2020    | 6/30/2040        | 2.00              | 2,477                    | 1,982                             |
| Drinking Water State Revolving Fund 2019-7072              | 8/31/2019     | 2/28/2039        | 2.00              | 1,582                    | 1,160                             |
| Drinking Water State Revolving Fund 2019-7081              | 11/30/2020    | 6/30/2040        | 2.00              | 2,414                    | 1,931                             |
| Drinking Water State Revolving Fund 2019-7077              | 9/30/2022     | 9/30/2041        | 2.00              | 5,824                    | 5,159                             |
| Drinking Water State Revolving Fund 2022-7104              | 3/31/2023     | 9/30/2042        | 2.00              | 131                      | 120                               |
| Total  |               |                  |                   |                          | <u>\$ 34,401</u>                  |

\* Loan is not permanently financed at this time.

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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements of the governmental activities bonded indebtedness is as follows:

| <u>Year Ending June 30.</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|-----------------------------|-------------------|------------------|-------------------|
| 2025                        | \$ 8,725          | \$ 5,777         | \$ 14,502         |
| 2026                        | 8,660             | 5,532            | 14,192            |
| 2027                        | 8,410             | 5,313            | 13,723            |
| 2028                        | 8,485             | 5,091            | 13,576            |
| 2029                        | 8,580             | 4,861            | 13,441            |
| 2030 - 2034                 | 41,270            | 20,804           | 62,074            |
| 2035 - 2039                 | 37,875            | 14,658           | 52,533            |
| 2040 - 2044                 | 38,455            | 7,953            | 46,408            |
| 2045 - 2048                 | 24,290            | 1,348            | 25,638            |
| Total                       | <u>\$ 184,750</u> | <u>\$ 71,337</u> | <u>\$ 256,087</u> |

The annual debt service requirements of the City's bond and notes payable of business-type activities are as follows:

| <u>Year Ending June 30.</u>  | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|--|------------------|-----------------|------------------|
| 2025   | \$ 1,934         | \$ 462          | \$ 2,396         |
| 2026   | 1,878            | 424             | 2,302            |
| 2027   | 1,889            | 387             | 2,276            |
| 2028   | 1,901            | 349             | 2,250            |
| 2029   | 1,910            | 311             | 2,221            |
| 2030 - 2034  | 8,054            | 1,013           | 9,067            |
| 2035 - 2039  | 4,931            | 343             | 5,274            |
| 2040 - 2044  | 1,479            | 77              | 1,556            |
| Subtotal   | <u>23,976</u>    | <u>3,366</u>    | <u>27,342</u>    |
| State of Connecticut -<br>Serial Notes not Permanently<br>Financed as of June 30, 2024 | <u>10,425</u>    | <u>-</u>        | <u>10,425</u>    |
| Total  | <u>\$ 34,401</u> | <u>\$ 3,366</u> | <u>\$ 37,767</u> |

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**Compensated Absences – Governmental Activity**

Employees can accumulate additional amounts of unused vacation and sick leave (as determined by individual union contracts) payable upon termination of their employment. Compensated absences' liabilities are generally liquidated by the General Fund. The following vested and nonvested estimated liabilities are summarized as follows:

|            |  |           |              |
|------------|--|-----------|--------------|
| Vested:    |  |           |              |
| Sick       |  | \$        | 775          |
| Vacation   |  |           | 815          |
| Other      |  |           | 261          |
| Nonvested: |  |           |              |
| Sick       |  |           | 1,413 *      |
| Total      |  | <u>\$</u> | <u>3,264</u> |

\* Based on estimated percentage of total nonvested obligation that potentially will vest in future years

**Compensated Absences – Business-Type Activity**

Department of Public Utilities employees can accumulate additional amounts of unused vacation and sick leave (as determined by individual union contracts) payable upon termination of their employment. Compensated absences' liabilities are generally liquidated by the Department of Public Utilities Fund. The following vested estimated liabilities are summarized as follows:

|          |  |           |              |
|----------|--|-----------|--------------|
| Sick     |  | \$        | 4,110        |
| Vacation |  |           | 1,465        |
| Total    |  | <u>\$</u> | <u>5,575</u> |

**Landfill Closure and Postclosure Care Cost – Governmental Activity**

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The current estimated total cost of the landfill closure and postclosure care of \$153 is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the complete landfill site as of June 30, 2024. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. The Landfill Closure fund has been used to liquidate landfill closure and postclosure liabilities, but the General Fund will be used to pay for future monitoring costs.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**Subscription-Based Information Technology Arrangements**

The City has entered into subscription based-information technology arrangements (SBITAs) for various items under long-term, noncancelable SBITA agreements. The SBITAs expire at various dates through 2026 and provide for renewal options.

Total future minimum payments under SBITA agreements are as follows:

| Year Ending June 30, | Business-Type Activities |          |
|----------------------|--------------------------|----------|
|                      | Principal                | Interest |
| 2025                 | \$ 80                    | \$ 8     |
| 2026                 | 47                       | -        |
| Total                | \$ 127                   | \$ 8     |

Subscription based information technology arrangement assets acquired through outstanding contracts are shown below.

|  |        |
|--|--------|
| Subscription Based Information Technology Arrangements | \$ 561 |
| Less: Accumulated Amortization                         | (207)  |
| Total  | \$ 354 |

**Bonds Authorized/Unissued**

Bonds authorized/unissued with outstanding debt at June 30, 2024 are as follows:

| Description                               | Authorized | Bonded    | Grants     | Authorized Unissued |
|---|------------|-----------|------------|---------------------|
| Dodd Stadium Capital Improvements (2018)  | \$ 800     | \$ 450    | \$ -       | \$ 350              |
| Infrastructure Improvement Program (2019) | 5,000      | 3,188     | -          | 1,812               |
| School Construction Program (2022)        | 385,000    | 10,000    | 240,000    | 135,000             |
| Infrastructure Improvement Program (2023) | 6,000      | -         | -          | 6,000               |
| Total                                     | \$ 396,800 | \$ 13,638 | \$ 240,000 | \$ 143,162          |

**Debt Limitations**

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

| Category        | Debt Limit | Net Indebtedness | Balance    |
|-----------------|------------|------------------|------------|
| General Purpose | \$ 204,878 | \$ 29,899        | \$ 174,979 |
| Schools         | 409,757    | 147,808          | 261,949    |
| Sewers          | 341,464    | 1,541            | 339,923    |
| Urban Renewal   | 295,935    | 1,280            | 294,655    |
| Pension Deficit | 273,171    | 136,370          | 136,801    |

The total of the City's net statutory indebtedness of \$316.9 million does not exceed the legal debt limitation of \$637.4 million (seven times the base for debt limitation computation).

**CITY OF NORWICH, CONNECTICUT  
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(IN THOUSANDS)**

**NOTE 10 FUND BALANCE**

**A. Fund Balance**

The components of fund balance at June 30, 2024 are as follows:

|                            | General<br>Fund  | Bond<br>Expenditure<br>Fund | Education<br>Grants | General<br>Government<br>Grants and<br>Programs | Nonmajor<br>Governmental<br>Funds | Total             |
|----------------------------|------------------|-----------------------------|---------------------|---|-----------------------------------|-------------------|
| Fund Balances:             |                  |                             |                     |   |                                   |                   |
| Nonspendable:              |                  |                             |                     |   |                                   |                   |
| Trust                      | \$ -             | \$ -                        | \$ -                | \$ -  | \$ 33                             | \$ 33             |
| Restricted for:            |                  |                             |                     |   |                                   |                   |
| Trust:                     |                  |                             |                     |   |                                   |                   |
| Cemetery Trusts            | -                | -                           | -                   | -   | 2,227                             | 2,227             |
| Parks and Gardens Trusts   | -                | -                           | -                   | -   | 17                                | 17                |
| Fred Abbot Summer Concert  | -                | -                           | -                   | -   | 1                                 | 1                 |
| Fire Districts             | -                | -                           | -                   | -   | 232                               | 232               |
| Student Activities         | -                | -                           | -                   | -   | 56                                | 56                |
| Opioid Remediation         | -                | -                           | -                   | -   | 238                               | 238               |
| Cannabis                   | -                | -                           | -                   | -   | 98                                | 98                |
| Youth Services             | -                | -                           | -                   | -   | 2                                 | 2                 |
| Lead Paint Abatement       | -                | -                           | -                   | -   | 25                                | 25                |
| Capital Improvements       | -                | -                           | -                   | -   | 1,287                             | 1,287             |
| Bond Expenditure           | -                | -                           | -                   | -   | 1,773                             | 1,773             |
| Committed to:              |                  |                             |                     |   |                                   |                   |
| Public Safety:             |                  |                             |                     |   |                                   |                   |
| Police Grants and Programs | -                | -                           | -                   | -   | 200                               | 200               |
| Public Works:              |                  |                             |                     |   |                                   |                   |
| Public Parking             | -                | -                           | -                   | -   | 239                               | 239               |
| Other                      | -                | -                           | -                   | -   | 437                               | 437               |
| Social Services:           |                  |                             |                     |   |                                   |                   |
| Recreation                 | -                | -                           | -                   | -   | 932                               | 932               |
| Human Services             | -                | -                           | -                   | -   | 44                                | 44                |
| Senior Center              | -                | -                           | -                   | -   | 63                                | 63                |
| General Government:        |                  |                             |                     |   |                                   |                   |
| Downtown Revitalization    | -                | -                           | -                   | -   | -                                 | -                 |
| Revolving Loan             | -                | -                           | -                   | -   | 301                               | 301               |
| Pension Reserve Fund       | -                | -                           | -                   | -   | 15,400                            | 15,400            |
| Other                      | -                | -                           | -                   | -   | 986                               | 986               |
| Education:                 |                  |                             |                     |   |                                   |                   |
| School Lunch               | -                | -                           | -                   | -   | 2,644                             | 2,644             |
| Adult Education            | -                | -                           | -                   | -   | 33                                | 33                |
| Other                      | -                | -                           | 86                  | -   | 37                                | 123               |
| Debt Service               | -                | 60,890                      | -                   | -   | -                                 | 60,890            |
| Assigned to:               |                  |                             |                     |   |                                   |                   |
| Encumbrances:              |                  |                             |                     |   |                                   |                   |
| General Government         | 87               | -                           | -                   | -   | -                                 | 87                |
| Public Safety              | 22               | -                           | -                   | -   | -                                 | 22                |
| Public Works               | 27               | -                           | -                   | -   | -                                 | 27                |
| Capital Projects           | -                | -                           | -                   | -   | 10,269                            | 10,269            |
| Unassigned                 | 20,072           | -                           | -                   | (337)   | (222)                             | 19,513            |
| Total Fund Balances        | <u>\$ 20,208</u> | <u>\$ 60,890</u>            | <u>\$ 86</u>        | <u>\$ (337)</u>                                 | <u>\$ 37,352</u>                  | <u>\$ 118,199</u> |

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 10 FUND BALANCE (CONTINUED)**

**B. Department of Public Utilities – Restricted Net Position**

Connecticut Municipal Electric Energy Cooperative (CMEEC) administers a Municipal Energy and Load Conservation Fund (the Fund) on behalf of its cooperative members, including the Norwich Department of Public Utilities (the Department). The Fund was established to comply with provisions of House Bill 7501, Public Act No. 05-1 requiring CMEEC to establish and administer the Fund. CMEEC includes a charge of 2.5 mills per kilowatt hour in the monthly purchase power costs of wholesale electricity sold to the Department for deposit into the Fund. Disbursements from the Fund are required to be made pursuant to a comprehensive electric conservation and load management plan. Funds held by CMEEC as of June 30, 2024 on behalf of the Department were \$250. Investment income that is earned on the Department's deposits along with the Fund's authorized expenses is recorded in the Department's statement of activities. The funds held by CMEEC on behalf of the Department are recorded as an asset on the Department's statement of net position and have been restricted.

**C. Encumbrances**

As discussed in Note 2. A., budgetary information, under the budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$136 within the General Fund for various reasons and \$10,269 within the Nonmajor Governmental Funds for capital projects.

**NOTE 11 TAX ABATEMENTS**

As of June 30, 2024, the City provides tax abatements through multiple programs:

- Connecticut Enterprise Zone Program
- Uniform Tax Deferral Process
- Wauregan Hotel Development Tax Abatement Agreement
- Housing Development Zone Program
- Distressed Municipalities

The Connecticut Enterprise Zone (EZ) Program provides real property tax abatements to encourage economic development in designated areas within a Targeted Investment Community of which the City has been designated, under Connecticut General Statutes Section 32-71 and City of Norwich Ordinance 7-91 and 7-94. Eligible businesses include manufacturers, warehouse distributors and certain designated service-related business. An EZ business applicant must complete a preliminary application to determine if all eligibility criteria will be met. After the request of the preliminary application has been met, the business applicant is required to submit a formal application to the Department of Economic and Community Development.

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**NOTE 11 TAX ABATEMENTS (CONTINUED)**

A seven-year abatement ranging from 100% to 0% (phased in over the abatement) of local property taxes on qualifying real and personal property, is subject to the property being new to the grand list of the municipality as a direct result of a business expansion or renovation project or, in the case of an existing building, having met the vacancy requirement. The property tax abatement is for a full seven-year period and takes effect with the start of the first full assessment year following the issuance of a "Certificate of Eligibility." For the fiscal year ended June 30, 2024, taxes abated through this program total \$18. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The Uniform Tax Deferral Process provides real property tax abatements on certain commercial property development in the City under Connecticut General Statutes Section 12-65c through 12-65e and the City of Norwich Ordinance 7-22. Abatements are obtained pursuant to a contract between the City and the owner of any such property. The contract shall provide the terms of such abatement, the moneys equal to the amount of such abatement and the criteria by which the property is required to be used for to receive the abatement. For the fiscal year ended June 30, 2024, taxes abated through this program total \$302. The contract includes provisions for cease and potential recapture of abatements if property is used for a purpose other than the one specified in the agreement. No other commitments have been made by the City to the abatement recipients under this program.

The Wauregan Hotel Development (WHD) tax abatement agreement was created to provide real property tax abatements for the rehabilitation of certain deteriorated property within the City pursuant of Connecticut General Statutes Section 8-215 and City of Norwich Ordinance 7-21. Under the terms of the agreement the rehabilitated property is to be used for low-income housing and abatement obtained pursuant to a contract between the City and the owner of the property. The property owner will receive an abatement of all taxes but is responsible for paying the City a payment in lieu of taxes equal to 20% of net operating income on the property. Continuation of the agreement is conditioned upon continued compliance with the provisions of the agreement and is terminated upon sale or transfer of the property for any other purpose unless the City has consented thereto. For the fiscal year ended June 30, 2024, taxes abated through this program total \$128. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The Housing Development Zone tax abatement agreements provide real property tax abatements for improvements to commercial and residential real estate in Housing Development Zones pursuant of Connecticut General Statutes Section 8-380. Under the terms of the agreements, qualifying developments in Housing Development zones provide an abatement over an eleven-year period where the assessment is increased incrementally from 0% to 100%. For the fiscal year ended June 30, 2024, taxes abated through this program total \$433. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 11 TAX ABATEMENTS (CONTINUED)**

The Distressed Municipalities tax abatement program provides real and personal property tax abatements to encourage investment in manufacturing. To be eligible, 30% of new employees must be residents of the Enterprise Zone or residents of the municipality in which the plant is located and eligible under the Workforce Investment Act. The program includes five-year 80% abatement of local property taxes on all qualifying real and personal property. For the fiscal year ended June 30, 2024, taxes abated through this program total \$178. No other commitments have been made by the City to the abatement recipients under this program.

**NOTE 12 RISK MANAGEMENT**

The City is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters and owners and contractors protective liability.

It is the policy of the City to self-insure for employee health insurance programs. To this end, the City created an internal service fund to which the various City funds “pay premiums” and from which employee medical claims are paid. Claims are accrued as incurred. The City also purchased “stop loss” insurance to limit its losses to \$175 per person in 2024 for hospitalization and prescriptions with a maximum aggregate for all claims of approximately \$21,030.

The City self-insures for workers’ compensation benefits. The City purchases commercial insurance for claims in excess of coverage provided by the workers’ compensation account with an individual claim maximum of \$600 and a \$10,000 aggregate maximum per year.

The workers’ compensation costs are funded by the General Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claim liabilities during the past two years are as follows:

|                        | Beginning of<br>Fiscal Year<br>Liability | Current Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Balance at<br>Fiscal<br>Year End |
|------------------------|--|---|-------------------|----------------------------------|
| Medical:               |  |   |                   |                                  |
| 2023 - 2024            | \$ 1,107                                 | \$ 16,403   | \$ 16,169         | \$ 1,341                         |
| 2022 - 2023            | 1,682                                    | 16,728  | 17,303            | 1,107                            |
| Workers’ Compensation: |  |   |                   |                                  |
| 2023 - 2024            | 4,559                                    | 2,172   | 1,908             | 4,823                            |
| 2022 - 2023            | 4,760                                    | 2,404   | 2,605             | 4,559                            |

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 12 RISK MANAGEMENT (CONTINUED)**

The City purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded coverage in any of the past three years.

The Department of Public Utilities accounts for the self-insured component of workers' compensation benefits for the Department's employees within the Department of Public Utilities Enterprise Fund. The Department has accrued \$878 for estimated unpaid accrued losses on reported claims as of June 30, 2024.

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**City of Norwich Retirement System**

**A. Plan Description and Benefits Provided**

The City is the administrator of the City's Consolidated Pension Plan, a single-employer contributory defined benefit public employee retirement system (PERS) established and administered by the City to provide pension benefits to all full-time noncertified employees. The Plan is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue a stand-alone report.

Management of the plans rest with the Personnel and Pension Board, which consists of five members (two members elected by plan members and three appointed by City Council). The City Treasurer shall have the care and custody of all pension funds and, with the approval of the Personnel and Pension Board, shall have the power to invest and reinvest the same in securities legal for investment of trust funds under the general statutes. The City Treasurer, with the approval of the Personnel and Pension Board, may designate and appoint a corporate trustee or trustees to manage the pension funds.

The City provides all retirement, death and disability benefits through a single employer, contributory defined benefit plan. Under the plan, all full-time salaried City employees, noncertified employees of the Board of Education and all full-time uniformed and investigatory employees classified as Police Officers and Firefighters are eligible after a probationary period.

**B. Union Coalition**

**2018 Agreement**

The members of the City Hall Employees, City Hall Supervisors, Public Works Employees, Public Works Supervisors, 911 Dispatchers, City nonunion and elected employees, Public Utilities Supervisory and Professional Employees, Public Utilities Technical and Clerical Employees, Public Utilities Water Distribution Employees, Public Schools Para-educators, Public Schools Custodians/ Maintainers, Public Schools Administrative Assistants, and Public Schools Nurses joined the 2018 coalition agreement for pension benefits.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**B. Union Coalition (Continued)**

2018 Agreement (Continued)

Under this agreement, employees are 100% vested in a pension to begin at age 60 if they terminate employment after 10 years of continuous service or after 25 years of service and attainment of age 55 or after 34 years of service regardless of age. Also, any employee terminating employment after age 50 with 25 years of service is eligible for a pension at a reduced percentage. Employees hired prior to January 1, 2018 receive a retirement benefit of 2.2% of average final earnings during the highest three years out of the last 10 consecutive year period with a maximum of 74.8% of average earnings. Employees hired on or after January 1, 2018 receive a retirement benefit of 1.95% of average final earnings during the highest three years out of the last 10 consecutive year period with a maximum of 66.3% of average earnings.

Employees contribute 8.5% of their wages to the plan.

**C. Police**

Employees hired on or before July 1, 2014 may retire after 20 years of service, regardless of age. Employees shall be paid 50% of the average compensation received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.20% for each year after 20 years for a maximum of 30 years or 72% of their average compensation received of the highest three years of their last 10 years of service, which additional years of service over 20 years shall be at the employee's option.

Employees hired after July 1, 2014 may retire after 25 years of service, regardless of age. Employees shall be paid 50% of the average compensation received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.50% for each year after 25 years for a maximum of 30 years or 62.5%.

Employees contribute 8.5% of their wages to the plan.

**D. Firefighters**

Employees hired prior to July 1, 2013 may retire after 20 years of service, regardless of age. Employees shall be paid 48% of their average pay received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.20% for each year after 20 years for a maximum of 30 years or 70%.

Employees hired on or after July 1, 2013 may retire after 25 years of service, regardless of age. Employees shall be paid 59% of their average pay received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.20% for each year after 25 years for a maximum of 30 years or 70%.

Employees generally contribute 9.5% of their wages to the plan.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**E. Plan Membership**

At July 1, 2023, the plan members consisted of (table not in thousands):

|   |       |
|---|-------|
| Retirees and Beneficiaries Currently Receiving Benefits | 541   |
| Terminated Employees Not Yet Receiving Benefits         | 50    |
| Active Plan Members                                     | 693   |
| Total   | 1,284 |

**F. Summary of Significant Accounting Policies, Plan Changes, and Plan Asset Matters**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City legislature. Benefits and contributions are established by the City and may be amended only by the City Charter and union negotiation. The City’s funding policy provides for periodic employer contributions at actuarially determined rates. The City’s current contribution percentage is 11.69% of covered payroll.

Administrative costs of the plan are financed through investment earnings.

**G. Investments**

**Investment Policy**

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Personnel and Pension Board by a majority vote of its members. It is the policy of the Personnel and Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**G. Investments (Continued)**

Investment Policy (Continued)

The following was the Board's adopted asset allocation policy as of June 30, 2024.

| <u>Asset Class</u>           | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return*</u> |
|------------------------------|------------------------------|--|
| U.S. Core Fixed Income       | 30.00 %                      | 1.93 %   |
| U.S. Large Caps              | 35.00                        | 3.87   |
| U.S. Small & Mid Caps        | 14.00                        | 4.06   |
| Foreign Developed Equity     | 17.00                        | 5.07   |
| Private Real Estate Property | 4.00                         | 3.82   |
| Total                        | <u>100.00 %</u>              |  |

\* Long-Term Returns are geometric means.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**H. Net Pension Liability of the City**

The components of the net pension liability of the City at June 30, 2024 were as follows:

|                             |                  |
|-----------------------------|------------------|
| Total Pension Liability     | \$ 394,243       |
| Plan Fiduciary Net Position | <u>(367,516)</u> |
| Net Pension Liability       | <u>\$ 26,727</u> |

|   |        |
|---|--------|
| Plan Fiduciary Net Position as a Percentage<br>of the Total Pension Liability | 93.22% |
|---|--------|

**I. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.60%                                     |
| Salary Increases          | Based on Age                              |
| Investment Rate of Return | 6.25%, Net of Investment-Related Expenses |

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**I. Actuarial Assumptions (Continued)**

Mortality rates were based on the Pub-2010 table with generational projection per MP-2021 Ultimate Scale.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the term rates shown above are geometric averages, the impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 6.25% was used.

**J. Discount Rate**

The discount rate used to measure the total pension liability was 6.25%. 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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 periods of projected benefit payments to determine the total pension liability.

**K. Changes in the Net Pension Liability**

|   | Increase (Decrease)        |                                |                          |
|---|----------------------------|--------------------------------|--------------------------|
|   | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|   | (a)                        | (b)                            | (a)-(b)                  |
| Balances as of July 1, 2023                                     | \$ 386,274                 | \$ 340,816                     | \$ 45,458                |
| Changes for the Year:   |                            |                                |                          |
| Service Cost  | 8,199                      | -                              | 8,199                    |
| Interest on Total Pension Liability                             | 23,940                     | -                              | 23,940                   |
| Differences Between Expected and<br>Actual Experience           | 561                        | -                              | 561                      |
| Changes in Assumptions  | (1,523)                    | -                              | (1,523)                  |
| Employer Contributions  | -                          | 5,275                          | (5,275)                  |
| Member Contributions  | -                          | 4,283                          | (4,283)                  |
| Net Investment Income   | -                          | 40,424                         | (40,424)                 |
| Benefit Payments, Including Refund of<br>Employee Contributions | (23,208)                   | (23,208)                       | -                        |
| Administrative Expenses   | -                          | (74)                           | 74                       |
| Net Changes   | 7,969                      | 26,700                         | (18,731)                 |
| Balances as of June 30, 2024                                    | <u>\$ 394,243</u>          | <u>\$ 367,516</u>              | <u>\$ 26,727</u>         |

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**L. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                       | 1% Decrease in<br>Discount Rate<br>(5.25%) | Current<br>Discount Rate<br>(6.25%) | 1% Increase in<br>Discount Rate<br>(7.25%) |
|-----------------------|--|-------------------------------------|--|
| Net Pension Liability | \$ 75,604                                  | \$ 26,727                           | \$ (13,876)                                |

**M. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City recognized pension expense of \$18,774. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|  | Governmental<br>Activities | Business-Type<br>Activities<br>Department of<br>Public Utilities | Total     |
|--|----------------------------|--|-----------|
| Deferred Outflows of Resources:  |                            |  |           |
| Differences Between Expected<br>and Actual Experience                                  | \$ 2,211                   | \$ 1,141   | \$ 3,352  |
| Changes of Assumptions   | 10,530                     | 5,509  | 16,039    |
| Total  | \$ 12,741                  | \$ 6,650   | \$ 19,391 |
| Deferred Inflows of Resources:   |                            |  |           |
| Differences Between Expected<br>and Actual Experience                                  | \$ 206                     | \$ 143   | \$ 349    |
| Changes of Assumptions   | 799                        | 413  | 1,212     |
| Net Difference Between Projected<br>and Actual Earnings on Pension<br>Plan Investments | 4,331                      | 2,541  | 6,872     |
| Total  | \$ 5,336                   | \$ 3,097   | \$ 8,433  |

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

|                            | Governmental<br>Activities | Business-Type<br>Activities<br>Department of<br>Public Utilities | Total     |
|----------------------------|----------------------------|--|-----------|
| <u>Year Ended June 30,</u> |                            |  |           |
| 2025                       | \$ 5,284                   | \$ 2,950   | \$ 8,234  |
| 2026                       | 7,992                      | 3,925  | 11,917    |
| 2027                       | (3,263)                    | (1,840)  | (5,103)   |
| 2028                       | (2,608)                    | (1,482)  | (4,090)   |
| Total                      | \$ 7,405                   | \$ 3,553   | \$ 10,958 |

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters’ Relief Plan**

**A. Plan Description and Benefits Provided**

The City is the administrator of a Volunteer Firefighters Relief Plan (Plan), a single-employer benefit plan established and administered by the City to provide pension benefits to volunteers. The Plan is considered to be a part of the City’s financial reporting entity and is included in the financial reports as a Pension Trust Fund. Stand-alone reports are not available for this plan.

Management of the plans rest with the Volunteer Firefighters’ Relief Fund Committee (VFFRF Committee), which consists of twelve members. Five members are appointed by the City Council, one is appointed by the Personnel and Pension Board, and one is the immediate past President of the VFFRF Committee. The City Treasurer shall have the care and custody of all pension funds and with the approval of the Committee, shall have the power to invest and reinvest the same in securities legal for investment of trust funds under the general statutes. The City Treasurer, with the approval of the Committee, may designate and appoint a corporate trustee or trustees to manage the pension funds.

Volunteers will begin receiving benefits when they are at least 55 years old and have at least 20 years of credited service. A plan member may purchase a year of credited service if he/she has responded to at least the lesser of 20% of all emergency calls or 150 calls as well as attending the lesser of 20% of his/her department’s training sessions and drills or 20 hours of training or drills during the plan year. “Retirees” from the plan receive a monthly benefit of \$24 (not in thousands) multiplied by the years of credited service to a maximum of 40 years and a maximum monthly benefit of \$960 (not in thousands).

The contribution requirements of plan members and the City are established and may be amended by the City Council. Members are required to contribute \$288 (not in thousands) for each calendar year of credited service.

At January 1, 2024, the plan members consisted of (table not in thousands):

|  |     |
|--|-----|
| Inactive Plan Members or Beneficiaries Currently |     |
| Receiving Benefits                               | 54  |
| Inactive Plan Members Entitled to but Not Yet    |     |
| Receiving Benefits                               | 78  |
| Active Plan Members                              | 59  |
| Total  | 191 |

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**B. Summary of Significant Accounting Policies, Plan Changes and Plan Asset Matters**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

The plan reports investments at fair value. Investment income is recognized as earned.

**Plan Expenses**

Expenses of administering the plan are paid for by the City's annual contribution to the plan.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City legislature. Members are required to contribute \$288 (not in thousands) for each calendar year of credited service.

**C. Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the VFFRF Committee by a majority vote of its members. It is the policy of the VFFRF Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the VFFRF Committee's adopted asset allocation policy as of June 30, 2024.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**C. Investments (Continued)**

Investment Policy (Continued)

| Asset Class                  | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return* |
|------------------------------|----------------------|---|
| U.S. Government Bonds        | 12.00 %              | 1.23 %  |
| U.S. Credit Bonds            | 15.00                | 2.44  |
| U.S. High Yield Bonds        | 3.00                 | 3.45  |
| U.S. Large Caps              | 35.00                | 3.87  |
| U.S. Mid Caps                | 8.00                 | 3.95  |
| U.S. Small Caps              | 6.00                 | 4.54  |
| Foreign Developed Equity     | 13.60                | 5.07  |
| Emerging Markets Equity      | 3.40                 | 6.18  |
| Private Real Estate Property | 4.00                 | 3.82  |
| Total Portfolio              | 100.00 %             |   |

\* Long-Term Returns are geometric means.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net Pension Liability of the City**

The components of the net pension liability of the City at June 30, 2024 were as follows:

|                             |          |
|-----------------------------|----------|
| Total Pension Liability     | \$ 7,294 |
| Plan Fiduciary Net Position | (3,909)  |
| Net Pension Liability       | \$ 3,385 |

|   |        |
|---|--------|
| Plan Fiduciary Net Position as a Percentage<br>of the Total Pension Liability | 53.59% |
|---|--------|

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**E. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.60%                                     |
| Salary Increases          | Based on Age                              |
| Investment Rate of Return | 6.25%, Net of Investment-Related Expenses |

Mortality rates were based on PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the term rates shown above are geometric averages, the impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 6.25% was used.

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.25%. 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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 periods of projected benefit payments to determine the total pension liability.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**G. Changes in the Net Pension Liability**

|   | Increase (Decrease)        |                                |                          |
|---|----------------------------|--------------------------------|--------------------------|
|   | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|   | (a)                        | (b)                            | (a)-(b)                  |
| Balances as of July 1, 2023                                     | \$ 7,179                   | \$ 3,591                       | \$ 3,588                 |
| Changes for the Year:   |                            |                                |                          |
| Service Cost  | 75                         | -                              | 75                       |
| Interest on Total Pension Liability                             | 440                        | -                              | 440                      |
| Differences Between Expected and<br>Actual Experience           | 81                         | -                              | 81                       |
| Changes in Assumptions  | (46)                       | -                              | (46)                     |
| Employer Contributions  | -                          | 329                            | (329)                    |
| Member Contributions  | -                          | 14                             | (14)                     |
| Net Investment Income   | -                          | 424                            | (424)                    |
| Benefit Payments, Including Refund of<br>Employee Contributions | (435)                      | (435)                          | -                        |
| Administrative Expenses   | -                          | (14)                           | 14                       |
| Net Changes   | <u>115</u>                 | <u>318</u>                     | <u>(203)</u>             |
| Balances as of June 30, 2024                                    | <u>\$ 7,294</u>            | <u>\$ 3,909</u>                | <u>\$ 3,385</u>          |

**H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                       | 1% Decrease in<br>Discount Rate<br>(5.25%) | Current<br>Discount Rate<br>(6.25%) | 1% Increase in<br>Discount Rate<br>(7.25%) |
|-----------------------|--|-------------------------------------|--|
| Net Pension Liability | \$ 4,219                                   | \$ 3,385                            | \$ 2,695                                   |

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City recognized pension expense of \$195. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|  | Governmental Activities              |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences Between Expected<br>and Actual Experience                                  | \$ 82                                | \$ 209                              |
| Changes of Assumptions   | 167                                  | 49                                  |
| Net Difference Between Projected<br>and Actual Earnings on Pension<br>Plan Investments | -                                    | 36                                  |
| Total  | <u>\$ 249</u>                        | <u>\$ 294</u>                       |

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

| <u>Year Ended June 30,</u> | Governmental<br>Activities |
|----------------------------|----------------------------|
| 2025                       | \$ (107)                   |
| 2026                       | 143                        |
| 2027                       | (42)                       |
| 2028                       | (39)                       |
| Total                      | <u>\$ (45)</u>             |

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**J. Schedule of Plan Net Position – June 30, 2024**

|                             | City<br>Employee<br>Pension<br>Trust Fund | Volunteer<br>Fire<br>Pension<br>Trust Fund | Total             |
|-----------------------------|---|--|-------------------|
| <b>ASSETS</b>               |   |  |                   |
| Cash and Cash Equivalents   | \$ 4,017                                  | \$ 59                                      | \$ 4,076          |
| Investments:                |   |  |                   |
| U.S. Government Securities  | 26,395                                    | -  | 26,395            |
| U.S. Government Agencies    | 8,705                                     | -  | 8,705             |
| Corporate Bonds             | 22,337                                    | -  | 22,337            |
| Mutual Funds                | 237,314                                   | 3,846                                      | 241,160           |
| Common Stock                | 60,471                                    | -  | 60,471            |
| Real Estate                 | 8,544                                     | -  | 8,544             |
| Accounts Receivable         |   | 5  | 5                 |
| Total Assets                | <u>367,783</u>                            | <u>3,910</u>                               | <u>371,693</u>    |
| <b>LIABILITIES</b>          |   |  |                   |
| Accounts and Other Payables | <u>267</u>                                | <u>1</u>                                   | <u>268</u>        |
| <b>NET POSITION</b>         |   |  |                   |
| Restricted for Pensions     | <u>\$ 367,516</u>                         | <u>\$ 3,909</u>                            | <u>\$ 371,425</u> |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**K. Schedule of Changes in Plan Net Position for the Year Ended June 30, 2024**

|   | City<br>Employee<br>Pension<br>Trust Fund | Volunteer<br>Fire<br>Pension<br>Trust Fund | Total             |
|---|---|--|-------------------|
| <b>ADDITIONS</b>  |   |  |                   |
| Contributions:  |   |  |                   |
| Employer  | \$ 5,275                                  | \$ 329                                     | \$ 5,604          |
| Plan Members  | 4,283                                     | 14   | 4,297             |
| Total Contributions   | <u>9,558</u>                              | <u>343</u>                                 | <u>9,901</u>      |
| Investment Income:  |   |  |                   |
| Net Appreciation in Fair Value<br>of Investments              | 31,778                                    | 326  | 32,104            |
| Interest and Dividends  | 9,570                                     | 119  | 9,689             |
| Total Investment Income                                       | <u>41,348</u>                             | <u>445</u>                                 | <u>41,793</u>     |
| Less: Investment Expense                                      | (924)                                     | (21)                                       | (945)             |
| Net Investment Income   | <u>40,424</u>                             | <u>424</u>                                 | <u>40,848</u>     |
| Total Additions   | 49,982                                    | 767  | 50,749            |
| <b>DEDUCTIONS</b>   |   |  |                   |
| Benefits  | 22,187                                    | 431  | 22,618            |
| Administration  | 74  | 14   | 88                |
| Lump Sum Distributions and Withdrawals                        | 1,021                                     | 4  | 1,025             |
| Total Deductions  | <u>23,282</u>                             | <u>449</u>                                 | <u>23,731</u>     |
| <b>NET INCREASE (DECREASE)</b>                                | 26,700                                    | 318  | 27,018            |
| Net Position Restricted for<br>Pensions - Beginning of Year   | <u>340,816</u>                            | <u>3,591</u>                               | <u>344,407</u>    |
| <b>NET POSITION RESTRICTED FOR<br/>PENSIONS - END OF YEAR</b> | <u>\$ 367,516</u>                         | <u>\$ 3,909</u>                            | <u>\$ 371,425</u> |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension**

**A. 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).

**B. 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.

**Normal Retirement**

Retirement benefits for 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).

**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 with reduced benefit amounts.

**Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), 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.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**C. Contributions (Continued)**

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2024, the amount of “on-behalf” contributions made by the state was \$11,336 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of pensionable salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the City 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 City 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 City were as follows:

|   |    |         |
|---|----|---------|
| City's Proportionate Share of the Net Pension Liability | \$ | -       |
| State's Proportionate Share of the Net Pension          |    |         |
| Liability Associated with the City                      |    | 122,179 |
| Total   | \$ | 122,179 |

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the City recognized pension expense and revenue of \$11,698 in Exhibit II.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions**

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

|                            |   |
|----------------------------|---|
| Inflation:                 | 2.50%   |
| Salary Increase:           | 3.00-6.50%, Including Inflation                                       |
| Investment Rate of Return: | 6.90%, Net of Pension Plan Investment<br>Expense, Including Inflation |

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study ending – June 30, 2019.

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

**Cost-of-Living Allowance**

For teachers who retired prior to September 1, 1992, pension benefit adjustments 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%.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions (Continued)**

Cost-of-Living Allowance (Continued)

For teachers who were members of the Teachers’ Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

| Asset Class                          | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|--------------------------------------|----------------------|--|
| Global Equity                        | 37.00 %              | 6.80 %                                       |
| Public Credit                        | 2.00                 | 2.90   |
| Core Fixed Income                    | 13.00                | 0.40   |
| Liquidity Fund                       | 1.00                 | (0.40)                                       |
| Risk Mitigation                      | 5.00                 | 0.10   |
| Private Equity                       | 15.00                | 11.20  |
| Private Credit                       | 10.00                | 6.10   |
| Real Estate                          | 10.00                | 6.20   |
| Infrastructure and Natural Resources | 7.00                 | 7.70   |
| Total                                | 100.00 %             |  |
| Total                                |                      |  |

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**F. 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 periods of projected benefit payments to determine the total pension liability.

**G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The City's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the state of Connecticut.

**H. 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).

**I. 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 City has no obligation to contribute to the plan.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Aggregated Pension Information**

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2024:

|  | Deferred<br>Outflow of<br>Resources<br>Related to<br>Pensions | Net Pension<br>Liability | Deferred<br>Inflow of<br>Resources<br>Related to<br>Pensions | Pension<br>Expense |
|--|---|--------------------------|--|--------------------|
| City of Norwich Retirement System:         |   |                          |  |                    |
| Governmental Activities                    | \$ 12,741   | \$ 18,482                | \$ 5,336   | \$ 12,193          |
| Business-Type Activities                   | 6,650   | 8,245                    | 3,097  | 6,581              |
| Total City of Norwich<br>Retirement System | 19,391  | 26,727                   | 8,433  | 18,774             |
| Volunteer Firefighters' Relief Plan:       |   |                          |  |                    |
| Governmental Activities                    | 249   | 3,385                    | 294  | 195                |
| Connecticut Teachers Retirement System:    |   |                          |  |                    |
| Governmental Activities                    | -   | -                        | -  | 11,698             |
|  | <u>\$ 19,640</u>  | <u>\$ 30,112</u>         | <u>\$ 8,727</u>  | <u>\$ 30,667</u>   |
| Totals                                     |   |                          |  |                    |
| Governmental Activities                    | \$ 12,990   | \$ 21,867                | \$ 5,630   | \$ 24,086          |
| Business-Type Activities                   | 6,650   | 8,245                    | 3,097  | 6,581              |
|  | <u>\$ 19,640</u>  | <u>\$ 30,112</u>         | <u>\$ 8,727</u>  | <u>\$ 30,667</u>   |

**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS**

**City of Norwich, Retiree Health Plan**

**A. Plan Description and Benefits Provided**

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. The Retiree Health Plan (RHP) is considered to be part of the City's financial reporting entity and is included in the City's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report. The RHP is a single-employer defined benefit healthcare plan administered by the City. Management of the RHP is vested with the Human Resources Director and Comptroller with policy oversight provided by the Personnel and Pension Board. The RHP provides medical, dental and life insurance benefits to eligible retirees and their spouses. All employees of the City are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees. The General Fund, the Fire Districts Fund and Department of Public Utilities are used to liquidate net other postemployment benefit obligations.

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**A. Plan Description and Benefits Provided (Continued)**

At July 1, 2023, plan membership consisted of the following:

|                      |       |
|----------------------|-------|
| Active Plan Members  | 904   |
| Retired Plan Members | 472   |
| Spouses of Retirees  | 49    |
| Beneficiaries        | 9     |
| Total Participants   | 1,434 |

**B. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the City.

Investments are reported at fair value. Investment income is recognized as earned.

**Plan Expenses**

Expenses of administering the plan are paid for by the plan from contributions.

**C. Funding Policy**

The City adopted the same funding policy for OPEB as it had for the Retirement System in 2014. In June 2018, the Norwich City Council temporarily suspended the funding requirement described above for the OPEB fund until 2022.

The City pays the full cost of life insurance premiums. The percentage contribution of plan members and the City for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving benefits under the City’s self-insured medical benefits program as follows:

**City Retirees**

City Retirees are comprised of five separate bargaining units (City Hall Employees, City Hall Supervisors, Dispatchers, Public Works Employees and Public Works Supervisors) and nonunion employees, and OPEB benefits for these groups have been bargained for individually.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**C. Funding Policy (Continued)**

City Retirees (Continued)

For most current City Retirees, the City funds the full cost of insurance for the retiree. The retiree must pay 50% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

Generally, City employees hired after 2013 are not eligible for postretirement medical benefits through the City.

Police Retirees

For most current retirees, the City funds full cost of insurance for the retiree. The retiree must pay 50% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

Police hired after June 2014 may elect to either waive postretirement medical coverage or contribute 1% of their earnings to the OPEB fund.

Police who are hired on or after January 1, 2018 are not eligible for postretirement medical benefits through the City.

Fire Retirees

For firefighters who retire on or after October 2013, the City funds full cost of insurance for the retiree. The retiree must pay 50% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

Firefighters hired after June 2013 contribute 1% of their earnings to the OPEB fund for the first five years of employment.

Firefighters hired after July 1, 2021 are not eligible for postretirement medical benefits through the City.

Retired Board of Education Teachers and Administrators

For most current retirees, the City funds full cost of insurance for the retiree and spouse up to age 70. The level of retiree and spouse benefits was scaled back incrementally through negotiations from 1995 through 2004. Teachers and Administrators hired after June 2004 pay the full cost of postretirement medical benefits through the City.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**C. Funding Policy (Continued)**

Retired Board of Education Custodians and Maintainers

The City funds full cost of insurance for the retiree and spouse hired before July 1997 and 50% of the cost if retiree was hired between 1997 and 2007. Coverage ends at age 65.

Custodians and Maintainers hired after June 2007 are not eligible for postretirement medical benefits through the City.

Retired Board of Education Nurses

The City funds full cost of insurance for the retiree and spouse hired before July 1994 until age 70 and 50% of the cost of retiree insurance for those hired between 1994 and 2009 until age 65.

Nurses hired after June 2009 are not eligible for postretirement medical benefits through the City.

Retired Board of Education Secretaries and Paraeducators

For most current retirees, the City funds full cost of insurance for the retiree and spouse up to age 70.

The level of retiree and spouse benefits was scaled back incrementally through negotiations from 1995 through 2004. Secretaries and Paraeducators hired after June 2004 are not eligible for postretirement medical benefits through the City.

Norwich Public Utilities' (NPU) Retirees

NPU retirees are comprised of three separate bargaining units (Water Distribution, Supervisory & Professional, and Technical & Clerical) and nonunion employees, and OPEB benefits for these groups have been bargained for individually.

For most current NPU retirees, the City funds the full cost of insurance for the retiree. The retiree must pay 100% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

The level of the City's contribution was scaled back from 100% to 95% through negotiations with the three bargaining units from 1995 through 1997.

For the year ended June 30, 2024, plan members and the Teacher Retirement Board contributed \$1,597. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan for the year ended June 30, 2024 totaled \$3,441.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**D. Investments**

Investment Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Personnel and Pension Board. It is the policy of the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The City’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 12.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net OPEB Liability of the City**

The City’s net OPEB liability was measured as of June 30, 2024. The components of the net OPEB liability of the City at June 30, 2024 were as follows:

|                             |                  |
|-----------------------------|------------------|
| Total OPEB Liability        | \$ 72,045        |
| Plan Fiduciary Net Position | <u>38,467</u>    |
| Net OPEB Liability          | <u>\$ 33,578</u> |

|  |        |
|--|--------|
| Plan Fiduciary Net Position as a<br>Percentage of the Total OPEB Liability | 53.39% |
|--|--------|

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |   |
|------------------------------|---|
| Inflation:                   | 3%  |
| Salary Increases:            | Varies by age, service and employee group   |
| Investment Rate of Return:   | 6.25%   |
| Healthcare Cost Trend Rates: | Pre-Medicare: 6.6% - 4.0% over 52 years; Post-Medicare: 6.3% - 4.0% over 52 years |

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**F. Actuarial Assumptions (Continued)**

Mortality rates for BOE certified employees were based on the PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date.

Mortality rates for all other employees were based on Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP-2021 Ultimate Scale. For Police and Fire Employees, the PubS-2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 target allocation and best estimates of real rates of return for each major asset as of June 30, 2024 are summarized in the following table:

| <u>Asset Class</u>       | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return*</u> |
|--------------------------|------------------------------|--|
| U.S. Core Fixed Income   | 30.00%                       | 1.93%  |
| U.S. Large Caps          | 37.00%                       | 3.87%  |
| U.S. Small & Mid Caps    | 15.00%                       | 4.06%  |
| Foreign Developed Equity | 18.00%                       | 5.07%  |
| Total                    | <u>100.00%</u>               |  |

\* Long-Term Returns are geometric means.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(IN THOUSANDS)**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**H. Changes in the Net OPEB Liability**

|   | Increase (Decrease)     |                                |                       |
|---|-------------------------|--------------------------------|-----------------------|
|   | Total OPEB<br>Liability | Plan Fiduciary<br>Net Position | Net OPEB<br>Liability |
|   | (a)                     | (b)                            | (a)-(b)               |
| Balances as of July 1, 2023                           | \$ 67,245               | \$ 33,831                      | \$ 33,414             |
| Changes for the Year:                                 |                         |                                |                       |
| Service Cost  | 1,569                   | -                              | 1,569                 |
| Interest  | 4,199                   | -                              | 4,199                 |
| Change in Benefit Terms                               |                         | -                              | -                     |
| Differences Between Expected<br>and Actual Experience | 7,760                   | -                              | 7,760                 |
| Changes in Assumptions                                | (5,415)                 | -                              | (5,415)               |
| Contributions - Employer                              | -                       | 3,441                          | (3,441)               |
| Contributions - Member                                | -                       | 12                             | (12)                  |
| Net Investment Income                                 | -                       | 4,528                          | (4,528)               |
| Benefit Payments                                      | (3,313)                 | (3,313)                        | -                     |
| Administrative Expenses                               | -                       | (32)                           | 32                    |
| Net Changes   | <u>4,800</u>            | <u>4,636</u>                   | <u>164</u>            |
| Balances as of June 30, 2024                          | <u>\$ 72,045</u>        | <u>\$ 38,467</u>               | <u>\$ 33,578</u>      |

**I. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City at the current discount rate, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

|                    | 1% Decrease<br>(5.25%) | Current<br>Discount Rate<br>(6.25%) | 1% Increase<br>(7.25%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 39,545              | \$ 33,578                           | \$ 28,323              |

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City at the current healthcare cost trend rate, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

|                    | 1% Decrease<br>(Pre-Medicare:<br>5.6% - 3.0%<br>Post-Medicare<br>5.3% - 3.0%) | Current<br>Trend Rate<br>(Pre-Medicare:<br>6.6% - 4.0%<br>Post-Medicare<br>6.3% - 4.0%) | 1% Increase<br>(Pre-Medicare:<br>7.6% - 5.0%<br>Post-Medicare<br>7.3% - 5.0%) |
|--------------------|---|---|---|
| Net OPEB Liability | \$ 27,523   | \$ 33,578   | \$ 40,565   |

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the City recognized OPEB expense of \$3,013. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Governmental<br>Activities | Business-Type<br>Activities<br>Department of<br>Public Utilities | Total       |
|--|----------------------------|--|-------------|
| <b>Deferred Outflows of Resources:</b>                             |                            |  |             |
| Differences Between Expected<br>and Actual Experience              | \$ 4,758                   | \$ 1,750   | \$ 6,508    |
| Changes of Assumptions   | 3,661                      | 622  | 4,283       |
| Total  | \$ 8,419                   | \$ 2,372   | \$ 10,791   |
| <b>Deferred Inflows of Resources:</b>                              |                            |  |             |
| Differences Between Expected<br>and Actual Experience              | \$ (4,936)                 | \$ (1,084)   | \$ (6,020)  |
| Changes of Assumptions   | (3,981)                    | (561)  | (4,542)     |
| Net Difference Between Projected<br>and Actual Earnings on Pension | (784)                      | (93)   | (877)       |
| Total  | \$ (9,701)                 | \$ (1,738)   | \$ (11,439) |

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB  
(Continued)**

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

| <u>Year Ended June 30,</u> | Governmental<br>Activities | Business-Type<br>Activities       | Total           |
|----------------------------|----------------------------|-----------------------------------|-----------------|
|                            |                            | Department of<br>Public Utilities |                 |
| 2025                       | \$ (784)                   | \$ 218                            | \$ (566)        |
| 2026                       | 369                        | 46                                | 415             |
| 2027                       | (860)                      | (17)                              | (877)           |
| 2028                       | (222)                      | 148                               | (74)            |
| 2029                       | 180                        | 199                               | 379             |
| Thereafter                 | 35                         | 40                                | 75              |
| Total                      | <u>\$ (1,282)</u>          | <u>\$ 634</u>                     | <u>\$ (648)</u> |

**L. Schedule of Plan Net Position – June 30, 2024**

|                              | Other<br>Postemployment<br>Benefit Trust<br>Fund |
|------------------------------|--|
| <b>ASSETS</b>                |  |
| Cash and Cash Equivalents    | \$ 797   |
| Investments:                 |  |
| U.S. Government Securities   | 4,607  |
| U.S. Government Agencies     | 1,875  |
| Corporate Bonds              | 4,396  |
| Mutual Funds                 | 16,366   |
| Common Stock                 | 10,534   |
| Real Estate                  | 113  |
| Total Assets                 | <u>38,688</u>                                    |
| <b>LIABILITIES</b>           |  |
| Accounts Payable             | <u>221</u>                                       |
| Total Liabilities            | <u>221</u>                                       |
| <b>NET POSITION</b>          |  |
| Restricted for OPEB Benefits | <u>\$ 38,467</u>                                 |

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**M. Schedule of Changes in Plan Net Position for the Year Ended June 30, 2024**

|  | Other<br>Postemployment<br>Benefit Trust<br>Fund |
|--|--|
| <b>ADDITIONS</b>   |  |
| Contributions:   |  |
| Employer   | \$ 3,441   |
| Plan Members   | 1,597  |
| Total Contributions  | 5,038  |
| Investment Income:   |  |
| Net Appreciation in Fair Value of Investments                      | 3,681  |
| Interest and Dividends   | 968  |
| Total Investment Income  | 4,649  |
| Less Investment Expense  | (89)   |
| Net Investment Income  | 4,560  |
| Total Additions  | 9,598  |
| <b>DEDUCTIONS</b>  |  |
| Benefits   | 4,406  |
| Administration   | 556  |
| Total Deductions   | 4,962  |
| <b>NET INCREASE</b>  | 4,636  |
| Net Position Restricted for OPEB Benefits -<br>Beginning of Year   | 33,831   |
| <b>NET POSITION RESTRICTED FOR OPEB<br/>BENEFITS - END OF YEAR</b> | <b>\$ 38,467</b>                                 |

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**

**A. 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.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**A. Plan Description (Continued)**

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).

**B. Benefit Provisions**

There are two types of the 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.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**C. Survivor Health Care Coverage (Amounts Not Rounded)**

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.

**D. Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**Proratable 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.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**E. 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)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$154 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**F. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2024, the City 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 City 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 City was as follows:

|   |    |        |
|---|----|--------|
| City's Proportionate Share of the Net OPEB Liability  | \$ | -      |
| State's Proportionate Share of the Net OPEB Liability |    |        |
| Associated with the City                              |    | 11,446 |
| Total   | \$ | 11,446 |

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB (Continued)**

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the City recognized OPEB expense and revenue of (\$1,348) in Exhibit II.

**G. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

|  |   |
|--|---|
| Inflation:                                 | 2.50%   |
| Healthcare Costs Trend Rate:               | Known Increases Until Calendar Year 2024 then<br>General Trend Decreasing to an Ultimate Rate<br>of 4.50% by 2031 |
| Salary Increases:                          | 3.00-6.50%, Including Inflation   |
| Investment Rate of Return:                 | 3.64%, Net of OPEB Plan Investment<br>Expense, Including Inflation  |
| Year Fund Net Position will be<br>Depleted | 2028  |

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.53% to 3.64%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**G. Actuarial Assumptions (Continued)**

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 (0.77%).

**H. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

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

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

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

The City'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.

**J. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**K. 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 City has no obligation to contribute to the plan.

**Aggregated OPEB Information**

The City recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2024:

|   | Deferred<br>Outflow of<br>Resources<br>Related to<br>OPEB | Net OPEB<br>Liability | Deferred<br>Inflow of<br>Resources<br>Related to<br>OPEB | OPEB<br>Expense |
|---|---|-----------------------|--|-----------------|
| City of Norwich Retiree Health Plan:    |   |                       |  |                 |
| Governmental Activities                 | \$ 8,419  | \$ 25,464             | \$ 9,701   | \$ 1,819        |
| Business-Type Activities                | 2,372   | 8,114                 | 1,738  | 1,194           |
| Connecticut Teachers Retirement System: |   |                       |  |                 |
| Governmental Activities                 | -   | -                     | -  | (1,348)         |
| Total                                   | <u>\$ 10,791</u>  | <u>\$ 33,578</u>      | <u>\$ 11,439</u>   | <u>\$ 1,665</u> |
| Governmental Activities                 | \$ 8,419  | \$ 25,464             | \$ 9,701   | \$ 471          |
| Business-Type Activities                | 2,372   | 8,114                 | 1,738  | 1,194           |
| Total                                   | <u>\$ 10,791</u>  | <u>\$ 33,578</u>      | <u>\$ 11,439</u>   | <u>\$ 1,665</u> |

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 15 JOINTLY GOVERNED AND RELATED ORGANIZATIONS**

**Connecticut Municipal Electric Energy Cooperative (CMEEC)**

CMEEC is a public corporation organized in 1976 under Connecticut Public Act 75-634, subsequently enacted as Title 7-233, Chapter 101a of the General Statutes of Connecticut, as amended. It is empowered to undertake the planning, financing, acquisition, construction and operation of facilities for the generation, and transmission of electric power and energy for its member utilities, including the City of Norwich, Department of Public Utilities (the Department), and others. CMEEC may issue bonds in its own name. Under the bylaws of CMEEC, a Board of Directors comprised of representatives from the participating members was established. CMEEC's Board is comprised of twenty representatives and officers. The governing board consists of representatives appointed by each of the participating members and assumes all the management decisions. Two representatives from the City of Norwich, Department of Public Utilities serve on the Board. The CMEEC Board acts as a regulatory body in that it reviews and approves recovery of costs in rates on an annual basis.

CMEEC has entered into power sales contracts with each of the members including the City of Norwich Department of Public Utilities. Under the contracts, each of the member utilities have agreed to purchase essentially all of its electric power required for resale from CMEEC, with CMEEC's electric revenues to consist of billings for resale of power. The contracts obligate each member utility to pay for their share of CMEEC's fixed costs, which consist primarily of debt service and CMEEC administrative and general costs on a take or pay basis. The member utilities maintain this fixed cost obligation whether or not they take any power from CMEEC. The amount of power purchased from CMEEC for the fiscal year ended June 30, 2024 was \$27,860.

During the 2012 fiscal year, CMEEC and its members became participants in the Regional Greenhouse Gas Initiative Fund (RGGI), which is an initiative that implements the carbon dioxide cap and trading program as proposed by the RGGI in Connecticut. During the 2024 fiscal year, the share of contributions to the fund received by the Department totaled \$442, with drawdowns of \$345, and interest on the fund of \$2. The balance of the Department funds held by CMEEC for the RGGI was \$224 for the year ended June 30, 2024.

**Purchased Gas Contracts**

The Department of Public Utilities participates in forward contracts for the purchase of gas capacity for storage and transmission. Under the terms of the contracts, the Department is obligated to make payments for set capacities that will be charged at variable and fixed rates until the end of the respective terms. As of June 30, 2024, the Department has obligations in place through 2031. Expense under the contracts totaled \$6,031 during the year ended June 30, 2024.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 16 COMMITMENTS AND CONTINGENCIES**

**Power Sales Contract – Norwich Department of Public Utilities (Department)**

CMEEC supplies power to the Department under a Power Sales Contract that became effective April 25, 2013. The contract obligates the Department to pay a percentage of CMEEC’s fixed costs obligations, including debt service and administrative and general costs. Under the power sales agreement, the Department is required to pay its percentage of CMEEC’s fixed cost obligations whether or not they purchase power from CMEEC. The contract will remain in effect until the date when all of the indebtedness and fixed cost obligations of CMEEC have been paid in full and thereafter until terminated by either party following not less than three years prior written notice to the other party of its intention to terminate, provided, however, CMEEC shall not incur or issue any indebtedness with a maturity date later than December 31, 2052.

The Department has rate stabilization funds held by CMEEC that were previously collected in conjunction with the purchase of energy to stabilize the price of energy. The Department’s current rate structure to purchase power from CMEEC includes a rate stabilization component. Under the rate stabilization premise, the principal repayment of debt service is deferred and amortized over the life of the related debt and recoverable from future billings. Under this premise, the shortfall between the current rate stabilization funds held by CMEEC and the percentage of unfunded CMEEC debt allocated to the Department represents an unfunded debt obligation recoverable by future billings.

The Department’s net deferred debt fixed cost obligation to CMEEC as of June 30, 2024 is summarized as follows:

|   |    |          |
|---|----|----------|
| CMEEC - Debt Service Fixed Cost Obligation                  | \$ | 13,494   |
| Department - Rate Stabilization Funds on Deposit with CMEEC |    | (11,308) |
| Net Deferred Fixed Cost Obligation                          | \$ | 2,186    |

The rate stabilization funds held by CMEEC and the allocated percentage of CMEEC’s debt obligation are not reported on the Department’s statement of net position. The fixed cost obligation paid by the Department to CMEEC included in the cost to purchase power for the current year was \$2,127.

All payments due to CMEEC under the Power Sales Contract may not be subordinated to any other obligation of the City.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Combined Sewer Overflows**

Under various consent decrees issued by the United States Environmental Protection Agency and State of Connecticut Department of Environmental Protection (consent decrees), the Department is/was required to submit a Collection System Bypass Summary, develop and implement an Emergency Response Plan, submit a CMOM Program Self-Assessment, submit a CMOM and CSO Corrective Action Plan, submit a recurring CMOM & CSO Annual Report, and submit an updated CMOM Program Self-Assessment Checklist.

As of June 30, 2024, capital investment by the Department, if any, is not known and compliance with the consent decrees does not materially affect the financial position of the Department.

**Municipal Solid Waste Management Services Contract**

The City has entered into the municipal solid waste management services contract, as amended (the service contract) with the Southeastern Connecticut Regional Resources Recovery Authority (the Authority) pursuant to which it participates with 10 other Connecticut Municipalities (the eleven constituting the Contracting Municipalities), in the Southeastern Connecticut System (the System). The System consists of a mass-burn solid waste disposal and electric generation facility located in the Town of Preston (the Facility) and various improvements and facilities related thereto, including landfills. The Facility is complete and presently receiving waste from Contracting Municipalities.

Under the service contract, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 23 thousand tons per year and to pay a uniform per ton disposal service payment (the service payment). The aggregate minimum commitment of the 11 Contracting Municipalities is approximately 154 thousand tons per year.

The service payment applicable in any contract year is calculated by estimating the net cost of operation, which is the cost of operation less revenues other than service payments, as such terms are defined in the service contract. The sum of all service payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the net cost of operations.

Service payments shall be payable so long as the system is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the facility. The City has pledged its full faith and credit to the payment of service payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the service payments.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 17 LITIGATION**

There are several lawsuits pending against the City. The outcome and eventual liability of the City, if any, in these cases is not known at this time. Based upon consultation with legal counsel, the City's management estimates that potential claims against the City, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial position of the City.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

|                                     | Budgeted Amounts |           | Actual    | Variance |
|-------------------------------------|------------------|-----------|-----------|----------|
|                                     | Original         | Final     |           |          |
| <b>General Property Taxes:</b>      |                  |           |           |          |
| Current Tax Levy                    | \$ 75,639        | \$ 75,639 | \$ 76,127 | \$ 488   |
| Motor Vehicle Supplement            | 9,087            | 9,087     | 8,727     | (360)    |
| Prior Years Levy                    | 1,710            | 1,710     | 2,162     | 452      |
| Interest and Liens                  | 1,146            | 1,146     | 1,295     | 149      |
| Total                               | 87,582           | 87,582    | 88,311    | 729      |
| <b>Other Taxes:</b>                 |                  |           |           |          |
| Conveyance Tax                      | 981              | 981       | 943       | (38)     |
| Telecommunications Tax              | 82               | 82        | 125       | 43       |
| Total                               | 1,063            | 1,063     | 1,068     | 5        |
| <b>Intergovernmental Revenues:</b>  |                  |           |           |          |
| Payment in Lieu of Taxes            | 3,154            | 3,154     | 3,140     | (14)     |
| City Housing                        | 167              | 167       | 179       | 12       |
| Mashantucket-Pequot Mohegan         | 2,360            | 2,360     | 2,360     | -        |
| Youth Service Bureau                | 72               | 72        | 72        | -        |
| Town Aid Road                       | 497              | 497       | 495       | (2)      |
| Municipal Revenue Sharing           | 4,310            | 4,310     | 4,616     | 306      |
| EMPG                                |                  |           | 33        | 33       |
| Education Cost Sharing              | 32,317           | 32,317    | 32,282    | (35)     |
| Health Services                     | 91               | 91        | 61        | (30)     |
| Enhanced 911 Telecommunication Fund | 190              | 190       | 170       | (20)     |
| Total                               | 43,158           | 43,158    | 43,408    | 250      |
| <b>Charges for Services:</b>        |                  |           |           |          |
| Senior Citizens Center              | 7                | 7         | 10        | 3        |
| Landfill                            | 93               | 93        | 60        | (33)     |
| Direct Hauler Fees                  | 782              | 782       | 867       | 85       |
| Backyard Rollout Fee                | 8                | 8         | 6         | (2)      |
| Recording Fees                      | 215              | 215       | 172       | (43)     |
| Planning and Zoning Fees            | 19               | 19        | 26        | 7        |
| Printing and Duplication Fees       | 57               | 57        | 56        | (1)      |
| Notary Public Fees                  | 1                | 1         | 2         | 1        |
| Vital Statistics                    | 120              | 120       | 112       | (8)      |
| Total                               | 1,302            | 1,302     | 1,311     | 9        |
| <b>Licenses and Permits:</b>        |                  |           |           |          |
| Public Safety Permits               | 22               | 22        | 20        | (2)      |
| Building Permits                    | 856              | 856       | 1,101     | 245      |
| Road Opening Permits                | 3                | 3         | 3         | -        |
| Marriage Licenses                   | 4                | 4         | 4         | -        |
| Animal Licenses                     | 2                | 2         | -         | (2)      |
| Total                               | 887              | 887       | 1,128     | 241      |

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

|  | Budgeted Amounts  |                   | Actual       | Variance        |
|--|-------------------|-------------------|--------------|-----------------|
|  | Original          | Final             |              |                 |
| <b>Fines and Assessments:</b>              |                   |                   |              |                 |
| Traffic Violations                         | \$ 6              | \$ 6              | \$ 5         | \$ (1)          |
| Blight Citations                           | 27                | 27                | 61           | 34              |
| Sewer Assessments                          | 260               | 260               | 211          | (49)            |
| Total                                      | <u>293</u>        | <u>293</u>        | <u>277</u>   | <u>(16)</u>     |
| <b>Rents and Royalties:</b>                |                   |                   |              |                 |
| Building Rent Revenue                      | 392               | 392               | 293          | (99)            |
| Property Rent                              | 106               | 106               | 100          | (6)             |
| Cell Tower Rent                            | 95                | 95                | 91           | (4)             |
| Facilities Rent                            | 25                | 25                | 33           | 8               |
| Total                                      | <u>618</u>        | <u>618</u>        | <u>517</u>   | <u>(101)</u>    |
| <b>Investment Income:</b>                  |                   |                   |              |                 |
| Interest on Investments                    | 2,400             | 2,400             | 2,779        | 379             |
| <b>Other Revenues:</b>                     |                   |                   |              |                 |
| Financial Services                         | 119               | 119               | 117          | (2)             |
| Human Resources Services                   | 60                | 60                | 67           | 7               |
| Publics Works Services                     | 41                | 41                | 41           | -               |
| Sale of City Assets                        | 163               | 163               | 93           | (70)            |
| Miscellaneous Revenue                      | 40                | 40                | 62           | 22              |
| Total                                      | <u>423</u>        | <u>423</u>        | <u>380</u>   | <u>(43)</u>     |
| Total Revenues                             | 137,726           | 137,726           | 139,179      | 1,448           |
| <b>Other Financing Sources:</b>            |                   |                   |              |                 |
| Transfers in:                              |                   |                   |              |                 |
| Cemetery Trust                             | 78                | 78                | 81           | 3               |
| Department of Public Utilities             | 5,814             | 5,814             | 5,838        | 24              |
| Police                                     | 173               | 173               | 77           | (96)            |
| School Construction                        | 896               | 900               | 1,303        | 403             |
| Golf Course Authority                      | 25                | 25                | 25           | -               |
| Total Other Financing Sources              | <u>6,986</u>      | <u>6,990</u>      | <u>7,324</u> | <u>334</u>      |
| Total Revenues and Other Financing Sources | <u>\$ 144,712</u> | <u>\$ 144,716</u> | 146,503      | <u>\$ 1,782</u> |

Budgetary revenues are different than GAAP revenues because:

State of Connecticut State Teachers' Retirement System on-behalf pension contributions for City teachers is not budgeted. 11,336

State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for City teachers is not budgeted. 154

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 2,293

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Exhibit IV

\$ 160,286

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

|                                    | Budgeted Amounts |        | Actual   | Variance |
|------------------------------------|------------------|--------|----------|----------|
|                                    | Original         | Final  |          |          |
| <b>General Government:</b>         |                  |        |          |          |
| City Council                       | \$ 481           | \$ 481 | \$ 462   | \$ 19    |
| City Manager                       | 463              | 463    | 454      | 9        |
| Finance                            | 2,052            | 2,071  | 2,037    | 34       |
| Assessor                           | 577              | 582    | 551      | 31       |
| City Treasurer                     | 383              | 383    | 378      | 5        |
| Law                                | 439              | 439    | 384      | 55       |
| Human Resources                    | 737              | 737    | 702      | 35       |
| City Clerk                         | 563              | 563    | 547      | 16       |
| Planning and Neighborhood Services | 1,413            | 1,433  | 1,417    | 16       |
| Election                           | 195              | 195    | 161      | 34       |
| Total General Government           | 7,303            | 7,347  | 7,093    | 254      |
| <b>Public Safety:</b>              |                  |        |          |          |
| Police                             | 19,216           | 19,261 | 19,139   | 122      |
| <b>Fire:</b>                       |                  |        |          |          |
| Fire General                       | 2,533            | 2,538  | 2,330    | 208      |
| Emergency Management               | 77               | 77     | 59       | 18       |
| East Great Plain                   | 174              | 174    | 161      | 13       |
| Laurel Hill                        | 92               | 92     | 89       | 3        |
| Occum                              | 112              | 112    | 95       | 17       |
| Taftville                          | 178              | 178    | 177      | 1        |
| Yantic                             | 190              | 190    | 191      | (1)      |
| Total Public Safety                | 22,572           | 22,622 | 22,241   | 381      |
| <b>Social Services:</b>            |                  |        |          |          |
| Senior Citizens Center             | 817              | 822    | 805      | 17       |
| Youth and Family Services          | 696              | 699    | 662      | 37       |
| Human Services                     | 536              | 537    | 503      | 34       |
| Total Social Services              | 2,049            | 2,058  | 1,970    | 88       |
| <b>Public Works:</b>               |                  |        |          |          |
| Street Maintenance                 | 5,102            | 5,041  | 4,970    | 71       |
| Engineering and Administration     | 1,048            | 1,052  | 1,040    | 12       |
| Street Lighting                    | 364              | 364    | 365      | (1)      |
| Fleet Maintenance                  | 1,700            | 1,760  | 1,705    | 55       |
| Refuse and Recycling               | 3,092            | 3,092  | 3,046    | 46       |
| Building Maintenance               | 1,491            | 1,492  | 1,465    | 27       |
| Parking Maintenance                | 108              | 108    | 108      | -        |
| Total Public Works                 | 12,905           | 12,909 | 12,699   | 210      |
| Board of Education                 | 89,474           | 93,097 | 93,097 * | -        |

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

|               | Budgeted Amounts  |                   | Actual   | Variance        |
|---------------|-------------------|-------------------|----------|-----------------|
|               | Original          | Final             |          |                 |
| Other         | \$ 3,244          | \$ 3,137          | \$ 2,965 | \$ 172          |
| Transfers Out | 7,169             | 7,169             | 7,169    | -               |
| Total         | <u>\$ 144,716</u> | <u>\$ 148,339</u> | 147,234  | <u>\$ 1,105</u> |

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut State Teachers' Retirement System on-behalf pension contributions for City teachers is not budgeted. 11,336

State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for City teachers is not budgeted. 154

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 2,293

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes. (136)

Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for financial statement reporting purposes. 165

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 161,046

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CITY EMPLOYEES**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

|  | 2024      | 2023      | 2022      | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015      |
|--|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|-----------|
| Total Pension Liability:   |           |           |           |            |            |            |            |            |            |           |
| Service Cost   | \$ 8,199  | \$ 7,994  | \$ 6,252  | \$ 6,691   | \$ 5,973   | \$ 5,881   | \$ 5,769   | \$ 5,656   | \$ 5,890   | \$ 5,498  |
| Interest   | 23,940    | 23,173    | 23,279    | 22,662     | 21,529     | 20,905     | 20,965     | 20,281     | 18,659     | 17,981    |
| Differences Between Expected and Actual Experience                         | 561       | 3,515     | 1,939     | -          | 795        | -          | (295)      | -          | 3,337      | -         |
| Changes of Benefit Terms   | -         | -         | (1,206)   | -          | 212        | -          | (4,568)    | -          | 634        | -         |
| Changes of Assumptions   | (1,523)   | -         | 39,068    | -          | 15,732     | -          | 4,117      | -          | 8,811      | -         |
| Benefit Payments, Including Refunds of Member Contributions                | (23,208)  | (22,037)  | (20,722)  | (20,092)   | (18,792)   | (18,326)   | (17,496)   | (16,927)   | (15,426)   | (14,836)  |
| Net Change in Total Pension Liability                                      | 7,969     | 12,645    | 48,610    | 9,261      | 25,449     | 8,460      | 8,492      | 9,010      | 21,905     | 8,643     |
| Total Pension Liability - Beginning  | 386,274   | 373,629   | 325,019   | 315,758    | 290,309    | 281,849    | 273,357    | 264,347    | 242,442    | 233,799   |
| Total Pension Liability - Ending   | 394,243   | 386,274   | 373,629   | 325,019    | 315,758    | 290,309    | 281,849    | 273,357    | 264,347    | 242,442   |
| Plan Fiduciary Net Position:   |           |           |           |            |            |            |            |            |            |           |
| Contributions - Employer   | 5,275     | 4,411     | 144,718   | 12,774     | 12,107     | 11,432     | 10,103     | 8,711      | 7,581      | 6,718     |
| Contributions - Member   | 4,283     | 4,223     | 4,062     | 3,937      | 3,917      | 3,896      | 3,664      | 3,386      | 3,358      | 3,247     |
| Net Investment Income (Loss)   | 40,424    | 28,424    | (26,532)  | 40,742     | 7,176      | 12,528     | 12,097     | 18,213     | (2,851)    | 4,681     |
| Benefit Payments, Including Refunds of Member Contributions                | (23,208)  | (22,038)  | (20,722)  | (20,092)   | (18,792)   | (18,326)   | (17,496)   | (16,927)   | (15,426)   | (14,836)  |
| Administrative Expense   | (74)      | (73)      | (352)     | (106)      | (74)       | (7)        | (44)       | (5)        | (42)       | (4)       |
| Net Change in Plan Fiduciary Net Position                                  | 26,700    | 14,947    | 101,174   | 37,255     | 4,334      | 9,523      | 8,324      | 13,378     | (7,380)    | (194)     |
| Plan Fiduciary Net Position - Beginning                                    | 340,816   | 325,869   | 224,695   | 187,440    | 183,106    | 173,583    | 165,259    | 151,881    | 159,261    | 159,455   |
| Plan Fiduciary Net Position - Ending                                       | 367,516   | 340,816   | 325,869   | 224,695    | 187,440    | 183,106    | 173,583    | 165,259    | 151,881    | 159,261   |
| Net Pension Liability - Ending   | \$ 26,727 | \$ 45,458 | \$ 47,760 | \$ 100,324 | \$ 128,318 | \$ 107,203 | \$ 108,266 | \$ 108,098 | \$ 112,466 | \$ 83,181 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 93.22%    | 88.23%    | 87.22%    | 69.13%     | 59.36%     | 63.07%     | 61.59%     | 60.46%     | 57.46%     | 65.69%    |
| Covered Payroll  | \$ 45,121 | \$ 43,591 | \$ 43,693 | \$ 43,693  | \$ 43,693  | \$ 43,693  | \$ 43,095  | \$ 41,638  | \$ 42,011  | \$ 40,590 |
| Net Pension Liability as a Percentage of Covered Payroll                   | 59.23%    | 104.28%   | 109.31%   | 229.61%    | 293.68%    | 245.36%    | 251.23%    | 259.61%    | 267.71%    | 204.93%   |

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CITY EMPLOYEES  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|  | 2024      | 2023      | 2022         | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
|--|-----------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially Determined Contribution                                  | \$ 5,254  | \$ 4,411  | \$ 13,684    | \$ 12,759 | \$ 12,073 | \$ 12,010 | \$ 10,820 | \$ 10,732 | \$ 9,740  | \$ 9,651  |
| Contributions in Relation to the Actuarially Determined Contribution | 5,275     | 4,411     | 144,718      | 12,774    | 12,107    | 11,432    | 10,103    | 8,711     | 7,581     | 6,718     |
| Contribution Deficiency (Excess)                                     | \$ (21)   | \$ -      | \$ (131,034) | \$ (15)   | \$ (34)   | \$ 578    | \$ 717    | \$ 2,021  | \$ 2,159  | \$ 2,933  |
| Covered Payroll  | \$ 45,121 | \$ 43,591 | \$ 43,693    | \$ 43,693 | \$ 43,693 | \$ 43,095 | \$ 41,638 | \$ 42,011 | \$ 40,590 | \$ 39,262 |
| Contributions as a Percentage of Covered Payroll                     | 11.69%    | 10.12%    | 331.22%      | 29.24%    | 27.71%    | 26.53%    | 24.26%    | 20.74%    | 18.68%    | 17.11%    |

Notes to Schedule:

Valuation Date: July 1, 2023  
 Measurement Date: June 30, 2024  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

- Actuarial Cost Method: Entry age normal
- Amortization Method: Level percent
- Remaining Amortization Period: 24 years
- Asset Valuation Method: As of July 1, 2021 the Actuarial Value of Assets has been reset to the Market Value of Assets. In subsequent years, the Actuarial Value of Assets will be determined by recognizing market gains and losses non-asymptotically over a five year period.
- Inflation: 2.60%
- Salary Increases: Aged based
- Investment Rate of Return: 6.25%
- Retirement Age - City and Public Utility Employees: The earliest of age 55 with 25 years of service, age 60 with 10 years of service, or any age with 34 years of service.
- Retirement Age - Board of Education Employees: The earliest of age 55 with 25 years of service, age 60 with 10 years of service, or any age with 34 years of service.
- Retirement Age - Police Officers and Firefighters: Police hired on or before 7/1/2014: any age with 20 years of service. Police hired after 7/1/2014: any age with 25 years of service. Fire hired before 7/1/2013: any age with 20 years of service. Fire hired on or after 7/1/2013: any age with 25 years of service.
- Mortality: Pub-2010 Mortality Table for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection of future improvements in longevity per the MP-2021 (prior: MP-2019) Ultimate Scale. For Police, Fire, Public Works, Board of Education Custodians, and NPU Field Employees, the PubS-2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
CITY EMPLOYEES  
LAST TEN FISCAL YEARS**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 12.04%      | 8.86%       | -9.54%      | 21.27%      | 3.95%       | 7.29%       | 7.40%       | 12.17%      | -1.81%      | 2.98%       |

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**VOLUNTEER FIRE**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

|  | 2024     | 2023     | 2022     | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Pension Liability:   |          |          |          |          |          |          |          |          |          |          |
| Service Cost   | \$ 75    | \$ 89    | \$ 71    | \$ 58    | \$ 82    | \$ 65    | \$ 63    | \$ 63    | \$ 59    | \$ 59    |
| Interest   | 440      | 433      | 467      | 456      | 445      | 434      | 421      | 411      | 361      | 351      |
| Differences Between Expected and Actual Experience                         | 81       | -        | (904)    | 8        | (2)      | -        | 97       | -        | (230)    | -        |
| Changes of Benefit Terms   | -        | -        | 408      | -        | -        | -        | -        | -        | 706      | -        |
| Changes of Assumptions   | (46)     | -        | 364      | -        | 249      | -        | (78)     | -        | 144      | -        |
| Benefit Payments, Including Refunds of Member Contributions                | (435)    | (388)    | (400)    | (355)    | (347)    | (339)    | (333)    | (322)    | (301)    | (277)    |
| Net Change in Total Pension Liability                                      | 115      | 134      | 6        | 167      | 427      | 160      | 170      | 152      | 739      | 133      |
| Total Pension Liability - Beginning  | 7,179    | 7,045    | 7,039    | 6,872    | 6,445    | 6,285    | 6,115    | 5,963    | 5,224    | 5,091    |
| Total Pension Liability - Ending   | 7,294    | 7,179    | 7,045    | 7,039    | 6,872    | 6,445    | 6,285    | 6,115    | 5,963    | 5,224    |
| Plan Fiduciary Net Position:   |          |          |          |          |          |          |          |          |          |          |
| Contributions - Employer   | 329      | 310      | 357      | 335      | 365      | 365      | 373      | 373      | 351      | 333      |
| Contributions - Member   | 14       | 16       | 14       | 10       | 10       | 11       | 14       | 14       | 16       | 16       |
| Net Investment Income (Loss)   | 424      | 339      | (575)    | 839      | 84       | 175      | 192      | 265      | (9)      | 16       |
| Benefit Payments, Including Refunds of Member Contributions                | (435)    | (388)    | (400)    | (355)    | (347)    | (339)    | (333)    | (322)    | (301)    | (277)    |
| Administrative Expense   | (14)     | (4)      | (10)     | (6)      | (9)      | (1)      | (9)      | (2)      | (9)      | (4)      |
| Net Change in Plan Fiduciary Net Position                                  | 318      | 273      | (614)    | 823      | 103      | 211      | 237      | 328      | 48       | 84       |
| Plan Fiduciary Net Position - Beginning                                    | 3,591    | 3,318    | 3,932    | 3,109    | 3,006    | 2,795    | 2,558    | 2,230    | 2,182    | 2,098    |
| Plan Fiduciary Net Position - Ending                                       | 3,909    | 3,591    | 3,318    | 3,932    | 3,109    | 3,006    | 2,795    | 2,558    | 2,230    | 2,182    |
| Net Pension Liability - Ending   | \$ 3,385 | \$ 3,588 | \$ 3,727 | \$ 3,107 | \$ 3,763 | \$ 3,439 | \$ 3,490 | \$ 3,557 | \$ 3,733 | \$ 3,042 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 53.59%   | 50.02%   | 47.10%   | 55.86%   | 45.24%   | 46.64%   | 44.47%   | 41.83%   | 37.40%   | 41.77%   |
| Covered Payroll*   | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     |
| Net Pension Liability as a Percentage of Covered Payroll                   | N/A      |

\* Covered payroll is not included in the above schedule as the persons covered are volunteers.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
VOLUNTEER FIRE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|  | 2024   | 2023   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016    | 2015    |
|--|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Actuarially Determined Contribution                                  | \$ 329 | \$ 310 | \$ 357 | \$ 335 | \$ 365 | \$ 365 | \$ 373 | \$ 373 | \$ 304  | \$ 304  |
| Contributions in Relation to the Actuarially Determined Contribution | 329    | 310    | 357    | 335    | 365    | 365    | 369    | 187    | 373     | 366     |
| Contribution Deficiency (Excess)                                     | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ 4   | \$ 186 | \$ (69) | \$ (62) |
| Covered-Employee Payroll*  | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -    | \$ -    |
| Contributions as a Percentage of Covered Payroll                     | N/A     | N/A     |

\* Covered payroll is not included in the above schedule as the persons covered are volunteers.

Notes to Schedule:

Valuation Date: January 1, 2024

Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of January 1, one and a half years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Entry age normal   |
| Amortization Method           | Level percent  |
| Remaining Amortization Period | 20 years   |
| Asset Valuation Method        | Market value of assets   |
| Inflation                     | 2.60%  |
| Investment Rate of Return     | 6.25%  |
| Retirement Age                | Varies by age, service and date of hire  |
| Mortality                     | PubS-2010 Mortality Table with generational projection per the MP-2021 (prior: MP-2019) Ultimate Scale |

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
VOLUNTEER FIRE  
LAST TEN FISCAL YEARS**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 11.51%      | 10.01%      | -14.13%     | 25.73%      | 2.73%       | 6.06%       | 7.25%       | 10.91%      | -0.37%      | 0.70%       |

**CITY OF NORWICH, CONNECTICUT  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS RETIREMENT PLAN  
 LAST TEN FISCAL YEARS  
 (IN THOUSANDS)**

|  | 2024              | 2023              | 2022             | 2021              | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
|--|-------------------|-------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| City's Proportion of the Net Pension Liability   | 0.00%             | 0.00%             | 0.00%            | 0.00%             | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            |
| City's Proportionate Share of the Net Pension Liability  | \$ -              | \$ -              | \$ -             | \$ -              | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |
| State's Proportionate Share of the Net Pension Liability Associated with the City              | 122,179           | 113,479           | 85,110           | 107,461           | 82,027           | 63,248           | 76,431           | 80,635           | 57,271           | 52,936           |
| Total  | <u>\$ 122,179</u> | <u>\$ 113,479</u> | <u>\$ 85,110</u> | <u>\$ 107,461</u> | <u>\$ 82,027</u> | <u>\$ 63,248</u> | <u>\$ 76,431</u> | <u>\$ 80,635</u> | <u>\$ 57,271</u> | <u>\$ 52,936</u> |
| City's Covered Payroll   | \$ 33,341         | \$ 34,156         | \$ 29,338        | \$ 26,335         | \$ 20,294        | \$ 24,148        | \$ 22,652        | \$ 24,204        | \$ 24,594        | \$ 28,303        |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 0.00%             | 0.00%             | 0.00%            | 0.00%             | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 58.39%            | 54.06%            | 60.77%           | 49.24%            | 52.00%           | 57.69%           | 55.93%           | 52.26%           | 59.50%           | 61.51%           |

Notes to Schedule:

Changes in Benefit Terms  
 Changes of Assumptions

None  
 None

Actuarial Cost Method  
 Amortization Method  
 Remaining Amortization Period  
 Asset Valuation Method  
 Inflation  
 Salary Increase  
 Investment Rate of Return

Entry Age  
 Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation  
 27.8 Years  
 4-Year Smoothed Market  
 2.50%  
 3.00%-6.50%, Including Inflation  
 6.90%, Net of Investment-Related Expense

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

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST NINE FISCAL YEARS\***  
**(IN THOUSANDS)**

|   | 2024      | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total OPEB Liability:   |           |           |           |           |           |           |           |           |           |
| Service Cost  | \$ 1,569  | \$ 1,383  | \$ 1,096  | \$ 1,288  | \$ 1,200  | \$ 1,644  | \$ 1,699  | \$ 1,658  | \$ 1,610  |
| Interest  | 4,199     | 3,929     | 4,704     | 4,519     | 4,650     | 4,437     | 4,687     | 4,552     | 4,416     |
| Change of Benefit Terms   | -         | -         | -         | -         | -         | -         | (645)     | -         | -         |
| Differences Between Expected and Actual Experience                      | 7,760     | -         | (10,937)  | -         | (4,127)   | -         | (951)     | 138       | 1,010     |
| Changes of Assumptions  | (5,415)   | 1,812     | 5,832     | -         | 1,182     | -         | (2,129)   | -         | -         |
| Benefit Payments  | (3,313)   | (2,690)   | (3,274)   | (2,872)   | (2,450)   | (3,175)   | (4,572)   | (4,624)   | (5,164)   |
| Net Change in Total OPEB Liability                                      | 4,800     | 4,434     | (2,579)   | 2,935     | 455       | 2,906     | (1,911)   | 1,724     | 1,872     |
| Total OPEB Liability - Beginning  | 67,245    | 62,811    | 65,390    | 62,455    | 62,000    | 59,094    | 61,005    | 59,281    | 57,409    |
| Total OPEB Liability - Ending   | 72,045    | 67,245    | 62,811    | 65,390    | 62,455    | 62,000    | 59,094    | 61,005    | 59,281    |
| Plan Fiduciary Net Position:  |           |           |           |           |           |           |           |           |           |
| Contributions - Employer  | 3,441     | 3,239     | 4,684     | 4,367     | 5,340     | 5,240     | 5,548     | 5,492     | 5,566     |
| Contributions - Member  | 12        | 13        | 10        | 11        | 10        | 15        | 200       | 177       | 291       |
| Net Investment Income (Loss)  | 4,528     | 3,260     | (4,043)   | 5,494     | 856       | 1,534     | 1,035     | 1,420     | (562)     |
| Benefit Payments, Including Refunds of Member Contributions             | (3,313)   | (2,691)   | (3,274)   | (2,872)   | (2,450)   | (3,175)   | (4,572)   | (4,624)   | (5,164)   |
| Administrative Expense  | (32)      | (9)       | (30)      | (9)       | (28)      | (10)      | (22)      | (2)       | (20)      |
| Net Change in Plan Fiduciary Net Position                               | 4,636     | 3,812     | (2,653)   | 6,991     | 3,728     | 3,604     | 2,189     | 2,463     | 111       |
| Plan Fiduciary Net Position - Beginning                                 | 33,831    | 30,019    | 32,672    | 25,681    | 21,953    | 18,349    | 16,160    | 13,697    | 13,586    |
| Plan Fiduciary Net Position - Ending                                    | 38,467    | 33,831    | 30,019    | 32,672    | 25,681    | 21,953    | 18,349    | 16,160    | 13,697    |
| Net OPEB Liability - Ending   | \$ 33,578 | \$ 33,414 | \$ 32,792 | \$ 32,718 | \$ 36,774 | \$ 40,047 | \$ 40,745 | \$ 44,845 | \$ 45,584 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 53.39%    | 50.31%    | 47.79%    | 49.96%    | 41.12%    | 35.41%    | 31.05%    | 26.49%    | 23.11%    |
| Covered-Employee Payroll  | \$ 61,617 | \$ 61,617 | \$ 61,617 | \$ 68,379 | \$ 65,850 | \$ 63,623 | \$ 59,548 | \$ 57,814 | \$ 56,130 |
| Net OPEB Liability as a Percentage of Covered-Employee Payroll          | 54.49%    | 54.23%    | 53.22%    | 47.85%    | 55.85%    | 62.94%    | 68.42%    | 77.57%    | 81.21%    |

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OPEB  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|  | 2024      | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially Determined Contribution (1)                              | \$ 3,441  | \$ 3,239  | \$ 4,684  | \$ 4,367  | \$ 5,522  | \$ 5,485  | \$ 5,542  | \$ 5,492  | \$ 5,566  | \$ 5,431  |
| Contributions in Relation to the Actuarially Determined Contribution | 3,441     | 3,239     | 4,684     | 4,367     | 5,340     | 5,240     | 5,548     | 5,492     | 5,566     | 5,446     |
| Contribution Deficiency (Excess)                                     | \$ -      | \$ -      | \$ -      | \$ -      | \$ 182    | \$ 245    | \$ (6)    | \$ -      | \$ -      | \$ (15)   |
| Covered-Employee Payroll   | \$ 61,617 | \$ 61,617 | \$ 61,617 | \$ 68,379 | \$ 68,379 | \$ 65,850 | \$ 63,623 | \$ 59,548 | \$ 57,814 | \$ 56,130 |
| Contributions as a Percentage of Covered-Employee Payroll            | 5.58%     | 5.26%     | 7.60%     | 6.39%     | 7.81%     | 7.96%     | 8.72%     | 9.22%     | 9.63%     | 9.70%     |

(1) Actuarial determined contributions prior to fiscal year ended June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date: July 1, 2023  
 Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

|   |   |
|---|---|
| Actuarial Cost Method                                       | Entry age normal  |
| Amortization Method   | Level percent   |
| Amortization Period   | 24 Years  |
| Asset Valuation Method                                      | Market value  |
| Inflation   | 2.6%  |
| Healthcare Cost Trend Rates                                 | Pre-Medicare: 6.6% - 4.0% over 52 years; Post-Medicare: 6.3% - 4.0% over 52 years   |
| Salary Increases  | Varies by age, service and employee group   |
| Investment Rate of Return                                   | 6.25%   |
| Retirement Age - City and Public Utilities Employees        | Age 55 with 25 years of service or age 60 with 5 years of service   |
| Retirement Age - Board of Education Certified Employees     | Normal retirement for teachers is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age.<br>Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.  |
| Retirement Age - Board of Education Non-Certified Employees | Any age with 25 years of service or age 60 with 10 years of service.  |
| Retirement Age - Police Officers                            | Hired before 7/1/14 - any age with 20 years of service.<br>Hired on or after 7/1/14 - any age with 25 years of service.   |
| Retirement Age - Firefighters                               | Hired before 7/1/13 - any age with 20 years of service.<br>Hired on or after 7/1/13 - any age with 25 years of service.   |
| Healthy Mortality   | BOE Certified#: Current: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 (prior: MP-2019) Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 (prior: MP-2019) Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries.<br>This assumption includes a margin for improvements in longevity beyond the valuation date.<br>All Others: Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP 2021 (prior: MP-2019) Ultimate Scale. For Police and Fire Employees, the PubS- 2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity. |
| Disabled Mortality  | BOE Certified #: Current: PubT-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2021 (prior: MP-2019) Ultimate scale. This assumption includes a margin for mortality improvement beyond the valuation date.<br>All Others: Pub-2010 Mortality Table for Disabled Annuitants with generational projection of future improvements in longevity per the MP 2021 (prior: MP-2019) Ultimate Scale. For Police and Fire Employees, the PubS-2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.   |

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB  
LAST EIGHT FISCAL YEARS\***

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 12.76%      | 10.27%      | -11.30%     | 18.78%      | 3.67%       | 7.82%       | 6.19%       | 9.18%       |

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF NORWICH, CONNECTICUT  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 TEACHERS RETIREMENT PLAN  
 LAST SEVEN FISCAL YEARS\*  
 (IN THOUSANDS)**

|   | 2024             | 2023            | 2022            | 2021             | 2020             | 2019             | 2018             |
|---|------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| City's Proportion of the Net OPEB Liability   | 0.00%            | 0.00%           | 0.00%           | 0.00%            | 0.00%            | 0.00%            | 0.00%            |
| City's Proportionate Share of the Net OPEB Liability  | \$ -             | \$ -            | \$ -            | \$ -             | \$ -             | \$ -             | \$ -             |
| State's Proportionate Share of the Net OPEB Liability<br>Associated with the City                   | 11,446           | 9,938           | 9,273           | 16,028           | 12,793           | 12,644           | 19,672           |
| Total   | <u>\$ 11,446</u> | <u>\$ 9,938</u> | <u>\$ 9,273</u> | <u>\$ 16,028</u> | <u>\$ 12,793</u> | <u>\$ 12,644</u> | <u>\$ 19,672</u> |
| City's Covered Payroll  | \$ 33,341        | \$ 34,156       | \$ 29,338       | \$ 26,335        | \$ 20,294        | \$ 24,148        | \$ 22,652        |
| City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | 0.00%            | 0.00%           | 0.00%           | 0.00%            | 0.00%            | 0.00%            | 0.00%            |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)                     | 11.92%           | 9.46%           | 6.11%           | 2.50%            | 2.08%            | 1.49%            | 1.79%            |

Notes to Schedule:

|                               |   |
|-------------------------------|---|
| Changes in Benefit Terms      | There were no changes to benefit terms since the prior Measurement Date   |
| Changes of Assumptions        | Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023. |
| Actuarial Cost Method         | Entry age   |
| Amortization Method           | Level percent of payroll over an open period  |
| Remaining Amortization Period | 30 years  |
| Asset Valuation Method        | Market value of assets  |
| Investment Rate of Return     | 3.00%, net of investment related expense including price inflation  |
| Price Inflation               | 2.5%  |

\*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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

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

**CITY OF NORWICH, CONNECTICUT  
REPORT OF TAX COLLECTOR  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

| Grand List   | Uncollected Taxes<br>July 1, 2022 | Lawful Corrections |               | Transfers to<br>Suspense | Adjusted Taxes<br>Collectible | Collections                                     |                  |                 |               | Net Uncollected Taxes<br>June 30, 2024 | Overpayment Credit<br>Balances | Gross Uncollected Taxes<br>June 30, 2024 |
|--------------|-----------------------------------|--------------------|---------------|--------------------------|-------------------------------|---|------------------|-----------------|---------------|--|--------------------------------|--|
|              |                                   | Additions          | Deductions    |                          |                               | Taxes   | Interest         | Fees            | Total         |  |                                |  |
| 2022         | \$ 87,367 *                       | \$ 107             | \$ 381        | \$ 20                    | \$ 87,073                     | \$ 84,792                                       | \$ 499           | \$ 23           | \$ 85,314     | \$ 2,281                               | \$ 153                         | \$ 2,434                                 |
| 2021         | 2,418                             | 42                 | 136           | 8                        | 2,316                         | 1,302   | 286              | 25              | 1,613         | 1,014                                  | 31                             | 1,045                                    |
| 2020         | 1,185                             | 47                 | 149           | 66                       | 1,017                         | 437   | 165              | 54              | 656           | 580                                    | 60                             | 640                                      |
| 2019         | 633                               | 23                 | 88            | 311                      | 257                           | 128   | 84               | 16              | 228           | 129                                    | -                              | 129                                      |
| 2018         | 188                               | 8                  | 50            | 7                        | 139                           | 50  | 40               | 9               | 99            | 89                                     | 1                              | 90                                       |
| 2017         | 109                               | -                  | 29            | 7                        | 73                            | 25  | 23               | 11              | 59            | 48                                     | -                              | 48                                       |
| 2016         | 81                                | -                  | 29            | 7                        | 45                            | 9   | 9                | 1               | 19            | 36                                     | -                              | 36                                       |
| 2015         | 64                                | -                  | 27            | 7                        | 30                            | 4   | 5                | 1               | 10            | 26                                     | -                              | 26                                       |
| 2014         | 51                                | -                  | 22            | 6                        | 23                            | 2   | 2                | -               | 4             | 21                                     | -                              | 21                                       |
| 2013         | 42                                | -                  | 21            | 6                        | 15                            | 2   | 2                | -               | 4             | 13                                     | -                              | 13                                       |
| 2012         | 39                                | -                  | 15            | 8                        | 16                            | 2   | 4                | -               | 6             | 14                                     | -                              | 14                                       |
| 2011         | 27                                | -                  | 8             | 8                        | 11                            | 2   | 4                | -               | 6             | 9                                      | -                              | 9  |
| 2010         | 21                                | -                  | 7             | 8                        | 6                             | 2   | 4                | -               | 6             | 4                                      | -                              | 4  |
| 2009         | 19                                | -                  | 7             | 7                        | 5                             | 1   | 2                | 2               | 5             | 4                                      | -                              | 4  |
| 2008         | 8                                 | -                  | 2             | 3 **                     | 3                             | -   | -                | -               | -             | 3                                      | -                              | 3  |
| 2007         | 1                                 | -                  | -             | -                        | 1                             | -   | -                | -               | -             | 1                                      | -                              | 1  |
| <b>Total</b> | <b>\$ 92,253</b>                  | <b>\$ 227</b>      | <b>\$ 971</b> | <b>\$ 479</b>            | <b>\$ 91,030</b>              | <b>86,758</b>                                   | <b>1,129</b>     | <b>142</b>      | <b>88,029</b> | <b>\$ 4,272</b>                        | <b>\$ 245</b>                  | <b>\$ 4,517</b>                          |
|              |                                   |                    |               |                          |                               | Suspense Collections                            | 74               | 85              | 24            | 183                                    |                                |  |
|              |                                   |                    |               |                          |                               | Volunteer Fire Fighter Credits Expended         | 39               | -               | -             | 39                                     |                                |  |
|              |                                   |                    |               |                          |                               | Less: Collection fees                           | (108)            | -               | -             | (108)                                  |                                |  |
|              |                                   |                    |               |                          |                               | <b>Total Tax Collections</b>                    | <b>\$ 86,763</b> | <b>\$ 1,214</b> | <b>\$ 166</b> | <b>88,143</b>                          |                                |  |
|              |                                   |                    |               |                          |                               | Property Taxes Receivable Considered Available: |                  |                 |               |  |                                |  |
|              |                                   |                    |               |                          |                               | June 30, 2023                                   |                  |                 |               | (464)                                  |                                |  |
|              |                                   |                    |               |                          |                               | June 30, 2024                                   |                  |                 |               | 548                                    |                                |  |
|              |                                   |                    |               |                          |                               | <b>Total</b>                                    |                  |                 |               | <b>\$ 88,227</b>                       |                                |  |

\* Includes motor vehicle supplemental levy of \$1,198

\*\* Operation of law

**NONMAJOR GOVERNMENTAL FUNDS**

## NONMAJOR GOVERNMENTAL FUNDS

### Debt Service

The Debt Service Fund accounts for financial resources transferred in from other fund to fund debt service obligations.

### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each special revenue fund is as follows:

| Fund                                | Funding Source   | Function                                 |
|-------------------------------------|--|--|
| Dog License                         | License fees   | Operation of dog pound                   |
| School Lunch Program                | State and federal grants, program income                         | Operations of the school lunch program   |
| Sidewalk                            | Charges for service and city appropriation                       | Sidewalk replacement                     |
| Fire Districts                      | Taxes, charges for service and state grants                      | Fire and refuse services                 |
| Adult Education                     | Federal and state grants   | Adult education programs                 |
| Adult Education Multi Year          | Federal and state grants   | Adult education programs                 |
| Parking Commission                  | Charges for service and fees                                     | City parking authority                   |
| Opioid Settlement Fund              | National opioid settlement                                       | Opioid use prevention                    |
| Cannabis Fund                       | Funds received from cannabis gross receipts taxes                | Miscellaneous activities                 |
| Youth Services                      | Federal and state grants, contributions, and charges for service | Youth Service Bureau                     |
| Lead Paint Abatement                | Federal grant and program income                                 | Removal and disposal of lead paint       |
| Other Grants and Programs           | Various  | Miscellaneous activities                 |
| Economic Development                | Contributions  | Economic development                     |
| Community Development Fund          | Federal grant and program income                                 | Social services                          |
| Education Programs                  | State grants and contributions                                   | Miscellaneous education activities       |
| BOE Nonlapsing Fund                 | Transfer from other funds  | Miscellaneous activities                 |
| Fire Grants and Programs            | Federal grants   | Fire equipment and supplies              |
| Police Asset Forfeiture             | Federal and state grants   | Drug enforcement and education           |
| Police Grants and Programs          | Federal and state grants and contributions                       | Police equipment and enforcement         |
| Recreation Grants and Programs      | Charges for service  | Recreational programs and activities     |
| Social Services Grants and Programs | Federal and state grants and contributions                       | Health and welfare assistance            |
| Senior Citizens Programs            | Charges for service and contributions                            | Senior Citizens functions and activities |
| Mohegan Park                        | Charges for service, state grant and investment income           | Mohegan Park improvements and programs   |
| Revolving Loan Fund                 | Downtown Revitalization Bond funds and payments of loans         | Economic development                     |
| Sachem Fund                         | Transfers in from other funds and donations                      | Economic and cultural improvement        |
| Property Rehabilitation             | Transfers in from other funds and program income                 | Housing assistance                       |
| Pension Reserve Fund                | Transfers in from other funds Investment Income                  | Subsidize pension contributions          |
| Deposits and Performance Bonds      | Various  | Miscellaneous activities                 |

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Capital Projects Funds**

Capital Projects Funds are established in the City of Norwich pursuant to local resolutions authorizing specific capital projects. Funding sources are generally comprised of City appropriated transfers from the General Fund, the receipt of intergovernmental grants and proceeds from the sale of bonds. Expenditures relate to the expansion, improvement, or replacement of the City's capital assets.

### **Permanent Funds**

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

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024  
(IN THOUSANDS)**

| <b>ASSETS</b>  | Special Revenue |                      |               |                |                 |                    |                        |               |                |
|--|-----------------|----------------------|---------------|----------------|-----------------|--------------------|------------------------|---------------|----------------|
|  | Dog License     | School Lunch Program | Sidewalk      | Fire Districts | Adult Education | Parking Commission | Opioid Settlement Fund | Cannabis Fund | Youth Services |
| Cash and Cash Equivalents  | \$ -            | \$ 2,129             | \$ -          | \$ -           | \$ -            | \$ -               | \$ -                   | \$ -          | \$ -           |
| Investments  | -               | -                    | -             | -              | -               | -                  | -                      | -             | -              |
| Receivables, Net:  |                 |                      |               |                |                 |                    |                        |               |                |
| Property Taxes   | -               | -                    | -             | 176            | -               | -                  | -                      | -             | -              |
| Intergovernmental  | -               | 684                  | -             | -              | 37              | -                  | -                      | -             | 69             |
| Loans  | -               | -                    | -             | -              | -               | -                  | -                      | -             | -              |
| Leases   | -               | -                    | -             | -              | -               | 314                | -                      | -             | -              |
| Other  | -               | 30                   | 87            | 1              | 9               | 25                 | -                      | 13            | -              |
| Due from Other Funds   | -               | -                    | 269           | 407            | 136             | 252                | 238                    | 98            | -              |
| Total Assets   | <u>\$ -</u>     | <u>\$ 2,843</u>      | <u>\$ 356</u> | <u>\$ 584</u>  | <u>\$ 182</u>   | <u>\$ 591</u>      | <u>\$ 238</u>          | <u>\$ 111</u> | <u>\$ 69</u>   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |                 |                      |               |                |                 |                    |                        |               |                |
| <b>LIABILITIES</b>   |                 |                      |               |                |                 |                    |                        |               |                |
| Accounts and Other Payables  | \$ 15           | \$ 199               | \$ -          | \$ 214         | \$ 116          | \$ 13              | \$ -                   | \$ -          | \$ 15          |
| Due to Other Funds   | 111             | -                    | -             | -              | -               | -                  | -                      | -             | 38             |
| Unearned Revenue   | -               | -                    | -             | -              | 33              | -                  | -                      | -             | 14             |
| Total Liabilities  | <u>126</u>      | <u>199</u>           | <u>-</u>      | <u>214</u>     | <u>149</u>      | <u>13</u>          | <u>-</u>               | <u>-</u>      | <u>67</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                 |                      |               |                |                 |                    |                        |               |                |
| Unavailable Revenue - Special Assessments                            | -               | -                    | 87            | -              | -               | -                  | -                      | -             | -              |
| Unavailable Revenue - Loans Receivable                               | -               | -                    | -             | -              | -               | 23                 | -                      | -             | -              |
| Unavailable Revenue - Property Taxes                                 | -               | -                    | -             | 139            | -               | -                  | -                      | -             | -              |
| Unavailable Revenue - Grants Receivable                              | -               | -                    | -             | -              | -               | -                  | -                      | -             | -              |
| Unavailable Revenue - Other  | -               | -                    | -             | -              | -               | -                  | -                      | 13            | -              |
| Unavailable Revenue - Leases   | -               | -                    | -             | -              | -               | 316                | -                      | -             | -              |
| Total Deferred Inflows of Resources                                  | <u>-</u>        | <u>-</u>             | <u>87</u>     | <u>139</u>     | <u>-</u>        | <u>339</u>         | <u>-</u>               | <u>13</u>     | <u>-</u>       |
| <b>FUND BALANCES</b>   |                 |                      |               |                |                 |                    |                        |               |                |
| Nonspendable   | -               | -                    | -             | -              | -               | -                  | -                      | -             | -              |
| Restricted   | -               | -                    | -             | 232            | -               | -                  | 238                    | 98            | 2              |
| Committed  | -               | 2,644                | 269           | -              | 33              | 239                | -                      | -             | -              |
| Assigned   | -               | -                    | -             | -              | -               | -                  | -                      | -             | -              |
| Unassigned   | (126)           | -                    | -             | (1)            | -               | -                  | -                      | -             | -              |
| Total Fund Balances  | <u>(126)</u>    | <u>2,644</u>         | <u>269</u>    | <u>231</u>     | <u>33</u>       | <u>239</u>         | <u>238</u>             | <u>98</u>     | <u>2</u>       |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances  | <u>\$ -</u>     | <u>\$ 2,843</u>      | <u>\$ 356</u> | <u>\$ 584</u>  | <u>\$ 182</u>   | <u>\$ 591</u>      | <u>\$ 238</u>          | <u>\$ 111</u> | <u>\$ 69</u>   |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2024  
(IN THOUSANDS)**

| ASSETS   | Special Revenue            |                                 |                         |                                  |                       |                           |                                |                               |                                  |
|--|----------------------------|---------------------------------|-------------------------|----------------------------------|-----------------------|---------------------------|--------------------------------|-------------------------------|----------------------------------|
|  | Lead<br>Paint<br>Abatement | Other<br>Grants and<br>Programs | Economic<br>Development | Community<br>Development<br>Fund | Education<br>Programs | BOE<br>Nonlapsing<br>Fund | Fire<br>Grants and<br>Programs | Police<br>Asset<br>Forfeiture | Police<br>Grants and<br>Programs |
| Cash and Cash Equivalents  | \$ -                       | \$ -                            | \$ -                    | \$ -                             | \$ 56                 | \$ -                      | \$ -                           | \$ -                          | \$ -                             |
| Investments  | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Receivables, Net:  |                            |                                 |                         |                                  |                       |                           |                                |                               |                                  |
| Property Taxes   | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Intergovernmental  | 117                        | -                               | -                       | 123                              | -                     | -                         | -                              | -                             | -                                |
| Loans  | 1,306                      | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Leases   | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Other  | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | 14                               |
| Due from Other Funds   | -                          | 344                             | -                       | -                                | 37                    | -                         | -                              | 126                           | 89                               |
| <b>Total Assets</b>  | <b>\$ 1,423</b>            | <b>\$ 344</b>                   | <b>\$ -</b>             | <b>\$ 123</b>                    | <b>\$ 93</b>          | <b>\$ -</b>               | <b>\$ -</b>                    | <b>\$ 126</b>                 | <b>\$ 103</b>                    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                            |                                 |                         |                                  |                       |                           |                                |                               |                                  |
| <b>LIABILITIES</b>   |                            |                                 |                         |                                  |                       |                           |                                |                               |                                  |
| Accounts and Other Payables  | \$ 27                      | \$ 3                            | \$ -                    | \$ 59                            | \$ -                  | \$ -                      | \$ -                           | \$ -                          | \$ 14                            |
| Due to Other Funds   | 9                          | -                               | 3                       | 70                               | -                     | -                         | 1                              | -                             | -                                |
| Unearned Revenue   | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| <b>Total Liabilities</b>   | <b>36</b>                  | <b>3</b>                        | <b>3</b>                | <b>129</b>                       | <b>-</b>              | <b>-</b>                  | <b>1</b>                       | <b>-</b>                      | <b>14</b>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                            |                                 |                         |                                  |                       |                           |                                |                               |                                  |
| Unavailable Revenue - Special Assessments                                  | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Unavailable Revenue - Loans Receivable                                     | 1,306                      | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Unavailable Revenue - Property Taxes                                       | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Unavailable Revenue - Grants Receivable                                    | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | 15                               |
| Unavailable Revenue - Other  | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Unavailable Revenue - Leases   | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>1,306</b>               | <b>-</b>                        | <b>-</b>                | <b>-</b>                         | <b>-</b>              | <b>-</b>                  | <b>-</b>                       | <b>-</b>                      | <b>15</b>                        |
| <b>FUND BALANCES</b>   |                            |                                 |                         |                                  |                       |                           |                                |                               |                                  |
| Nonspendable   | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Restricted   | 25                         | -                               | -                       | -                                | 56                    | -                         | -                              | -                             | -                                |
| Committed  | 56                         | 341                             | -                       | -                                | 37                    | -                         | -                              | 126                           | 74                               |
| Assigned   | -                          | -                               | -                       | -                                | -                     | -                         | -                              | -                             | -                                |
| Unassigned   | -                          | -                               | (3)                     | (6)                              | -                     | -                         | (1)                            | -                             | -                                |
| <b>Total Fund Balances</b>   | <b>81</b>                  | <b>341</b>                      | <b>(3)</b>              | <b>(6)</b>                       | <b>93</b>             | <b>-</b>                  | <b>(1)</b>                     | <b>126</b>                    | <b>74</b>                        |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 1,423</b>            | <b>\$ 344</b>                   | <b>\$ -</b>             | <b>\$ 123</b>                    | <b>\$ 93</b>          | <b>\$ -</b>               | <b>\$ -</b>                    | <b>\$ 126</b>                 | <b>\$ 103</b>                    |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2024  
(IN THOUSANDS)**

| ASSETS   | Special Revenue                      |   |                                |                 |                           |                |                            |                            |                                      |                  |
|--|--------------------------------------|---|--------------------------------|-----------------|---------------------------|----------------|----------------------------|----------------------------|--------------------------------------|------------------|
|  | Recreation<br>Grants and<br>Programs | Social Services<br>Grants and<br>Programs | Senior<br>Citizens<br>Programs | Mohegan<br>Park | Revolving<br>Loan<br>Fund | Sachem<br>Fund | Property<br>Rehabilitation | Pension<br>Reserve<br>Fund | Deposits and<br>Performance<br>Bonds | Total            |
| Cash and Cash Equivalents  | \$ -                                 | \$ -                                      | \$ -                           | \$ -            | \$ -                      | \$ -           | \$ -                       | \$ -                       | \$ 120                               | \$ 2,305         |
| Investments  | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | -                |
| Receivables, Net:  |                                      |   |                                |                 |                           |                |                            |                            |                                      |                  |
| Property Taxes   | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 176              |
| Intergovernmental  | -                                    | -   | 1                              | -               | -                         | -              | -                          | -                          | -                                    | 1,031            |
| Loans  | -                                    | -   | -                              | -               | 63                        | -              | 3,080                      | -                          | -                                    | 4,449            |
| Leases   | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 314              |
| Other  | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 179              |
| Due from Other Funds   | 946                                  | 47  | 65                             | 120             | 301                       | 92             | -                          | 15,400                     | 377                                  | 19,344           |
| <b>Total Assets</b>  | <b>\$ 946</b>                        | <b>\$ 47</b>                              | <b>\$ 66</b>                   | <b>\$ 120</b>   | <b>\$ 364</b>             | <b>\$ 92</b>   | <b>\$ 3,080</b>            | <b>\$ 15,400</b>           | <b>\$ 497</b>                        | <b>\$ 27,798</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                                      |   |                                |                 |                           |                |                            |                            |                                      |                  |
| <b>LIABILITIES</b>   |                                      |   |                                |                 |                           |                |                            |                            |                                      |                  |
| Accounts and Other Payables  | \$ 14                                | \$ -                                      | \$ 3                           | \$ -            | \$ -                      | \$ -           | \$ -                       | \$ -                       | \$ -                                 | \$ 692           |
| Due to Other Funds   | -                                    | -   | -                              | -               | -                         | -              | 83                         | -                          | -                                    | 315              |
| Unearned Revenue   | -                                    | 3   | -                              | -               | 63                        | -              | -                          | -                          | -                                    | 113              |
| <b>Total Liabilities</b>   | <b>14</b>                            | <b>3</b>                                  | <b>3</b>                       | <b>-</b>        | <b>63</b>                 | <b>-</b>       | <b>83</b>                  | <b>-</b>                   | <b>-</b>                             | <b>1,120</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                                      |   |                                |                 |                           |                |                            |                            |                                      |                  |
| Unavailable Revenue - Special Assessments                                  | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 87               |
| Unavailable Revenue - Loans Receivable                                     | -                                    | -   | -                              | -               | -                         | -              | 3,082                      | -                          | -                                    | 4,411            |
| Unavailable Revenue - Property Taxes                                       | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 139              |
| Unavailable Revenue - Grants Receivable                                    | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 15               |
| Unavailable Revenue - Other  | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 13               |
| Unavailable Revenue - Leases   | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 316              |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>-</b>                             | <b>-</b>                                  | <b>-</b>                       | <b>-</b>        | <b>-</b>                  | <b>-</b>       | <b>3,082</b>               | <b>-</b>                   | <b>-</b>                             | <b>4,981</b>     |
| <b>FUND BALANCES</b>   |                                      |   |                                |                 |                           |                |                            |                            |                                      |                  |
| Nonspendable   | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | -                |
| Restricted   | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | 651              |
| Committed  | 932                                  | 44  | 63                             | 120             | 301                       | 92             | -                          | 15,400                     | 497                                  | 21,268           |
| Assigned   | -                                    | -   | -                              | -               | -                         | -              | -                          | -                          | -                                    | -                |
| Unassigned   | -                                    | -   | -                              | -               | -                         | -              | (85)                       | -                          | -                                    | (222)            |
| <b>Total Fund Balances</b>   | <b>932</b>                           | <b>44</b>                                 | <b>63</b>                      | <b>120</b>      | <b>301</b>                | <b>92</b>      | <b>(85)</b>                | <b>15,400</b>              | <b>497</b>                           | <b>21,697</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 946</b>                        | <b>\$ 47</b>                              | <b>\$ 66</b>                   | <b>\$ 120</b>   | <b>\$ 364</b>             | <b>\$ 92</b>   | <b>\$ 3,080</b>            | <b>\$ 15,400</b>           | <b>\$ 497</b>                        | <b>\$ 27,798</b> |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2024  
(IN THOUSANDS)**

| ASSETS   | Capital Projects       |                     |                    |               | Total            | Permanent                 |                                 |                   | Total           | Total Nonmajor<br>Governmental<br>Funds |
|--|------------------------|---------------------|--------------------|---------------|------------------|---------------------------|---------------------------------|-------------------|-----------------|---|
|  | Capital<br>Improvement | Bond<br>Expenditure | School<br>Projects | Brown<br>Park |                  | Public Parks<br>& Gardens | Fred<br>Abbot Summer<br>Concert | Cemetery<br>Trust |                 |   |
| Cash and Cash Equivalents  | \$ -                   | \$ -                | \$ -               | \$ -          | -                | \$ -                      | \$ -                            | \$ 6              | \$ 6            | \$ 2,311                                |
| Investments  | -                      | -                   | -                  | -             | -                | -                         | -                               | 2,223             | 2,223           | 2,223                                   |
| Receivables, Net:  |                        |                     |                    |               |                  |                           |                                 |                   |                 |   |
| Property Taxes   | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 176                                     |
| Intergovernmental  | 3,814                  | -                   | -                  | -             | 3,814            | -                         | -                               | -                 | -               | 4,845                                   |
| Loans  | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 4,449                                   |
| Leases   | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 314                                     |
| Other  | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 179                                     |
| Due from Other Funds   | 574                    | 3,099               | 7,294              | 48            | 11,015           | 45                        | 6                               | -                 | 51              | 30,410                                  |
| <b>Total Assets</b>  | <b>\$ 4,388</b>        | <b>\$ 3,099</b>     | <b>\$ 7,294</b>    | <b>\$ 48</b>  | <b>\$ 14,829</b> | <b>\$ 45</b>              | <b>\$ 6</b>                     | <b>\$ 2,229</b>   | <b>\$ 2,280</b> | <b>\$ 44,907</b>                        |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                        |                     |                    |               |                  |                           |                                 |                   |                 |   |
| <b>LIABILITIES</b>   |                        |                     |                    |               |                  |                           |                                 |                   |                 |   |
| Accounts and Other Payables  | \$ 419                 | \$ 3                | \$ 577             | \$ -          | \$ 999           | \$ -                      | \$ -                            | \$ -              | \$ -            | \$ 1,691                                |
| Due to Other Funds   | -                      | -                   | -                  | -             | -                | -                         | -                               | 2                 | 2               | 317                                     |
| Unearned Revenue   | 453                    | -                   | -                  | -             | 453              | -                         | -                               | -                 | -               | 566                                     |
| <b>Total Liabilities</b>   | <b>872</b>             | <b>3</b>            | <b>577</b>         | <b>-</b>      | <b>1,452</b>     | <b>-</b>                  | <b>-</b>                        | <b>2</b>          | <b>2</b>        | <b>2,574</b>                            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                        |                     |                    |               |                  |                           |                                 |                   |                 |   |
| Unavailable Revenue - Special Assessments                                  | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 87                                      |
| Unavailable Revenue - Loans Receivable                                     | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 4,411                                   |
| Unavailable Revenue - Property Taxes                                       | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 139                                     |
| Unavailable Revenue - Grants Receivable                                    | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 15                                      |
| Unavailable Revenue - Other  | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 13                                      |
| Unavailable Revenue - Leases   | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | 316                                     |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>-</b>               | <b>-</b>            | <b>-</b>           | <b>-</b>      | <b>-</b>         | <b>-</b>                  | <b>-</b>                        | <b>-</b>          | <b>-</b>        | <b>4,981</b>                            |
| <b>FUND BALANCES</b>   |                        |                     |                    |               |                  |                           |                                 |                   |                 |   |
| Nonspendable   | -                      | -                   | -                  | -             | -                | 28                        | 5                               | -                 | 33              | 33                                      |
| Restricted   | 1,287                  | 1,773               | -                  | -             | 3,060            | 17                        | 1                               | 2,227             | 2,245           | 5,956                                   |
| Committed  | -                      | -                   | -                  | 48            | 48               | -                         | -                               | -                 | -               | 21,316                                  |
| Assigned   | 2,229                  | 1,323               | 6,717              | -             | 10,269           | -                         | -                               | -                 | -               | 10,269                                  |
| Unassigned   | -                      | -                   | -                  | -             | -                | -                         | -                               | -                 | -               | (222)                                   |
| <b>Total Fund Balances</b>   | <b>3,516</b>           | <b>3,096</b>        | <b>6,717</b>       | <b>48</b>     | <b>13,377</b>    | <b>45</b>                 | <b>6</b>                        | <b>2,227</b>      | <b>2,278</b>    | <b>37,352</b>                           |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 4,388</b>        | <b>\$ 3,099</b>     | <b>\$ 7,294</b>    | <b>\$ 48</b>  | <b>\$ 14,829</b> | <b>\$ 45</b>              | <b>\$ 6</b>                     | <b>\$ 2,229</b>   | <b>\$ 2,280</b> | <b>\$ 44,907</b>                        |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | Special Revenue |                            |               |                   |                    |                       |                              |                  |                   |
|--|-----------------|----------------------------|---------------|-------------------|--------------------|-----------------------|------------------------------|------------------|-------------------|
|  | Dog<br>License  | School<br>Lunch<br>Program | Sidewalk      | Fire<br>Districts | Adult<br>Education | Parking<br>Commission | Opioid<br>Settlement<br>Fund | Cannabis<br>Fund | Youth<br>Services |
| <b>REVENUES</b>  |                 |                            |               |                   |                    |                       |                              |                  |                   |
| Property Taxes, Interest, and Liens                          | \$ -            | \$ -                       | \$ -          | 4,791             | \$ -               | \$ -                  | \$ -                         | \$ -             | \$ -              |
| Intergovernmental Revenues                                   | -               | 3,504                      | -             | -                 | 614                | -                     | -                            | -                | 287               |
| Charges for Services   | 17              | 167                        | 24            | -                 | 646                | 234                   | -                            | -                | -                 |
| Investment Income  | -               | -                          | -             | 16                | 1                  | 8                     | -                            | -                | -                 |
| Other  | -               | -                          | -             | -                 | 11                 | -                     | 126                          | 98               | 154               |
| Total Revenues   | <u>17</u>       | <u>3,671</u>               | <u>24</u>     | <u>4,807</u>      | <u>1,272</u>       | <u>242</u>            | <u>126</u>                   | <u>98</u>        | <u>441</u>        |
| <b>EXPENDITURES</b>  |                 |                            |               |                   |                    |                       |                              |                  |                   |
| Current:   |                 |                            |               |                   |                    |                       |                              |                  |                   |
| General Government   | -               | -                          | -             | -                 | -                  | 30                    | -                            | -                | -                 |
| Public Safety  | 168             | -                          | -             | 8,005             | -                  | -                     | -                            | -                | -                 |
| Social Services  | -               | -                          | -             | -                 | -                  | -                     | 30                           | -                | 430               |
| Public Works   | -               | -                          | 137           | -                 | -                  | 115                   | -                            | -                | -                 |
| Education  | -               | 3,288                      | -             | -                 | 1,270              | -                     | -                            | -                | -                 |
| Capital Outlay   | -               | -                          | -             | -                 | -                  | 264                   | -                            | -                | -                 |
| Total Expenditures   | <u>168</u>      | <u>3,288</u>               | <u>137</u>    | <u>8,005</u>      | <u>1,270</u>       | <u>409</u>            | <u>30</u>                    | <u>-</u>         | <u>430</u>        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | (151)           | 383                        | (113)         | (3,198)           | 2                  | (167)                 | 96                           | 98               | 11                |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                 |                            |               |                   |                    |                       |                              |                  |                   |
| Transfers In   | 155             | -                          | -             | 4,300             | -                  | -                     | -                            | -                | -                 |
| Transfer Out   | (2)             | -                          | -             | (1,132)           | -                  | -                     | -                            | -                | (6)               |
| Proceeds from Lease Issuance                                 | -               | -                          | -             | -                 | -                  | 264                   | -                            | -                | -                 |
| Proceeds from Bond Issuance                                  | -               | -                          | -             | -                 | -                  | -                     | -                            | -                | -                 |
| Bond Premium   | -               | -                          | -             | -                 | -                  | -                     | -                            | -                | -                 |
| Total Other Financing Sources (Uses)                         | <u>153</u>      | <u>-</u>                   | <u>-</u>      | <u>3,168</u>      | <u>-</u>           | <u>264</u>            | <u>-</u>                     | <u>-</u>         | <u>(6)</u>        |
| <b>NET CHANGE IN FUND BALANCES</b>                           | 2               | 383                        | (113)         | (30)              | 2                  | 97                    | 96                           | 98               | 5                 |
| Fund Balances - Beginning of Year                            | <u>(128)</u>    | <u>2,261</u>               | <u>382</u>    | <u>261</u>        | <u>31</u>          | <u>142</u>            | <u>142</u>                   | <u>-</u>         | <u>(3)</u>        |
| <b>FUND BALANCES - END OF YEAR</b>                           | <u>\$ (126)</u> | <u>\$ 2,644</u>            | <u>\$ 269</u> | <u>\$ 231</u>     | <u>\$ 33</u>       | <u>\$ 239</u>         | <u>\$ 238</u>                | <u>\$ 98</u>     | <u>\$ 2</u>       |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | Special Revenue            |                                    |                         |                                  |                       |                           |                                   |                               |                                     |
|--|----------------------------|------------------------------------|-------------------------|----------------------------------|-----------------------|---------------------------|-----------------------------------|-------------------------------|-------------------------------------|
|  | Lead<br>Paint<br>Abatement | Other<br>Grants<br>and<br>Programs | Economic<br>Development | Community<br>Development<br>Fund | Education<br>Programs | BOE<br>Nonlapsing<br>Fund | Fire<br>Grants<br>and<br>Programs | Police<br>Asset<br>Forfeiture | Police<br>Grants<br>and<br>Programs |
| <b>REVENUES</b>  |                            |                                    |                         |                                  |                       |                           |                                   |                               |                                     |
| Property Taxes, Interest, and Liens                          | \$ -                       | \$ -                               | \$ -                    | \$ -                             | \$ -                  | \$ -                      | \$ -                              | \$ -                          | \$ -                                |
| Intergovernmental Revenues                                   | 599                        | 15                                 | -                       | 798                              | -                     | -                         | -                                 | 23                            | -                                   |
| Charges for Services   | 26                         | 17                                 | -                       | -                                | 112                   | -                         | -                                 | -                             | 236                                 |
| Investment Income  | -                          | -                                  | -                       | -                                | 1                     | -                         | -                                 | 2                             | -                                   |
| Other  | -                          | 49                                 | -                       | -                                | -                     | -                         | -                                 | -                             | 9                                   |
| Total Revenues   | <u>625</u>                 | <u>81</u>                          | <u>-</u>                | <u>798</u>                       | <u>113</u>            | <u>-</u>                  | <u>-</u>                          | <u>25</u>                     | <u>245</u>                          |
| <b>EXPENDITURES</b>  |                            |                                    |                         |                                  |                       |                           |                                   |                               |                                     |
| Current:   |                            |                                    |                         |                                  |                       |                           |                                   |                               |                                     |
| General Government   | -                          | 94                                 | -                       | 16                               | -                     | -                         | -                                 | -                             | -                                   |
| Public Safety  | -                          | -                                  | -                       | -                                | -                     | -                         | -                                 | 10                            | 164                                 |
| Social Services  | 600                        | -                                  | -                       | 680                              | -                     | -                         | -                                 | -                             | -                                   |
| Public Works   | -                          | 16                                 | -                       | -                                | -                     | -                         | -                                 | -                             | -                                   |
| Education  | -                          | -                                  | -                       | -                                | 79                    | 1,402                     | -                                 | -                             | -                                   |
| Capital Outlay   | -                          | -                                  | -                       | -                                | -                     | -                         | -                                 | -                             | -                                   |
| Total Expenditures   | <u>600</u>                 | <u>110</u>                         | <u>-</u>                | <u>696</u>                       | <u>79</u>             | <u>1,402</u>              | <u>-</u>                          | <u>10</u>                     | <u>164</u>                          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 25                         | (29)                               | -                       | 102                              | 34                    | (1,402)                   | -                                 | 15                            | 81                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                            |                                    |                         |                                  |                       |                           |                                   |                               |                                     |
| Transfers In   | -                          | 25                                 | -                       | 18                               | -                     | -                         | -                                 | -                             | -                                   |
| Transfer Out   | -                          | -                                  | -                       | (126)                            | -                     | -                         | -                                 | -                             | (77)                                |
| Proceeds from Lease Issuance                                 | -                          | -                                  | -                       | -                                | -                     | -                         | -                                 | -                             | -                                   |
| Proceeds from Bond Issuance                                  | -                          | -                                  | -                       | -                                | -                     | -                         | -                                 | -                             | -                                   |
| Bond Premium   | -                          | -                                  | -                       | -                                | -                     | -                         | -                                 | -                             | -                                   |
| Total Other Financing Sources (Uses)                         | <u>-</u>                   | <u>25</u>                          | <u>-</u>                | <u>(108)</u>                     | <u>-</u>              | <u>-</u>                  | <u>-</u>                          | <u>-</u>                      | <u>(77)</u>                         |
| <b>NET CHANGE IN FUND BALANCES</b>                           | 25                         | (4)                                | -                       | (6)                              | 34                    | (1,402)                   | -                                 | 15                            | 4                                   |
| Fund Balances - Beginning of Year                            | 56                         | 345                                | (3)                     | -                                | 59                    | 1,402                     | (1)                               | 111                           | 70                                  |
| <b>FUND BALANCES - END OF YEAR</b>                           | <u>\$ 81</u>               | <u>\$ 341</u>                      | <u>\$ (3)</u>           | <u>\$ (6)</u>                    | <u>\$ 93</u>          | <u>\$ -</u>               | <u>\$ (1)</u>                     | <u>\$ 126</u>                 | <u>\$ 74</u>                        |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | Special Revenue                         |  |                                |                 |                           |                |                            |                            |                                      | Total            |
|--|---|--|--------------------------------|-----------------|---------------------------|----------------|----------------------------|----------------------------|--------------------------------------|------------------|
|  | Recreation<br>Grants<br>and<br>Programs | Social<br>Services<br>Grants and<br>Programs | Senior<br>Citizens<br>Programs | Mohegan<br>Park | Revolving<br>Loan<br>Fund | Sachem<br>Fund | Property<br>Rehabilitation | Pension<br>Reserve<br>Fund | Deposits and<br>Performance<br>Bonds |                  |
| <b>REVENUES</b>  |   |  |                                |                 |                           |                |                            |                            |                                      |                  |
| Property Taxes, Interest, and Liens                          | \$ -                                    | \$ -   | \$ -                           | \$ -            | \$ -                      | \$ -           | \$ -                       | \$ -                       | \$ -                                 | \$ 4,791         |
| Intergovernmental Revenues                                   | -                                       | 6  | 13                             | -               | -                         | -              | -                          | -                          | -                                    | 5,859            |
| Charges for Services   | 193                                     | -  | 100                            | -               | 19                        | -              | 203                        | -                          | -                                    | 1,994            |
| Investment Income  | -                                       | -  | -                              | 4               | -                         | -              | 15                         | 606                        | -                                    | 653              |
| Other  | 24                                      | 9  | 21                             | -               | -                         | 60             | -                          | -                          | 127                                  | 688              |
| <b>Total Revenues</b>  | <b>217</b>                              | <b>15</b>                                    | <b>134</b>                     | <b>4</b>        | <b>19</b>                 | <b>60</b>      | <b>218</b>                 | <b>606</b>                 | <b>127</b>                           | <b>13,985</b>    |
| <b>EXPENDITURES</b>  |   |  |                                |                 |                           |                |                            |                            |                                      |                  |
| Current:   |   |  |                                |                 |                           |                |                            |                            |                                      |                  |
| General Government   | -                                       | -  | -                              | -               | 2                         | -              | -                          | 210                        | 129                                  | 481              |
| Public Safety  | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | 8,347            |
| Social Services  | 305                                     | 26   | 139                            | -               | -                         | -              | 349                        | -                          | -                                    | 2,559            |
| Public Works   | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | 268              |
| Education  | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | 6,039            |
| Capital Outlay   | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | 264              |
| <b>Total Expenditures</b>                                    | <b>305</b>                              | <b>26</b>                                    | <b>139</b>                     | <b>-</b>        | <b>2</b>                  | <b>-</b>       | <b>349</b>                 | <b>210</b>                 | <b>129</b>                           | <b>17,958</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(88)</b>                             | <b>(11)</b>                                  | <b>(5)</b>                     | <b>4</b>        | <b>17</b>                 | <b>60</b>      | <b>(131)</b>               | <b>396</b>                 | <b>(2)</b>                           | <b>(3,973)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |   |  |                                |                 |                           |                |                            |                            |                                      |                  |
| Transfers In   | 7                                       | -  | 5                              | -               | -                         | -              | 126                        | 194                        | -                                    | 4,830            |
| Transfer Out   | -                                       | -  | -                              | -               | -                         | -              | (18)                       | -                          | -                                    | (1,361)          |
| Proceeds from Lease Issuance                                 | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | 264              |
| Proceeds from Bond Issuance                                  | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | -                |
| Bond Premium   | -                                       | -  | -                              | -               | -                         | -              | -                          | -                          | -                                    | -                |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>7</b>                                | <b>-</b>                                     | <b>5</b>                       | <b>-</b>        | <b>-</b>                  | <b>-</b>       | <b>108</b>                 | <b>194</b>                 | <b>-</b>                             | <b>3,733</b>     |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>(81)</b>                             | <b>(11)</b>                                  | <b>-</b>                       | <b>4</b>        | <b>17</b>                 | <b>60</b>      | <b>(23)</b>                | <b>590</b>                 | <b>(2)</b>                           | <b>(240)</b>     |
| Fund Balances - Beginning of Year                            | 1,013                                   | 55   | 63                             | 116             | 284                       | 32             | (62)                       | 14,810                     | 499                                  | 21,937           |
| <b>FUND BALANCES - END OF YEAR</b>                           | <b>\$ 932</b>                           | <b>\$ 44</b>                                 | <b>\$ 63</b>                   | <b>\$ 120</b>   | <b>\$ 301</b>             | <b>\$ 92</b>   | <b>\$ (85)</b>             | <b>\$ 15,400</b>           | <b>\$ 497</b>                        | <b>\$ 21,697</b> |

**CITY OF NORWICH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | Capital Projects    |                  |                 |              | Permanent        |                        |                           |                 | Interfund Eliminations | Total Nonmajor Governmental Funds |                  |
|--|---------------------|------------------|-----------------|--------------|------------------|------------------------|---------------------------|-----------------|------------------------|-----------------------------------|------------------|
|  | Capital Improvement | Bond Expenditure | School Projects | Brown Park   | Total            | Public Parks & Gardens | Fred Abbot Summer Concert | Cemetery Trust  |                        |                                   | Total            |
| <b>REVENUES</b>  |                     |                  |                 |              |                  |                        |                           |                 |                        |                                   |                  |
| Property Taxes, Interest, and Liens                      | \$ -                | \$ -             | \$ -            | \$ -         | \$ -             | \$ -                   | \$ -                      | \$ -            | \$ -                   | \$ 4,791                          |                  |
| Intergovernmental Revenues                               | 5,067               | (3)              | -               | -            | 5,064            | -                      | -                         | -               | -                      | 10,923                            |                  |
| Charges for Services                                     | -                   | -                | -               | -            | -                | -                      | -                         | -               | -                      | 1,994                             |                  |
| Investment Income  | 35                  | -                | -               | 2            | 37               | 2                      | -                         | 292             | 294                    | 984                               |                  |
| Other  | -                   | -                | -               | -            | -                | -                      | -                         | -               | -                      | 688                               |                  |
| <b>Total Revenues</b>                                    | <b>5,102</b>        | <b>(3)</b>       | <b>-</b>        | <b>2</b>     | <b>5,101</b>     | <b>2</b>               | <b>-</b>                  | <b>292</b>      | <b>294</b>             | <b>-</b>                          | <b>19,380</b>    |
| <b>EXPENDITURES</b>                                      |                     |                  |                 |              |                  |                        |                           |                 |                        |                                   |                  |
| Current:   |                     |                  |                 |              |                  |                        |                           |                 |                        |                                   |                  |
| General Government                                       | -                   | -                | -               | -            | -                | -                      | -                         | 22              | 22                     | -                                 | 503              |
| Public Safety  | 7                   | -                | -               | -            | 7                | -                      | -                         | -               | -                      | -                                 | 8,354            |
| Social Services  | -                   | -                | -               | -            | -                | -                      | -                         | -               | -                      | -                                 | 2,559            |
| Public Works   | 613                 | -                | -               | -            | 613              | -                      | -                         | -               | -                      | -                                 | 881              |
| Education  | -                   | -                | -               | -            | -                | -                      | -                         | -               | -                      | -                                 | 6,039            |
| Capital Outlay   | 7,405               | 961              | 3,099           | -            | 11,465           | -                      | -                         | -               | -                      | -                                 | 11,729           |
| <b>Total Expenditures</b>                                | <b>8,025</b>        | <b>961</b>       | <b>3,099</b>    | <b>-</b>     | <b>12,085</b>    | <b>-</b>               | <b>-</b>                  | <b>22</b>       | <b>22</b>              | <b>-</b>                          | <b>30,065</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>(2,923)</b>      | <b>(964)</b>     | <b>(3,099)</b>  | <b>2</b>     | <b>(6,984)</b>   | <b>2</b>               | <b>-</b>                  | <b>270</b>      | <b>272</b>             | <b>-</b>                          | <b>(10,685)</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                     |                  |                 |              |                  |                        |                           |                 |                        |                                   |                  |
| Transfers In   | 2,864               | 99               | -               | -            | 2,963            | -                      | -                         | -               | -                      | (325)                             | 7,468            |
| Transfer Out   | -                   | (92)             | (1,301)         | -            | (1,393)          | -                      | -                         | (81)            | (81)                   | 325                               | (2,510)          |
| Proceeds from Lease Issuance                             | -                   | -                | -               | -            | -                | -                      | -                         | -               | -                      | -                                 | 264              |
| Proceeds from Bond Issuance                              | -                   | 2,000            | 3,000           | -            | 5,000            | -                      | -                         | -               | -                      | -                                 | 5,000            |
| Bond Premium   | -                   | 262              | -               | -            | 262              | -                      | -                         | -               | -                      | -                                 | 262              |
| <b>Total Other Financing Sources (Uses)</b>              | <b>2,864</b>        | <b>2,269</b>     | <b>1,699</b>    | <b>-</b>     | <b>6,832</b>     | <b>-</b>               | <b>-</b>                  | <b>(81)</b>     | <b>(81)</b>            | <b>-</b>                          | <b>10,484</b>    |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <b>(59)</b>         | <b>1,305</b>     | <b>(1,400)</b>  | <b>2</b>     | <b>(152)</b>     | <b>2</b>               | <b>-</b>                  | <b>189</b>      | <b>191</b>             | <b>-</b>                          | <b>(201)</b>     |
| Fund Balances - Beginning of Year                        | 3,575               | 1,791            | 8,117           | 46           | 13,529           | 43                     | 6                         | 2,038           | 2,087                  | -                                 | 37,553           |
| <b>FUND BALANCES - END OF YEAR</b>                       | <b>\$ 3,516</b>     | <b>\$ 3,096</b>  | <b>\$ 6,717</b> | <b>\$ 48</b> | <b>\$ 13,377</b> | <b>\$ 45</b>           | <b>\$ 6</b>               | <b>\$ 2,227</b> | <b>\$ 2,278</b>        | <b>\$ -</b>                       | <b>\$ 37,352</b> |

**CITY OF NORWICH, CONNECTICUT  
FIRE DISTRICTS FUND REVENUES  
BUDGETARY BASIS  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|   | Budgeted Amounts |                 | Actual          | Variance     |
|---|------------------|-----------------|-----------------|--------------|
|   | Original         | Final           |                 |              |
| Taxes, Interest, and Lien Fees:         |                  |                 |                 |              |
| Fire                                    | \$ 4,178         | \$ 4,178        | \$ 4,257        | \$ 79        |
| Volunteer Fire                          | 527              | 527             | 534             | 7            |
| Total Taxes, Interest,<br>and Lien Fees | 4,705            | 4,705           | 4,791           | 86           |
| Other:                                  |                  |                 |                 |              |
| Other Fund Transfers                    | 4,299            | 4,299           | 4,300           | 1            |
| Investment Income                       | 5                | 5               | 16              | 11           |
| Total                                   | <u>\$ 9,009</u>  | <u>\$ 9,009</u> | <u>\$ 9,107</u> | <u>\$ 98</u> |

**CITY OF NORWICH, CONNECTICUT  
FIRE DISTRICTS FUND EXPENDITURES  
BUDGETARY BASIS  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                  | Budgeted Amounts  |                   | Actual            | Variance          |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | Original          | Final             |                   |                   |
| Fire:                            |                   |                   |                   |                   |
| Employees                        | \$ 3,551          | \$ 3,551          | \$ 3,492          | \$ 59             |
| Overtime                         | 90                | 209               | 210               | (1)               |
| Replacement Costs                | 805               | 822               | 920               | (98)              |
| Fringe Benefits                  | 4,036             | 4,036             | 3,997             | 39                |
| Workers' Compensation            | 58                | 58                | 58                | -                 |
| Volunteer Firefighter Tax Credit | 140               | 140               | 131               | 9                 |
| Volunteer Firefighter Trust Fund | 329               | 329               | 329               | -                 |
|                                  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| Total                            | \$ 9,009          | \$ 9,145          | \$ 9,137          | \$ 8              |

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF FIRE DISTRICT TAXES  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

| Grand List   | Uncollected Taxes<br>July 1, 2023 | Lawful Corrections |              | Transfers to<br>Suspense | Adjusted Taxes<br>Collectible | Collections                                     |           |          |              | Net<br>Uncollected<br>Taxes<br>June 30, 2024 | Overpayment<br>Credit<br>Balances | Gross<br>Uncollected<br>Taxes<br>June 30, 2024 |
|--------------|-----------------------------------|--------------------|--------------|--------------------------|-------------------------------|---|-----------|----------|--------------|--|-----------------------------------|--|
|              |                                   | Additions          | Deductions   |                          |                               | Taxes   | Interest  | Fees     | Total        |  |                                   |  |
| 2022         | \$ 4,697                          | \$ 4               | \$ 12        | \$ 3                     | \$ 4,686                      | \$ 4,595  | \$ 22     | \$ -     | \$ 4,617     | \$ 91  | \$ -                              | \$ 91  |
| 2021         | 95                                | 1                  | 3            | 1                        | 92                            | 61  | 13        | -        | 74           | 31   | -                                 | 31   |
| 2020         | 72                                | 1                  | 4            | 4                        | 65                            | 29  | 11        | -        | 40           | 36   | -                                 | 36   |
| 2019         | 41                                | 1                  | 5            | 14                       | 23                            | 12  | 6         | -        | 18           | 11   | -                                 | 11   |
| 2018         | 21                                | -                  | 5            | 1                        | 15                            | 5   | 4         | -        | 9            | 10   | -                                 | 10   |
| 2017         | 13                                | -                  | 4            | 1                        | 8                             | 3   | 3         | -        | 6            | 5  | -                                 | 5  |
| 2016         | 12                                | -                  | 5            | 1                        | 6                             | 2   | 1         | -        | 3            | 4  | -                                 | 4  |
| 2015         | 9                                 | -                  | 4            | 1                        | 4                             | 1   | 1         | -        | 2            | 3  | -                                 | 3  |
| 2014         | 8                                 | -                  | 4            | 1                        | 3                             | -   | -         | -        | -            | 3  | -                                 | 3  |
| 2013         | 7                                 | -                  | 4            | 1                        | 2                             | -   | -         | -        | -            | 2  | -                                 | 2  |
| 2012         | 7                                 | -                  | 3            | 1                        | 3                             | -   | 1         | -        | 1            | 3  | -                                 | 3  |
| 2011         | 4                                 | -                  | 1            | 1                        | 2                             | -   | 1         | -        | 1            | 2  | -                                 | 2  |
| 2010         | 3                                 | -                  | 1            | 1                        | 1                             | -   | 1         | -        | 1            | 1  | -                                 | 1  |
| 2009         | 2                                 | -                  | 1            | -                        | 1                             | -   | -         | -        | -            | 1  | -                                 | 1  |
| <b>Total</b> | <b>\$ 4,991</b>                   | <b>\$ 7</b>        | <b>\$ 56</b> | <b>\$ 31</b>             | <b>\$ 4,911</b>               | <b>4,708</b>                                    | <b>64</b> | <b>-</b> | <b>4,772</b> | <b>\$ 203</b>                                | <b>\$ -</b>                       | <b>\$ 203</b>                                  |
|              |                                   |                    |              |                          |                               | Suspense Collections                            | 5         | 7        | 12           |  |                                   |  |
|              |                                   |                    |              |                          |                               | Total Tax Collections                           | \$ 4,713  | \$ 71    | \$ -         | 4,784  |                                   |  |
|              |                                   |                    |              |                          |                               | Property Taxes Receivable Considered Available: |           |          |              |  |                                   |  |
|              |                                   |                    |              |                          |                               | June 30, 2023                                   |           |          | (30)         |  |                                   |  |
|              |                                   |                    |              |                          |                               | June 30, 2024                                   |           |          | 37           |  |                                   |  |
|              |                                   |                    |              |                          |                               | Total   |           |          | \$ 4,791     |  |                                   |  |

\*Operation of law

**NONMAJOR ENTERPRISE FUNDS**

## NONMAJOR ENTERPRISE FUNDS

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

**Golf Course Authority** – is used to account for the operations of the City’s public golf course.

**Stadium Authority** – is used to account for the operations of Senator Thomas Dodd Stadium.

**Ice Rink Authority** – is used to account for the operations of the City’s ice skating facility.

**CITY OF NORWICH, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                       | Business-Type Activities |                      |                       | Totals          |
|---------------------------------------|--------------------------|----------------------|-----------------------|-----------------|
|                                       | Golf Course<br>Authority | Stadium<br>Authority | Ice Rink<br>Authority |                 |
| <b>ASSETS</b>                         |                          |                      |                       |                 |
| Current Assets:                       |                          |                      |                       |                 |
| Receivables, Net:                     |                          |                      |                       |                 |
| User Charges                          | \$ -                     | \$ -                 | \$ 19                 | \$ 19           |
| Due from Other Funds                  | 171                      | -                    | -                     | 171             |
| Total Current Assets                  | <u>171</u>               | <u>-</u>             | <u>19</u>             | <u>190</u>      |
| Capital Assets, Net                   | <u>3,029</u>             | <u>5,742</u>         | <u>722</u>            | <u>9,493</u>    |
| Total Assets                          | 3,200                    | 5,742                | 741                   | 9,683           |
| <b>LIABILITIES</b>                    |                          |                      |                       |                 |
| Current Liabilities:                  |                          |                      |                       |                 |
| Accounts Payable and Accrued Expenses | 864                      | 15                   | -                     | 879             |
| Lease Liability                       | 16                       | -                    | -                     | 16              |
| Due to Other Funds                    | -                        | 222                  | 562                   | 784             |
| Due to Other Governments              | 3                        | -                    | -                     | 3               |
| Unearned Revenue                      | 349                      | -                    | -                     | 349             |
| Total Current Liabilities             | <u>1,232</u>             | <u>237</u>           | <u>562</u>            | <u>2,031</u>    |
| Total Liabilities                     | <u>1,232</u>             | <u>237</u>           | <u>562</u>            | <u>2,031</u>    |
| <b>NET POSITION</b>                   |                          |                      |                       |                 |
| Net Investment in Capital Assets      | 3,013                    | 5,742                | 722                   | 9,477           |
| Unrestricted                          | <u>(1,045)</u>           | <u>(237)</u>         | <u>(543)</u>          | <u>(1,825)</u>  |
| Total Net Position                    | <u>\$ 1,968</u>          | <u>\$ 5,505</u>      | <u>\$ 179</u>         | <u>\$ 7,652</u> |

**CITY OF NORWICH, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Business-Type Activities |                      |                       | Totals          |
|---|--------------------------|----------------------|-----------------------|-----------------|
|   | Golf Course<br>Authority | Stadium<br>Authority | Ice Rink<br>Authority |                 |
| <b>OPERATING REVENUES</b>                                       |                          |                      |                       |                 |
| Charges for Services  | \$ 1,581                 | \$ -                 | \$ -                  | \$ 1,581        |
| Rent  | -                        | 117                  | 247                   | 364             |
| Other   | 99                       | -                    | -                     | 99              |
| Total Operating Revenues  | <u>1,680</u>             | <u>117</u>           | <u>247</u>            | <u>2,044</u>    |
| <b>OPERATING EXPENSES</b>                                       |                          |                      |                       |                 |
| Operations and Maintenance                                      | 1,246                    | 176                  | 16                    | 1,438           |
| Depreciation and Amortization                                   | 189                      | 187                  | 103                   | 479             |
| Total Operating Expenses  | <u>1,435</u>             | <u>363</u>           | <u>119</u>            | <u>1,917</u>    |
| <b>OPERATING INCOME (LOSS)</b>                                  | 245                      | (246)                | 128                   | 127             |
| <b>NONOPERATING INCOME (EXPENSE)</b>                            |                          |                      |                       |                 |
| Interest Income   | 7                        | -                    | -                     | 7               |
| Interest Expense  | (7)                      | -                    | -                     | (7)             |
| Total Nonoperating Expense                                      | <u>-</u>                 | <u>-</u>             | <u>-</u>              | <u>-</u>        |
| <b>NET INCOME (LOSS) BEFORE<br/>CONTRIBUTIONS AND TRANSFERS</b> | 245                      | (246)                | 128                   | 127             |
| Capital Contributions   | 124                      | -                    | -                     | 124             |
| Transfers In  | -                        | 100                  | -                     | 100             |
| Transfers Out   | (124)                    | -                    | -                     | (124)           |
| Total Contributions and Transfers                               | <u>-</u>                 | <u>100</u>           | <u>-</u>              | <u>100</u>      |
| <b>CHANGE IN NET POSITION</b>                                   | 245                      | (146)                | 128                   | 227             |
| Net Position - Beginning of Year                                | <u>1,723</u>             | <u>5,651</u>         | <u>51</u>             | <u>7,425</u>    |
| <b>NET POSITION - END OF YEAR</b>                               | <u>\$ 1,968</u>          | <u>\$ 5,505</u>      | <u>\$ 179</u>         | <u>\$ 7,652</u> |

**CITY OF NORWICH, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Business-Type Activities |                      |                       |             |
|---|--------------------------|----------------------|-----------------------|-------------|
|   | Golf Course<br>Authority | Stadium<br>Authority | Ice Rink<br>Authority | Totals      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                      |                       |             |
| Cash Received from Charges for Services   | \$ 1,456                 | \$ 117               | \$ 73                 | \$ 1,646    |
| Cash Paid to Vendors  | (685)                    | (217)                | (73)                  | (975)       |
| Cash Paid to Employees for Services   | (541)                    | -                    | -                     | (541)       |
| Net Cash Provided (Used) by Operating Activities  | 230                      | (100)                | -                     | 130         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                          |                      |                       |             |
| Transfers to Other Funds  | (124)                    | 100                  | -                     | (24)        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                          |                      |                       |             |
| Purchase of Capital Assets  | (58)                     | -                    | -                     | (58)        |
| Loss on Disposal of Equipment   | (2)                      | -                    | -                     | (2)         |
| Principal Payments on Leases  | (47)                     | -                    | -                     | (47)        |
| Interest Payments on Leases   | (6)                      | -                    | -                     | (6)         |
| Advances from Other Funds   | -                        | -                    | -                     | -           |
| Net Cash Provided (Used) by Capital and Related Financing Activities                                  | (113)                    | -                    | -                     | (113)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                      |                       |             |
| Income on Investments   | 7                        | -                    | -                     | 7           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   |                          |                      |                       |             |
|   | -                        | -                    | -                     | -           |
| Cash and Cash Equivalents - Beginning of Year   | -                        | -                    | -                     | -           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | <b>\$ -</b>              | <b>\$ -</b>          | <b>\$ -</b>           | <b>\$ -</b> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |                          |                      |                       |             |
| Operating Income (Loss)   | \$ 245                   | \$ (246)             | \$ 128                | \$ 127      |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | 189                      | 187                  | 103                   | 479         |
| Changes in Assets and Liabilities:  |                          |                      |                       |             |
| (Increase) Decrease in Receivables  | -                        | -                    | (3)                   | (3)         |
| (Increase) Decrease in Due from Other Funds   | (1)                      | (41)                 | -                     | (42)        |
| Increase (Decrease) in Due to Other Funds   | -                        | -                    | (57)                  | (57)        |
| Increase (Decrease) in Unearned Revenues  | (223)                    | -                    | (171)                 | (394)       |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities                                       | 20                       | -                    | -                     | 20          |
| Total Adjustments   | (15)                     | 146                  | (128)                 | 3           |
| Net Cash Provided (Used) by Operating Activities  | \$ 230                   | \$ (100)             | \$ -                  | \$ 130      |
| <b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>   |                          |                      |                       |             |
| Capital Asset Contributions   | \$ 124                   | \$ -                 | \$ -                  | \$ 124      |

**INTERNAL SERVICE FUNDS**

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for and finance the City's uninsured risks of loss for Medical Benefits and Workers' Compensation (including heart and hypertension).

**Medical Benefits Fund** – is used to pay health insurance claims and to purchase administrative services and stop loss insurance for the City's health care plans. The City, Board of Education and Department of Public Utilities contribute into this fund for health insurance.

**Workers' Compensation Fund** – accounts for General Fund funding reserves and accrued loss liabilities on incurred claims for workers' compensation and heart and hypertension open claims.

**CITY OF NORWICH, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                           | Medical<br>Benefits | Workers'<br>Compensation | Total    |
|---------------------------|---------------------|--------------------------|----------|
| <b>ASSETS</b>             |                     |                          |          |
| Current:                  |                     |                          |          |
| Accounts Receivable       | \$ 12               | \$ -                     | \$ 12    |
| Due from Other Funds      | 3,000               | 2,344                    | 5,344    |
| Total Assets              | 3,012               | 2,344                    | 5,356    |
| <b>LIABILITIES</b>        |                     |                          |          |
| Current:                  |                     |                          |          |
| Accounts Payable          | 5                   | 1                        | 6        |
| Risk Management Claims    | 1,341               | 1,161                    | 2,502    |
| Unearned Revenue          | 12                  | -                        | 12       |
| Total Current Liabilities | 1,358               | 1,162                    | 2,520    |
| Noncurrent:               |                     |                          |          |
| Risk Management Claims    | -                   | 3,662                    | 3,662    |
| Total Liabilities         | 1,358               | 4,824                    | 6,182    |
| <b>NET POSITION</b>       |                     |                          |          |
| Unrestricted              | \$ 1,654            | \$ (2,480)               | \$ (826) |

**CITY OF NORWICH, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2024  
 (IN THOUSANDS)**

|                                      | Medical<br>Benefits | Workers'<br>Compensation | Total             |
|--------------------------------------|---------------------|--------------------------|-------------------|
|                                      | <u>          </u>   | <u>          </u>        | <u>          </u> |
| <b>OPERATING REVENUES</b>            |                     |                          |                   |
| Charges for Services                 | \$ 19,201           | \$ 2,621                 | \$ 21,822         |
| <b>OPERATING EXPENSES</b>            |                     |                          |                   |
| Claims Expense                       | 16,403              | 2,172                    | 18,575            |
| Premiums and Administrative Expenses | <u>3,070</u>        | <u>439</u>               | <u>3,509</u>      |
| Total Operating Expenses             | <u>19,473</u>       | <u>2,611</u>             | <u>22,084</u>     |
| <b>OPERATING INCOME (LOSS)</b>       | (272)               | 10                       | (262)             |
| Net Position - Beginning of Year     | <u>1,926</u>        | <u>(2,490)</u>           | <u>(564)</u>      |
| <b>NET POSITION - END OF YEAR</b>    | <u>\$ 1,654</u>     | <u>\$ (2,480)</u>        | <u>\$ (826)</u>   |

**CITY OF NORWICH, CONNECTICUT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|   | Medical<br>Benefits | Workers'<br>Compensation | Total           |
|---|---------------------|--------------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                          |                 |
| Cash Received from Charges for Services   | \$ 8,618            | \$ -                     | \$ 8,618        |
| Cash Receipts for Interfund Services Provided   | 10,616              | 2,346                    | 12,962          |
| Cash Paid to Vendors  | <u>(19,234)</u>     | <u>(2,346)</u>           | <u>(21,580)</u> |
| Net Cash Provided (Used) by<br>Operating Activities   | <u>-</u>            | <u>-</u>                 | <u>-</u>        |
| <b>NET INCREASE (DECREASE) IN CASH<br/>AND CASH EQUIVALENTS</b>                                     |                     |                          |                 |
|   | -                   | -                        | -               |
| Cash and Cash Equivalents - Beginning of Year   | <u>-</u>            | <u>-</u>                 | <u>-</u>        |
| <b>CASH AND CASH EQUIVALENTS -<br/>END OF YEAR</b>  |                     |                          |                 |
|   | <u>\$ -</u>         | <u>\$ -</u>              | <u>\$ -</u>     |
| <b>RECONCILIATION OF OPERATING<br/>LOSS TO NET CASH PROVIDED (USED)<br/>BY OPERATING ACTIVITIES</b> |                     |                          |                 |
| Operating Income (Loss)   | \$ (272)            | \$ 10                    | \$ (262)        |
| Changes in Assets and Liabilities:  |                     |                          |                 |
| (Increase) Decrease in Receivables  | 1                   |                          | 1               |
| (Increase) Decrease in Due from Other Funds   | 26                  | (275)                    | (249)           |
| Increase (Decrease) in Accounts Payable<br>and Accrued Liabilities                                  | 239                 | 265                      | 504             |
| Increase (Decrease) in Unearned Revenues  | <u>6</u>            | <u>-</u>                 | <u>6</u>        |
| Total Adjustments   | <u>272</u>          | <u>(10)</u>              | <u>262</u>      |
| Net Cash Provided (Used) by<br>Operating Activities   | <u>\$ -</u>         | <u>\$ -</u>              | <u>\$ -</u>     |

## **FIDUCIARY FUNDS**

## FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held in a trustee capacity for others and include Trust Funds and Agency Funds.

Trust Funds are used for the accumulation of resources and are to be used for retirement payments and for payments of healthcare benefits for retired employees.

The City's Trust Funds are listed below:

- City Employee Pension
- Volunteer Fire Pension
- Other Post Employment Benefit

**CITY OF NORWICH, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | City<br>Employee<br>Pension<br>Trust Fund | Volunteer<br>Fire<br>Pension<br>Trust Fund | Other<br>Postemployment<br>Benefit Trust<br>Fund | Total             |
|---|---|--|--|-------------------|
| <b>ASSETS</b>                                   |   |  |  |                   |
| Cash and Cash Equivalents                       | \$ 4,017                                  | \$ 59                                      | \$ 797   | \$ 4,873          |
| Investments:                                    |   |  |  |                   |
| U.S. Government Securities                      | 26,395                                    | -  | 4,607  | 31,002            |
| U.S. Government Agencies                        | 8,705                                     | -  | 1,875  | 10,580            |
| Corporate Bonds                                 | 22,337                                    | -  | 4,396  | 26,733            |
| Mutual Funds                                    | 237,314                                   | 3,846                                      | 16,366   | 257,526           |
| Common Stock                                    | 60,471                                    | -  | 10,534   | 71,005            |
| Real Estate                                     | 8,544                                     | -  | 113  | 8,657             |
| Accounts Receivable                             | -   | 5  | -  | 5                 |
| Total Assets                                    | <u>367,783</u>                            | <u>3,910</u>                               | <u>38,688</u>                                    | <u>410,381</u>    |
| <b>LIABILITIES</b>                              |   |  |  |                   |
| Accounts and Other Payables                     | <u>267</u>                                | <u>1</u>                                   | <u>221</u>                                       | <u>489</u>        |
| Total Liabilities                               | <u>267</u>                                | <u>1</u>                                   | <u>221</u>                                       | <u>489</u>        |
| <b>NET POSITION</b>                             |   |  |  |                   |
| Net Position Restricted for<br>OPEB Benefits    | -   | -  | 38,467   | 38,467            |
| Net Position Restricted for<br>Pension Benefits | <u>367,516</u>                            | <u>3,909</u>                               | <u>-</u>   | <u>371,425</u>    |
| Total Net Position                              | <u>\$ 367,516</u>                         | <u>\$ 3,909</u>                            | <u>\$ 38,467</u>                                 | <u>\$ 409,892</u> |

**CITY OF NORWICH, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | City<br>Employee<br>Pension<br>Trust Fund | Volunteer<br>Fire<br>Pension<br>Trust Fund | Other<br>Postemployment<br>Benefit Trust<br>Fund | Total             |
|---|---|--|--|-------------------|
| <b>ADDITIONS</b>                          |   |  |  |                   |
| Contributions:                            |   |  |  |                   |
| Employer                                  | \$ 5,275                                  | \$ 329                                     | \$ 3,441   | \$ 9,045          |
| Plan Members                              | 4,283                                     | 14   | 1,597  | 5,894             |
| Total Contributions                       | <u>9,558</u>                              | <u>343</u>                                 | <u>5,038</u>                                     | <u>14,939</u>     |
| Investment Income:                        |   |  |  |                   |
| Net Gain in Fair Value<br>of Investments  | 31,778                                    | 326  | 3,681  | 35,785            |
| Interest and Dividends                    | 9,570                                     | 119  | 968  | 10,657            |
| Total Investment Income                   | <u>41,348</u>                             | <u>445</u>                                 | <u>4,649</u>                                     | <u>46,442</u>     |
| Less Investment Expense                   | <u>(924)</u>                              | <u>(21)</u>                                | <u>(89)</u>                                      | <u>(1,034)</u>    |
| Net Investment Income                     | <u>40,424</u>                             | <u>424</u>                                 | <u>4,560</u>                                     | <u>45,408</u>     |
| Total Additions                           | 49,982                                    | 767  | 9,598  | 60,347            |
| <b>DEDUCTIONS</b>                         |   |  |  |                   |
| Benefits                                  | 22,187                                    | 431  | 4,406  | 27,024            |
| Administration                            | 74  | 14   | 556  | 644               |
| Lump-Sum Distributions and<br>Withdrawals | 1,021                                     | 4  | -  | 1,025             |
| Total Deductions                          | <u>23,282</u>                             | <u>449</u>                                 | <u>4,962</u>                                     | <u>28,693</u>     |
| <b>CHANGE IN NET POSITION</b>             | 26,700                                    | 318  | 4,636  | 31,654            |
| Net Position - Beginning of Year          | <u>340,816</u>                            | <u>3,591</u>                               | <u>33,831</u>                                    | <u>378,238</u>    |
| <b>NET POSITION - END OF YEAR</b>         | <u>\$ 367,516</u>                         | <u>\$ 3,909</u>                            | <u>\$ 38,467</u>                                 | <u>\$ 409,892</u> |

## **SUPPLEMENTAL SCHEDULES**

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF BONDS AND SERIAL NOTES PAYABLE**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

| Description                               | Interest Rate (%) | Issue Date | Maturity Date | Original Amount Issued | Balance Beginning of Year | Issued During Year | Paid During Year | Balance End of Year |
|---|-------------------|------------|---------------|------------------------|---------------------------|--------------------|------------------|---------------------|
| Governmental Activities:                  |                   |            |               |                        |                           |                    |                  |                     |
| General Purpose Bonds Payable:            |                   |            |               |                        |                           |                    |                  |                     |
| General Purpose - Series A                | 3.0-4.0           | 3/3/2015   | 8/1/2034      | \$ 5,600               | \$ 3,050                  | \$ -               | \$ 275           | \$ 2,775            |
| General Purpose - Series B                | 2.0-3.0           | 3/3/2015   | 8/1/2024      | 1,140                  | 220                       | -                  | 110              | 110                 |
| General Purpose - Series A                | 2.0-2.6           | 3/1/2016   | 8/1/2035      | 6,300                  | 3,750                     | -                  | 360              | 3,390               |
| General Purpose - Series B                | 2.0-3.0           | 3/1/2016   | 8/1/2025      | 2,500                  | 750                       | -                  | 250              | 500                 |
| Refunding - (Partial 12/02/2009 Series A) |                   |            |               |                        |                           |                    |                  |                     |
| Bonds - Series C                          | 1.8-4.0           | 10/12/2016 | 8/1/2024      | 2,925                  | 1,170                     | -                  | 585              | 585                 |
| General Purpose - Series A                | 3.0-4.0           | 3/1/2017   | 8/1/2036      | 4,450                  | 3,100                     | -                  | 225              | 2,875               |
| Refunding - (Partial 12/02/2009 Series A) |                   |            |               |                        |                           |                    |                  |                     |
| Bonds - Series A                          | 3.0-4.0           | 3/1/2017   | 8/1/2036      | 2,825                  | 2,825                     | -                  | -                | 2,825               |
| General Purpose - Series B                | 1.0-3.9           | 3/1/2017   | 8/1/2036      | 1,000                  | 700                       | -                  | 50               | 650                 |
| General Purpose - Series A                | 3.0-5.0           | 12/6/2018  | 8/1/2038      | 7,970                  | 6,720                     | -                  | 420              | 6,300               |
| General Purpose - Series A                | 2.0-5.0           | 12/5/2019  | 8/1/2039      | 3,575                  | 3,205                     | -                  | 185              | 3,020               |
| General Purpose - Series A                | 3.0-5.0           | 10/28/2020 | 8/1/2040      | 1,205                  | 1,080                     | -                  | 60               | 1,020               |
| General Purpose - Series B                | 2.0-5.1           | 10/28/2020 | 8/1/2040      | 15,920                 | 11,865                    | -                  | 1,275            | 10,590              |
| Pension Obligation Bonds                  | 1.4-3.3           | 2/25/2022  | 8/1/2046      | 145,000                | 140,570                   | -                  | 4,200            | 136,370             |
| General Purpose - Series A                | 4.0-5.0           | 12/29/2022 | 8/1/2043      | 9,200                  | 9,200                     | -                  | 460              | 8,740               |
| General Purpose - Series A                | 4.0               | 12/14/2023 | 8/1/2044      | 5,000                  | -                         | 5,000              | -                | 5,000               |
| Total                                     |                   |            |               | 214,610                | 188,205                   | 5,000              | 8,455            | 184,750             |

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF BONDS AND SERIAL NOTES PAYABLE**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

| Description                                   | Interest<br>Rate (%) | Issue<br>Date | Maturity<br>Date | Original<br>Amount<br>Issued | Balance<br>Beginning<br>of Year | Issued<br>During<br>Year | Paid<br>During<br>Year | Balance<br>End of<br>Year |
|---|----------------------|---------------|------------------|------------------------------|---------------------------------|--------------------------|------------------------|---------------------------|
| Business-Type Activities:                     |                      |               |                  |                              |                                 |                          |                        |                           |
| Notes Payable:                                |                      |               |                  |                              |                                 |                          |                        |                           |
| Equipment Financing Agreement                 | 4.25                 | 12/28/2017    | 2/29/2024        | \$ 1,937                     | \$ 215                          | \$ -                     | \$ 215                 | \$ -                      |
| Equipment Financing Agreement                 | 3.05                 | 7/1/2020      | 10/31/2024       | 344                          | 131                             | -                        | 64                     | 67                        |
| State Of Connecticut Serial Notes Payable:    |                      |               |                  |                              |                                 |                          |                        |                           |
| Clean Water Act 625-D                         | 2.00                 | 12/31/2012    | 12/31/2031       | 1,865                        | 876                             | -                        | 96                     | 780                       |
| Clean Water Act 495-C                         | 2.00                 | 5/31/2013     | 6/1/2032         | 5,748                        | 2,821                           | -                        | 293                    | 2,528                     |
| Clean Water Act 625-D1                        | 2.00                 | 5/31/2015     | 12/31/2031       | 2,510                        | 1,321                           | -                        | 144                    | 1,177                     |
| Clean Water Act 707-Pd                        | 2.00                 | 2/26/2021     | 1/31/2041        | 1,655                        | 1,455                           | -                        | 83                     | 1,372                     |
| Clean Water Act 743-D                         | 2.00                 | 10/31/2023    | 9/30/2043        | 2,061                        | -                               | 2,061                    | 104                    | 1,957                     |
| Clean Water Act 743-C                         | *                    | *             | *                | *                            | -                               | 10,425                   | -                      | 10,425                    |
| Drinking Water State Revolving Fund 200801-C  | 2.27                 | 7/1/2009      | 7/1/2029         | 450                          | 133                             | -                        | 22                     | 111                       |
| Drinking Water State Revolving Fund 2010-8005 | 2.06                 | 3/31/2010     | 12/31/2029       | 145                          | 47                              | -                        | 7                      | 40                        |
| Drinking Water State Revolving Fund 2010-8006 | 2.06                 | 3/31/2010     | 6/30/2030        | 326                          | 114                             | -                        | 16                     | 98                        |
| Drinking Water State Revolving Fund 2010-7005 | 2.00                 | 4/30/2014     | 10/31/2032       | 160                          | 81                              | -                        | 9                      | 72                        |
| Drinking Water State Revolving Fund 2010-7006 | 2.00                 | 4/30/2014     | 4/30/2032        | 148                          | 73                              | -                        | 9                      | 64                        |
| Drinking Water State Revolving Fund 2014-7027 | 2.27                 | 6/30/2015     | 12/31/2034       | 506                          | 291                             | -                        | 25                     | 266                       |
| Drinking Water State Revolving Fund 2014-7036 | 2.00                 | 5/31/2016     | 11/30/2036       | 4,052                        | 2,515                           | -                        | 202                    | 2,313                     |
| Drinking Water State Revolving Fund 2015-7037 | 2.00                 | 10/12/2016    | 9/30/2034        | 1,528                        | 955                             | -                        | 85                     | 870                       |
| Drinking Water State Revolving Fund 2017-7056 | 2.00                 | 2/28/2019     | 6/30/2028        | 2,695                        | 2,044                           | -                        | 135                    | 1,909                     |
| Drinking Water State Revolving Fund 2019-7069 | 2.00                 | 12/31/2020    | 6/30/2040        | 2,477                        | 2,106                           | -                        | 124                    | 1,982                     |
| Drinking Water State Revolving Fund 2019-7072 | 2.00                 | 8/31/2019     | 2/28/2039        | 1,582                        | 1,239                           | -                        | 79                     | 1,160                     |
| Drinking Water State Revolving Fund 2019-7081 | 2.00                 | 11/30/2020    | 6/30/2040        | 2,414                        | 2,052                           | -                        | 121                    | 1,931                     |
| Drinking Water State Revolving Fund 2019-7077 | 2.00                 | 9/30/2022     | 9/30/2041        | 5,824                        | 5,458                           | -                        | 299                    | 5,159                     |
| Drinking Water State Revolving Fund 2022-7104 | 2.00                 | 3/31/2023     | 9/30/2042        | 131                          | 131                             | -                        | 11                     | 120                       |
| Total   |                      |               |                  | <u>38,558</u>                | <u>24,058</u>                   | <u>12,486</u>            | <u>2,143</u>           | <u>34,401</u>             |
| Total   |                      |               |                  | <u>\$ 253,168</u>            | <u>\$ 212,263</u>               | <u>\$ 17,486</u>         | <u>\$ 10,598</u>       | <u>\$ 219,151</u>         |

\* Loan is not permanently financed at this time.

**CITY OF NORWICH, CONNECTICUT**  
**BOND AND SERIAL NOTES PAYABLE**  
**SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

| Fiscal<br>Year<br>Ending<br>June 30   | Governmental Activities  |                     | Business-Type Activities                                       |                    | Total Primary<br>Government |                     |
|---|--------------------------|---------------------|--|--------------------|-----------------------------|---------------------|
|   | General Obligation Bonds |                     | General Obligation Bonds,<br>Notes Payable<br>and Serial Notes |                    | Principal                   | Interest            |
|   | Principal                | Interest            | Principal  | Interest           |                             |                     |
| 2025  | \$ 8,725                 | \$ 5,777            | \$ 1,934   | \$ 462             | \$ 10,659                   | \$ 6,239            |
| 2026  | 8,660                    | 5,532               | 1,878  | 424                | 10,538                      | 5,956               |
| 2027  | 8,410                    | 5,313               | 1,889  | 387                | 10,299                      | 5,700               |
| 2028  | 8,485                    | 5,091               | 1,901  | 349                | 10,386                      | 5,440               |
| 2029  | 8,580                    | 4,861               | 1,910  | 311                | 10,490                      | 5,172               |
| 2030  | 8,685                    | 4,629               | 1,898  | 272                | 10,583                      | 4,901               |
| 2031  | 8,230                    | 4,399               | 1,890  | 235                | 10,120                      | 4,634               |
| 2032  | 8,320                    | 4,165               | 1,738  | 197                | 10,058                      | 4,362               |
| 2033  | 7,945                    | 3,927               | 1,265  | 167                | 9,210                       | 4,094               |
| 2034  | 8,090                    | 3,684               | 1,263  | 142                | 9,353                       | 3,826               |
| 2035  | 7,655                    | 3,438               | 1,186  | 117                | 8,841                       | 3,555               |
| 2036  | 7,580                    | 3,190               | 1,034  | 95                 | 8,614                       | 3,285               |
| 2037  | 7,520                    | 2,940               | 950  | 75                 | 8,470                       | 3,015               |
| 2038  | 7,450                    | 2,680               | 950  | 56                 | 8,400                       | 2,736               |
| 2039  | 7,670                    | 2,410               | 811  | 38                 | 8,481                       | 2,448               |
| 2040  | 7,480                    | 2,140               | 736  | 23                 | 8,216                       | 2,163               |
| 2041  | 7,525                    | 1,873               | 457  | 11                 | 7,982                       | 1,884               |
| 2042  | 7,710                    | 1,599               | 184  | 4                  | 7,894                       | 1,603               |
| 2043  | 7,965                    | 1,315               | 102  | 1                  | 8,067                       | 1,316               |
| 2044  | 7,775                    | 1,026               | -  | -                  | 7,775                       | 1,026               |
| 2045  | 7,805                    | 742                 | -  | -                  | 7,805                       | 742                 |
| 2046  | 8,090                    | 453                 | -  | -                  | 8,090                       | 453                 |
| 2047  | 8,395                    | 153                 | -  | -                  | 8,395                       | 153                 |
| <b>Subtotal</b>   | <b>\$ 184,750.00</b>     | <b>\$ 71,337.00</b> | <b>\$ 23,976.00</b>  | <b>\$ 3,366.00</b> | <b>\$ 208,726.00</b>        | <b>\$ 74,703.00</b> |
| State of Connecticut - Serial Notes not<br>Permanently Financed as of June 30, 2024 |                          |                     | 10,425   | -                  |                             |                     |
| <b>Total</b>  |                          |                     | <b>\$ 34,401</b>   | <b>\$ 3,366</b>    |                             |                     |

## STATISTICAL SECTION

## STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc. ).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic* information is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF NORWICH, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                       | Fiscal Year |            |            |            |            |            |            |            |            |            |
|---------------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                       | 2024        | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       |
| <b>Governmental Activities:</b>       |             |            |            |            |            |            |            |            |            |            |
| Net Investment in Capital Assets      | \$ 89,257   | \$ 88,076  | \$ 78,709  | \$ 74,279  | \$ 90,304  | \$ 79,887  | \$ 77,058  | \$ 75,885  | \$ 75,885  | \$ 80,829  |
| Restricted                            | 5,989       | 2,533      | 1,962      | 2,160      | 3,915      | 1,789      | 1,697      | 1,620      | 1,620      | 1,630      |
| Unrestricted                          | (59,984)    | (52,193)   | (50,502)   | (53,834)   | (80,442)*  | (68,423)   | (58,803)   | (17,860)   | (17,860)*  | (23,960)   |
| <b>Total Governmental Activities</b>  |             |            |            |            |            |            |            |            |            |            |
| Net Position                          | 35,262      | 38,416     | 30,169     | 22,605     | 13,777     | 13,253     | 19,952     | 59,645     | 59,645     | 58,499     |
| <b>Business-Type Activities:</b>      |             |            |            |            |            |            |            |            |            |            |
| Net Investment in Capital Assets      | 151,169     | 140,816    | 140,419    | 136,016    | 137,973    | 136,712    | 131,273    | 128,042    | 128,042    | 110,565    |
| Restricted                            | 251         | 358        | 1,122      | 1,368      | 524        | 249        | 120        | 334        | 334        | 338        |
| Unrestricted                          | (6,205)     | (9,110)    | (7,766)    | 4,948      | (214)      | (7,568)    | (16,817)   | (19,180)*  | (19,180)*  | (2,259)    |
| <b>Total Business-Type Activities</b> |             |            |            |            |            |            |            |            |            |            |
| Net Position                          | 145,215     | 132,064    | 133,775    | 142,332    | 138,283    | 129,393    | 114,576    | 109,196    | 109,196    | 108,644    |
| <b>Primary Government:</b>            |             |            |            |            |            |            |            |            |            |            |
| Net Investment in Capital Assets      | 240,426     | 228,892    | 219,128    | 210,295    | 228,277    | 216,599    | 208,331    | 203,927    | 203,927    | 191,394    |
| Restricted                            | 6,240       | 2,891      | 3,084      | 3,528      | 4,439      | 2,038      | 1,817      | 1,954      | 1,954      | 1,968      |
| Unrestricted                          | (66,189)    | (61,303)   | (58,268)   | (48,886)   | (81,161)   | (75,991)   | (75,620)   | (35,875)   | (35,875)   | (26,219)   |
| <b>Total Primary Government</b>       |             |            |            |            |            |            |            |            |            |            |
| Net Position                          | \$ 180,477  | \$ 170,480 | \$ 163,944 | \$ 164,937 | \$ 151,555 | \$ 142,646 | \$ 134,528 | \$ 170,006 | \$ 170,006 | \$ 167,143 |

Notes:  
 (1) Schedule prepared on the accrual basis of accounting.  
 \* As Restated

**CITY OF NORWICH, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|   | Fiscal Year        |                    |                    |                   |                   |                   |                   |                    |                   |                   |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|   | 2024               | 2023               | 2022               | 2021              | 2020              | 2019              | 2018              | 2017               | 2016              | 2015              |
| <b>EXPENSES</b>                                 |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Governmental Activities:                        |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| General Government                              | \$ 9,534           | \$ 10,728          | \$ 3,820           | \$ 9,389          | \$ 9,953          | \$ 9,953          | \$ 9,680          | \$ 10,522          | \$ 10,543         | \$ 11,257         |
| Public Safety                                   | 42,142             | 42,179             | 123,944            | 27,306            | 32,947            | 32,947            | 29,139            | 72,870             | 31,681            | 25,750            |
| Social Services                                 | 4,738              | 4,881              | 2,383              | 4,811             | 4,013             | 4,013             | 4,885             | 4,614              | 4,038             | 2,581             |
| Public Works                                    | 18,330             | 13,756             | 7,615              | 14,196            | 15,048            | 15,048            | 10,374            | 14,539             | 13,754            | 14,334            |
| Education                                       | 140,232            | 140,633            | 114,408            | 118,197           | 107,553           | 107,553           | 110,987           | 101,609            | 101,748           | 99,926            |
| Interest on Long-Term Debt                      | 6,103              | 5,364              | 1,144              | 1,282             | 1,198             | 1,198             | 1,145             | 1,351              | 1,348             | 1,444             |
| Total Governmental Activities Expenses          | <u>221,079</u>     | <u>217,541</u>     | <u>253,314</u>     | <u>175,181</u>    | <u>170,712</u>    | <u>170,712</u>    | <u>166,210</u>    | <u>205,505</u>     | <u>163,112</u>    | <u>155,292</u>    |
| Business-Type Activities:                       |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Department of Public Utilities                  | 93,113             | 105,515            | 98,810             | 79,908            | 79,734            | 79,734            | 84,253            | 83,797             | 84,729            | 81,842            |
| Other Enterprise Funds                          | 1,924              | 1,782              | 1,835              | 1,661             | 1,544             | 1,544             | 1,540             | 1,629              | 1,646             | 1,817             |
| Total Business-Type Activities Expenses         | <u>95,037</u>      | <u>107,297</u>     | <u>100,645</u>     | <u>81,569</u>     | <u>81,278</u>     | <u>81,278</u>     | <u>85,793</u>     | <u>85,426</u>      | <u>86,375</u>     | <u>83,659</u>     |
| Total Primary Government Expenses               | <u>316,116</u>     | <u>324,838</u>     | <u>353,959</u>     | <u>256,750</u>    | <u>251,990</u>    | <u>251,990</u>    | <u>252,003</u>    | <u>290,931</u>     | <u>249,487</u>    | <u>238,951</u>    |
| <b>PROGRAM REVENUES</b>                         |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Governmental Activities:                        |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Charges for Services:                           |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| General Government                              | 2,601              | 2,729              | 2,623              | 2,093             | 1,896             | 1,466             | 1,893             | 2,041              | 2,115             | 1,684             |
| Public Works                                    | 1,756              | 1,878              | 1,357              | 510               | 1,220             | 1,252             | 667               | 721                | 744               | 803               |
| Education                                       | 1,005              | 947                | 932                | 975               | 1,361             | 1,423             | 1,239             | 1,415              | 1,495             | 1,650             |
| Other   | 833                | 1,176              | 1,555              | 942               | 999               | 1,233             | 1,154             | 1,156              | 1,204             | 914               |
| Operating Grants and Contributions              | 78,188             | 86,846             | 74,597             | 70,689            | 64,851            | 61,448            | 64,515            | 64,394             | 60,567            | 59,088            |
| Capital Grants and Contributions                | 15,487             | 15,679             | 6,957              | 2,679             | 1,821             | 1,775             | 2,288             | 634                | 2,467             | 1,774             |
| Total Governmental Activities Program Revenues  | <u>99,870</u>      | <u>109,255</u>     | <u>88,021</u>      | <u>77,888</u>     | <u>72,148</u>     | <u>68,597</u>     | <u>71,756</u>     | <u>70,361</u>      | <u>68,592</u>     | <u>65,913</u>     |
| Business-Type Activities:                       |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Charges For Services:                           |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Department of Public Utilities                  | 102,316            | 110,719            | 98,452             | 91,571            | 95,214            | 97,467            | 95,218            | 88,607             | 89,434            | 91,074            |
| Other Nonmajor Enterprise Funds                 | 2,044              | 1,767              | 1,459              | 1,404             | 1,607             | 1,346             | 1,292             | 1,388              | 1,482             | 1,302             |
| Capital Grants and Contributions                | 11,525             | 1,227              | 787                | 1,766             | 3,849             | 4,577             | 2,421             | 4,585              | 3,809             | 3,547             |
| Total Business-Type Activities Program Revenues | <u>115,885</u>     | <u>113,713</u>     | <u>100,698</u>     | <u>94,741</u>     | <u>100,670</u>    | <u>103,390</u>    | <u>98,931</u>     | <u>94,580</u>      | <u>94,725</u>     | <u>95,923</u>     |
| Total Primary Government Program Revenues       | <u>215,755</u>     | <u>222,968</u>     | <u>188,719</u>     | <u>172,629</u>    | <u>172,818</u>    | <u>171,987</u>    | <u>170,687</u>    | <u>164,941</u>     | <u>163,317</u>    | <u>161,836</u>    |
| <b>NET (EXPENSE) REVENUE</b>                    |                    |                    |                    |                   |                   |                   |                   |                    |                   |                   |
| Governmental Activities                         | (121,209)          | (108,286)          | (165,293)          | (97,293)          | (102,524)         | (102,115)         | (94,454)          | (135,144)          | (94,520)          | (89,379)          |
| Business-Type Activities                        | 20,848             | 6,416              | 53                 | 13,172            | 17,327            | 22,112            | 13,138            | 9,154              | 8,350             | 12,264            |
| Total Primary Government Net Expense            | <u>\$(100,361)</u> | <u>\$(101,870)</u> | <u>\$(165,240)</u> | <u>\$(84,121)</u> | <u>\$(85,197)</u> | <u>\$(80,003)</u> | <u>\$(81,316)</u> | <u>\$(125,990)</u> | <u>\$(86,170)</u> | <u>\$(77,115)</u> |

**TABLE 2  
(CONTINUED)**

**CITY OF NORWICH, CONNECTICUT  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|  | Fiscal Year       |                   |                   |                  |                  |                  |                  |                    |                  |                  |
|--|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|
|  | 2024              | 2023              | 2022              | 2021             | 2020             | 2019             | 2018             | 2017               | 2016             | 2015             |
| <b>GENERAL REVENUES AND OTHER</b>                            |                   |                   |                   |                  |                  |                  |                  |                    |                  |                  |
| <b>CHANGES IN NET POSITION</b>                               |                   |                   |                   |                  |                  |                  |                  |                    |                  |                  |
| Governmental Activities:                                     |                   |                   |                   |                  |                  |                  |                  |                    |                  |                  |
| Property Taxes   | \$ 92,190         | \$ 91,207         | \$ 90,297         | \$ 90,080        | \$ 87,831        | \$ 81,997        | \$ 79,996        | \$ 79,343          | \$ 81,709        | \$ 75,298        |
| Grants and Contributions Not Restricted to Specific Programs | 10,296            | 9,163             | 5,957             | 4,486            | 4,491            | 3,992            | 4,404            | 5,580              | 4,771            | 4,534            |
| Unrestricted Investment Earnings                             | 3,794             | 2,303             | 296               | 688              | 902              | 1,050            | 609              | 394                | 146              | 88               |
| Miscellaneous  | 2,637             | 5,154             | 67,659            | 1,628            | 497              | 662              | 1,297            | 1,301              | 1,236            | 2,536            |
| Transfers  | 9,138             | 8,706             | 8,648             | 9,193            | 8,822            | 7,715            | 8,465            | 8,516              | 7,804            | 7,467            |
| Total Governmental Activities                                | <u>118,055</u>    | <u>116,533</u>    | <u>172,857</u>    | <u>106,075</u>   | <u>102,543</u>   | <u>95,416</u>    | <u>94,771</u>    | <u>95,134</u>      | <u>95,666</u>    | <u>89,923</u>    |
| Business-Type Activities:                                    |                   |                   |                   |                  |                  |                  |                  |                    |                  |                  |
| Investment Earnings and Miscellaneous Revenues               | 1,441             | 616               | 38                | 70               | 385              | 420              | 56               | 13                 | 6                | 5                |
| Transfers  | (9,138)           | (8,706)           | (8,648)           | (9,193)          | (8,822)          | (7,715)          | (8,465)          | (8,516)            | (7,804)          | (7,467)          |
| Total Business-Type Activities                               | <u>(7,697)</u>    | <u>(8,090)</u>    | <u>(8,610)</u>    | <u>(9,123)</u>   | <u>(8,437)</u>   | <u>(7,295)</u>   | <u>(8,409)</u>   | <u>(8,503)</u>     | <u>(7,798)</u>   | <u>(7,462)</u>   |
| Total Primary Government                                     | <u>\$ 110,358</u> | <u>\$ 108,443</u> | <u>\$ 164,247</u> | <u>\$ 96,952</u> | <u>\$ 94,106</u> | <u>\$ 88,121</u> | <u>\$ 86,362</u> | <u>\$ 86,631</u>   | <u>\$ 87,868</u> | <u>\$ 82,461</u> |
| <b>CHANGES IN NET POSITION</b>                               |                   |                   |                   |                  |                  |                  |                  |                    |                  |                  |
| Governmental Activities                                      | \$ (3,154)        | \$ 8,247          | \$ 7,564          | \$ 8,782         | \$ 19            | \$ (6,699)       | \$ 317           | \$ (40,010)        | \$ 1,146         | \$ 544           |
| Business-Type Activities                                     | 13,151            | (1,674)           | (8,557)           | 4,049            | 8,890            | 14,817           | 4,729            | 651                | 552              | 4,802            |
| Total Primary Government                                     | <u>\$ 9,997</u>   | <u>\$ 6,573</u>   | <u>\$ (993)</u>   | <u>\$ 12,831</u> | <u>\$ 8,909</u>  | <u>\$ 8,118</u>  | <u>\$ 5,046</u>  | <u>\$ (39,359)</u> | <u>\$ 1,698</u>  | <u>\$ 5,346</u>  |

Notes:

(1) Schedule prepared on the accrual basis of accounting.

**CITY OF NORWICH, CONNECTICUT  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                     | Fiscal Year      |                   |                  |                  |                  |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                     | 2024             | 2023              | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| <b>GENERAL FUND</b>                 |                  |                   |                  |                  |                  |                  |                  |                  |                  |                  |
| Assigned                            | \$ 136           | \$ 231            | \$ -             | \$ -             | \$ 116           | \$ 69            | \$ 261           | \$ 664           | \$ 227           | \$ 207           |
| Unassigned                          | 20,072           | 20,737            | 17,392           | 17,016           | 14,277           | 13,653           | 15,303           | 17,017           | 14,652           | 10,192           |
| Total General Fund                  | <u>\$ 20,208</u> | <u>\$ 20,968</u>  | <u>\$ 17,392</u> | <u>\$ 17,016</u> | <u>\$ 14,393</u> | <u>\$ 13,722</u> | <u>\$ 15,564</u> | <u>\$ 17,681</u> | <u>\$ 14,879</u> | <u>\$ 10,399</u> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b> |                  |                   |                  |                  |                  |                  |                  |                  |                  |                  |
| Nonspendable                        | \$ 33            | \$ 33             | \$ 1,920         | \$ 2,118         | \$ 1,828         | \$ 1,836         | \$ 1,733         | \$ 1,723         | \$ 1,584         | \$ 1,600         |
| Restricted                          | 5,956            | 8,372             | 1,405            | 689              | 20,651           | 23,904           | 19,906           | 22,340           | 19,244           | 13,488           |
| Committed                           | 82,292           | 85,398            | 93,512           | 26,291           | 6,265            | 6,801            | 6,509            | 5,189            | 5,030            | 3,766            |
| Assigned                            | 10,269           | 9,313             | -                | -                | -                | -                | -                | -                | -                | -                |
| Unassigned                          | (559)            | (1,933)           | (129)            | (445)            | (419)            | (355)            | (99)             | (87)             | (73)             | (426)            |
| Total All Other Governmental Funds  | <u>\$ 97,991</u> | <u>\$ 101,183</u> | <u>\$ 96,708</u> | <u>\$ 28,653</u> | <u>\$ 28,325</u> | <u>\$ 32,186</u> | <u>\$ 28,049</u> | <u>\$ 29,165</u> | <u>\$ 25,785</u> | <u>\$ 18,428</u> |

Notes:

(1) Schedule prepared on the modified accrual basis of accounting.

**CITY OF NORWICH, CONNECTICUT**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

|  | Fiscal Year       |                   |                   |                  |                  |                  |                  |                  |                  |                  |
|--|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2024              | 2023              | 2022              | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| <b>REVENUES</b>  |                   |                   |                   |                  |                  |                  |                  |                  |                  |                  |
| Property Taxes, Interest, and Liens                      | \$ 93,102         | \$ 91,083         | \$ 90,812         | \$ 90,445        | \$ 86,873        | \$ 82,309        | \$ 79,475        | \$ 79,880        | \$ 81,951        | \$ 74,665        |
| Intergovernmental  | 104,641           | 109,080           | 87,412            | 77,627           | 67,529           | 65,791           | 71,004           | 70,232           | 67,903           | 65,897           |
| Charges for Services, Licenses, Permits, Fees, and Other | 9,449             | 12,150            | 75,085            | 7,568            | 7,191            | 7,033            | 7,054            | 8,601            | 10,191           | 10,002           |
| Investment Income  | 3,763             | 2,289             | 359               | 687              | 902              | 1,049            | 608              | 392              | 146              | 88               |
| <b>Total Revenues</b>                                    | <b>210,955</b>    | <b>214,602</b>    | <b>253,668</b>    | <b>176,327</b>   | <b>162,495</b>   | <b>156,182</b>   | <b>158,141</b>   | <b>159,105</b>   | <b>160,191</b>   | <b>150,652</b>   |
| <b>EXPENDITURES</b>                                      |                   |                   |                   |                  |                  |                  |                  |                  |                  |                  |
| General Government                                       | 6,275             | 6,767             | 6,752             | 6,413            | 6,195            | 6,354            | 6,040            | 5,631            | 6,174            | 5,629            |
| Public Safety  | 36,125            | 36,556            | 178,068           | 28,942           | 28,769           | 29,065           | 28,013           | 26,868           | 25,998           | 23,407           |
| Social Services  | 4,761             | 4,661             | 4,672             | 4,821            | 4,659            | 4,275            | 4,933            | 3,716            | 4,289            | 4,140            |
| Public Works   | 14,841            | 12,378            | 11,481            | 10,818           | 10,787           | 11,031           | 10,652           | 11,397           | 11,094           | 10,890           |
| Education  | 138,628           | 134,568           | 122,780           | 117,230          | 109,391          | 105,064          | 107,541          | 105,574          | 99,284           | 97,755           |
| Other  | 2,966             | 2,857             | 2,737             | 2,766            | 2,559            | 2,303            | 3,135            | 3,276            | 4,036            | 5,644            |
| Capital Outlay   | 11,729            | 13,641            | 7,065             | 8,284            | 9,436            | 7,000            | 3,426            | 4,987            | 8,587            | 9,838            |
| Debt Service:  |                   |                   |                   |                  |                  |                  |                  |                  |                  |                  |
| Principal  | 8,455             | 8,265             | 4,125             | 3,095            | 4,095            | 4,305            | 4,430            | 4,180            | 4,040            | 3,900            |
| Interest   | 5,791             | 5,278             | 1,262             | 2,645            | 1,813            | 1,567            | 1,669            | 1,690            | 1,703            | 1,718            |
| <b>Total Expenditures</b>                                | <b>229,571</b>    | <b>224,971</b>    | <b>338,942</b>    | <b>185,014</b>   | <b>177,704</b>   | <b>170,964</b>   | <b>169,839</b>   | <b>167,319</b>   | <b>165,205</b>   | <b>162,921</b>   |
| <b>EXCESS OF REVENUES UNDER EXPENDITURES</b>             | <b>(18,616)</b>   | <b>(10,369)</b>   | <b>(85,274)</b>   | <b>(8,687)</b>   | <b>(15,209)</b>  | <b>(14,782)</b>  | <b>(11,698)</b>  | <b>(8,214)</b>   | <b>(5,014)</b>   | <b>(12,269)</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                   |                   |                   |                  |                  |                  |                  |                  |                  |                  |
| Transfers In   | 24,508            | 85,915            | 17,415            | 19,340           | 17,253           | 16,387           | 15,713           | 15,824           | 14,773           | 9,523            |
| Transfers Out  | (15,370)          | (77,209)          | (8,767)           | (10,147)         | (8,381)          | (7,571)          | (7,248)          | (7,308)          | (6,969)          | (2,056)          |
| Issuance of Leases                                       | -                 | -                 | -                 | -                | -                | -                | -                | -                | -                | -                |
| Bonds Issued   | 5,000             | 9,200             | 145,000           | 1,205            | 3,575            | 7,970            | -                | 5,450            | 8,800            | 6,740            |
| Bond Premium   | 262               | 571               | -                 | 44               | 77               | 291              | -                | 1,093            | 247              | 419              |
| Refunding Bonds Issued                                   | 264               | -                 | -                 | 15,920           | -                | -                | -                | 5,750            | -                | -                |
| Payment to Refunding Bond Escrow Agent                   | -                 | -                 | -                 | (15,780)         | -                | -                | -                | (6,413)          | -                | -                |
| <b>Total Other Financing Sources (Uses)</b>              | <b>14,664</b>     | <b>18,477</b>     | <b>153,648</b>    | <b>10,582</b>    | <b>12,524</b>    | <b>17,077</b>    | <b>8,465</b>     | <b>14,396</b>    | <b>16,851</b>    | <b>14,626</b>    |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <b>(3,952)</b>    | <b>8,108</b>      | <b>68,374</b>     | <b>1,895</b>     | <b>(2,685)</b>   | <b>2,295</b>     | <b>(3,233)</b>   | <b>6,182</b>     | <b>11,837</b>    | <b>2,357</b>     |
| Fund Balances - Beginning of Year                        | 122,151           | 114,043           | 45,669            | 43,774           | 45,908           | 43,613           | 46,846           | 40,664           | 28,827           | 26,470           |
| <b>FUND BALANCES - END OF YEAR</b>                       | <b>\$ 118,199</b> | <b>\$ 122,151</b> | <b>\$ 114,043</b> | <b>\$ 45,669</b> | <b>\$ 43,223</b> | <b>\$ 45,908</b> | <b>\$ 43,613</b> | <b>\$ 46,846</b> | <b>\$ 40,664</b> | <b>\$ 28,827</b> |
| Debt Service as a Percentage of Noncapital Expenditures  | 6.66%             | 6.55%             | 1.62%             | 3.23%            | 3.60%            | 3.60%            | 3.77%            | 3.64%            | 3.61%            | 3.56%            |

Notes:

(1) Schedule prepared on the modified accrual basis of accounting.

**CITY OF NORWICH, CONNECTICUT  
PROPERTY TAX ASSESSMENT  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year Ended June 30 | Grand List Year October 1 | Real Estate           |              | Personal Property |            | Total Assessed Value | Less: Exemptions | Total Taxable Assessed Value | Total Adjusted Tax Levy (General Fund, CCD Fire Taxes and TCD Taxes) | Average Direct Rate (in Mills) | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value | State Equalized Net Grand List |
|---------------------------|---------------------------|-----------------------|--------------|-------------------|------------|----------------------|------------------|------------------------------|--|--------------------------------|--------------------------------|--|--------------------------------|
|                           |                           | Industrial/Commercial | Residential  | Motor Vehicles    | Other      |                      |                  |                              |  |                                |                                |  |                                |
| 2024                      | 2022                      | \$ 443,062            | \$ 1,268,089 | \$ 327,377        | \$ 218,724 | \$ 2,257,251         | \$ 85,607        | \$ 2,171,643                 | \$ 91,759  | 42.25                          | \$ 3,102,348                   | 70.00%   | \$ 4,294,436                   |
| 2023                      | 2021                      | 442,460               | 1,259,405    | 304,805           | 208,618    | 2,215,287            | 87,256           | 2,128,031                    | 89,732   | 42.17                          | 3,040,044                      | 70.00%   | 3,835,308                      |
| 2022                      | 2020                      | 445,932               | 1,236,899    | 255,503           | 216,284    | 2,154,618            | 74,138           | 2,080,480                    | 91,007   | 43.74                          | 2,972,114                      | 70.00%   | 3,226,101                      |
| 2021                      | 2019                      | 446,291               | 1,231,169    | 233,367           | 209,876    | 2,120,704            | 74,657           | 2,046,046                    | 89,459   | 43.72                          | 2,922,923                      | 70.00%   | 3,101,046                      |
| 2020                      | 2018 <sup>1</sup>         | 444,160               | 1,222,558    | 229,102           | 207,495    | 2,103,315            | 76,226           | 2,027,088                    | 86,610   | 42.73                          | 2,895,840                      | 70.00%   | 2,839,954                      |
| 2019                      | 2017                      | 380,568               | 1,168,912    | 229,468           | 208,401    | 1,987,349            | 83,785           | 1,903,564                    | 81,545   | 42.84                          | 2,719,377                      | 70.00%   | 2,801,852                      |
| 2018                      | 2016                      | 354,974               | 1,156,298    | 227,777           | 159,304    | 1,898,352            | 37,976           | 1,860,376                    | 78,849   | 42.38                          | 2,657,679                      | 70.00%   | 2,711,520                      |
| 2017                      | 2015                      | 352,574               | 1,153,311    | 226,975           | 147,557    | 1,880,418            | 34,215           | 1,846,203                    | 78,980   | 42.78                          | 2,637,432                      | 70.00%   | 2,707,001                      |
| 2016                      | 2014                      | 351,104               | 1,149,342    | 223,067           | 141,106    | 1,864,620            | 38,569           | 1,826,051                    | 79,320   | 43.44                          | 2,608,644                      | 70.00%   | 2,670,158                      |
| 2015                      | 2013 <sup>1</sup>         | 347,541               | 1,148,374    | 226,420           | 138,284    | 1,860,619            | 38,117           | 1,822,502                    | 74,316   | 40.78                          | 2,603,574                      | 70.00%   | 2,574,692                      |

Source: City of Norwich Assessor's Office; *Municipal Fiscal Indicators*, Connecticut Office of Policy & Management

Notes:  
Revaluations were done for Grand Lists October 1, 2013 and October 1, 2018. The next revaluation will be on the October 1, 2023. Property is assessed at approximately 70% of its market value.

**CITY OF NORWICH, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
OCTOBER 1, 2022 AND OCTOBER 1, 2013  
(IN THOUSANDS)**

| Business Name                      | Nature of Business                 | October 1, 2022        |      |  | October 1, 2013        |      |  |
|------------------------------------|------------------------------------|------------------------|------|--|------------------------|------|--|
|                                    |                                    | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Computer Science Corporation       | Computer Products & Services       | \$ 33,920              | 1    | 1.56%                                      | \$ 24,986              | 1    | 1.37%                                      |
| NorwichTown Commons                | Shopping Center                    | 17,594                 | 2    | 0.81%                                      | 15,637                 | 2    | 0.86%                                      |
| Bob's Discount Furniture           | Retail Store & Distribution Center | 16,727                 | 3    | 0.77%                                      | 15,354                 | 3    | 0.84%                                      |
| Connecticut Light & Power          | Energy                             | 13,738                 | 4    | 0.63%                                      |                        |      | 0.00%                                      |
| US Food Service                    | Food Service                       | 11,411                 | 5    | 0.53%                                      |                        |      | 0.00%                                      |
| Norwich Realty Associates, LLC     | Real Estate                        | 11,381                 | 6    | 0.52%                                      | 9,663                  | 5    | 0.53%                                      |
| Plaza Enterprises                  | Shopping Center                    | 11,026                 | 7    | 0.51%                                      | 9,259                  | 6    | 0.51%                                      |
| Nordson EFD LLC                    | Manufacturing                      | 10,410                 | 8    | 0.48%                                      |                        |      | 0.00%                                      |
| Mashantucket Pequot Tribe          | Real Estate                        | 9,896                  | 9    | 0.46%                                      | 7,295                  | 10   | 0.40%                                      |
| Elk Thamesview LLC                 | Apartment Complex                  | 9,493                  | 10   | 0.44%                                      |                        |      | 0.00%                                      |
| EMC Corporation                    | Computer leasing                   |                        |      | 0.00%                                      | 11,489                 | 4    | 0.63%                                      |
| Wal-Mart Stores, Inc.              | Department store                   |                        |      | 0.00%                                      | 8,644                  | 8    | 0.47%                                      |
| Norwich Community Development Corp | Office Building                    |                        |      | 0.00%                                      | 7,676                  | 9    | 0.42%                                      |
| Algonquin Gas Transmissions LLC    | Natural Gas Pipeline               |                        |      | 0.00%                                      | 8,699                  | 7    | 0.48%                                      |
| <b>Total</b>                       |                                    | <b>\$ 145,596</b>      |      | <b>6.70%</b>                               | <b>\$ 118,701</b>      |      | <b>6.51%</b>                               |

Source: City of Norwich Assessor's Office

Note: The October 1, 2022 grand list was the base grand list utilized for the tax bills issued July 1, 2023 for the 2024 fiscal year.

TABLE 7

**CITY OF NORWICH, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year<br>Ended June 30                                       | Net Taxable<br>Grand List | Mill Rate | Adjusted Tax<br>Levy for<br>Fiscal Year | Collected Within the Fiscal Year<br>of the Levy |            | Collections<br>in<br>Subsequent | Total Collections to Date |            | Total Direct Rates               |                                  |
|--|---------------------------|-----------|---|---|------------|---------------------------------|---------------------------|------------|----------------------------------|----------------------------------|
|  |                           |           |   | Amount  | Percentage |                                 | Amount                    | Percentage | City<br>Consolidated<br>District | Town<br>Consolidated<br>District |
| <u>General Fund</u>  |                           |           |   |   |            |                                 |                           |            |                                  |                                  |
| 2024   | \$ 2,171,643              | 41.85     | \$ 87,073                               | \$ 84,639                                       | 97.20%     | \$                              | \$ 84,639                 | 97.20%     | 48.64                            | 42.22                            |
| 2023   | 2,128,031                 | 41.83     | 85,361                                  | 82,943  | 97.17%     | 1,373                           | 84,317                    | 98.78%     | 48.48                            | 42.18                            |
| 2022   | 2,080,480                 | 41.98     | 86,329                                  | 83,698  | 96.95%     | 1,993                           | 85,691                    | 99.26%     | 48.64                            | 42.35                            |
| 2021   | 2,046,046                 | 42.06     | 85,139                                  | 82,919  | 97.39%     | 2,090                           | 85,009                    | 99.85%     | 48.47                            | 42.38                            |
| 2020   | 2,027,088                 | 40.28     | 81,312                                  | 79,043  | 97.21%     | 2,179                           | 81,222                    | 99.89%     | 47.99                            | 40.64                            |
| 2019   | 1,903,564                 | 41.01     | 76,713                                  | 74,447  | 97.05%     | 2,219                           | 76,666                    | 99.94%     | 48.39                            | 41.46                            |
| 2018   | 1,860,376                 | 40.52     | 74,351                                  | 72,124  | 97.01%     | 2,190                           | 74,314                    | 99.95%     | 48.74                            | 40.67                            |
| 2017   | 1,846,203                 | 41.22     | 74,366                                  | 72,150  | 97.02%     | 2,189                           | 74,339                    | 99.96%     | 49.06                            | 41.69                            |
| 2016   | 1,826,051                 | 40.90     | 74,375                                  | 72,017  | 96.83%     | 2,338                           | 74,355                    | 99.97%     | 48.06                            | 41.39                            |
| 2015   | 1,822,502                 | 38.55     | 69,248                                  | 66,667  | 96.27%     | 2,567                           | 69,234                    | 99.98%     | 45.93                            | 39.04                            |
| <u>City Consolidation District (CCD) Fire Tax</u>                  |                           |           |   |   |            |                                 |                           |            |                                  |                                  |
| 2024   | \$ 1,268,089              | 6.79      | \$ 4,153                                | \$ 4,153  | 100.00%    | \$                              | \$ 4,153                  | 100.00%    |                                  |                                  |
| 2023   | 705,173                   | 6.65      | 3,938                                   | 3,848   | 97.71%     | 90                              | 3,938                     | 100.00%    |                                  |                                  |
| 2022   | 678,498                   | 6.66      | 4,163                                   | 4,007   | 96.23%     | 157                             | 4,163                     | 100.00%    |                                  |                                  |
| 2021   | 660,965                   | 6.41      | 3,885                                   | 3,766   | 96.95%     | 119                             | 3,885                     | 100.00%    |                                  |                                  |
| 2020   | 656,653                   | 7.71      | 4,804                                   | 4,623   | 96.24%     | 181                             | 4,804                     | 100.00%    |                                  |                                  |
| 2019   | 624,670                   | 7.38      | 4,263                                   | 4,107   | 96.33%     | 156                             | 4,263                     | 100.00%    |                                  |                                  |
| 2018   | 612,003                   | 8.22      | 4,331                                   | 4,200   | 96.96%     | 132                             | 4,331                     | 100.00%    |                                  |                                  |
| 2017   | 616,753                   | 7.84      | 4,099                                   | 3,986   | 97.23%     | 114                             | 4,099                     | 100.00%    |                                  |                                  |
| 2016   | 613,919                   | 7.16      | 4,347                                   | 4,144   | 95.34%     | 203                             | 4,347                     | 100.00%    |                                  |                                  |
| 2015   | 614,079                   | 7.38      | 4,481                                   | 4,249   | 94.84%     | 231                             | 4,481                     | 100.00%    |                                  |                                  |
| <u>Town Consolidation District (TCD) Volunteer Fire Relief Tax</u> |                           |           |   |   |            |                                 |                           |            |                                  |                                  |
| 2024   | \$ 1,444,487              | 0.37      | 532                                     | 532   | 100.00%    | \$                              | 532                       | 100.00%    |                                  |                                  |
| 2023   | 1,422,858                 | 0.35      | 432                                     | 426   | 98.68%     | 6                               | 432                       | 100.00%    |                                  |                                  |
| 2022   | 1,401,982                 | 0.37      | 515                                     | 515   | 100.00%    |                                 | 515                       | 100.00%    |                                  |                                  |
| 2021   | 1,385,081                 | 0.32      | 435                                     | 428   | 98.39%     | 7                               | 435                       | 100.00%    |                                  |                                  |
| 2020   | 1,370,435                 | 0.36      | 494                                     | 486   | 98.37%     | 8                               | 494                       | 100.00%    |                                  |                                  |
| 2019   | 1,278,893                 | 0.45      | 568                                     | 558   | 98.12%     | 11                              | 568                       | 100.00%    |                                  |                                  |
| 2018   | 1,248,373                 | 0.15      | 166                                     | 165   | 98.96%     | 2                               | 166                       | 100.00%    |                                  |                                  |
| 2017   | 1,229,450                 | 0.47      | 515                                     | 508   | 98.67%     | 7                               | 515                       | 100.00%    |                                  |                                  |
| 2016   | 1,212,132                 | 0.49      | 598                                     | 586   | 98.09%     | 11                              | 598                       | 100.00%    |                                  |                                  |
| 2015   | 1,208,423                 | 0.49      | 587                                     | 572   | 97.34%     | 16                              | 587                       | 100.00%    |                                  |                                  |

Notes:

Mill rate for Motor Vehicle taxes was capped at 37 for both the CCD and the TCD in FY2016-17. The mill rate for Motor Vehicles was capped at 39 for both the CCD and the TCD in FY2017-18. The mill rate for Motor Vehicles was capped at 45 mills in the CCD in fiscal years 2018-19 through FY2021-22. The mill rate was capped at 32.46 mills for both the CCD and the TCD in FY2022-23 through FY2024-25.

**CITY OF NORWICH, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year | Governmental Activities  |                          |               |               | Business-Type Activities |                         |               |               |               | Total Debt               |  |                              | General Obligation Bonds |   |                                 |
|-------------|--------------------------|--------------------------|---------------|---------------|--------------------------|-------------------------|---------------|---------------|---------------|--------------------------|--|------------------------------|--------------------------|---|---------------------------------|
|             | General Obligation Bonds | Special Assessment Bonds | Lease Payable | Notes Payable | General Obligation Bonds | Intergovernmental Loans | Lease Payable | SBITA Payable | Notes Payable | Total Primary Government | Debt to Total Personal Income <sup>2</sup> | Debt per Capita <sup>2</sup> | Total GO Debt            | GO Debt to Estimated Actual Value of Taxable Property | GO Debt per Capita <sup>2</sup> |
| 2024        | \$ 187,150               | \$ -                     | \$ 260        | \$ -          | \$ -                     | \$ 23,910               | \$ 406        | \$ 127        | \$ 67         | \$ 211,920               | 14.73%                                     | \$ 5,314                     | \$ 187,150               | 6.03%   | \$ 4,693                        |
| 2023        | 190,570                  | -                        | -             | -             | -                        | 23,735                  | 574           | 157           | 346           | 215,382                  | 16.10%                                     | 5,383                        | 190,570                  | 6.27%   | 4,763                           |
| 2022        | 189,221                  | -                        | -             | 63            | -                        | 19,573                  | 643           | -             | 759           | 210,259                  | 16.70%                                     | 5,255                        | 189,221                  | 6.37%   | 4,729                           |
| 2021        | 46,395                   | -                        | -             | 125           | -                        | 13,433                  | -             | -             | 1,174         | 61,126                   | 5.22%                                      | 1,577                        | 46,395                   | 1.59%   | 1,197                           |
| 2020        | 48,119                   | -                        | -             | 185           | 26                       | 14,614                  | -             | -             | 1,220         | 64,163                   | 5.82%                                      | 1,655                        | 48,145                   | 1.66%   | 1,242                           |
| 2019        | 48,629                   | -                        | -             | 350           | 66                       | 15,893                  | -             | -             | 1,737         | 66,675                   | 5.94%                                      | 1,689                        | 48,695                   | 1.79%   | 1,234                           |
| 2018        | 44,953                   | -                        | -             | 514           | 107                      | 14,292                  | -             | -             | 1,856         | 61,722                   | 5.62%                                      | 1,564                        | 45,060                   | 1.70%   | 1,142                           |
| 2017        | 52,014                   | -                        | -             | 675           | 143                      | 15,372                  | -             | -             | 196           | 68,400                   | 6.45%                                      | 1,729                        | 52,157                   | 1.98%   | 1,319                           |
| 2016        | 50,233                   | -                        | -             | 830           | 183                      | 15,055                  | -             | -             | 551           | 66,852                   | 6.18%                                      | 1,676                        | 50,416                   | 1.93%   | 1,264                           |
| 2015        | 43,592                   | -                        | -             | 979           | 223                      | 12,005                  | -             | -             | 945           | 57,744                   | 5.63%                                      | 1,437                        | 43,815                   | 1.68%   | 1,091                           |

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

<sup>1</sup> See Property Tax Assessment schedule

<sup>2</sup> See Demographic Statistics schedule

Business-Type GO bonds includes Stony Brook and Golf Course debt

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF DEBT LIMITATION  
JUNE 30, 2024  
(IN THOUSANDS)**

|  |                    |                   |                   |                   |                    |                   |
|--|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| Total Tax Collections, Including Interest and Lien Fees            |                    |                   |                   |                   |                    | \$ 86,553         |
| Total Tax Collections, Norwich Fire District                       |                    |                   |                   |                   |                    | <u>4,504</u>      |
| Base   |                    |                   |                   |                   |                    | <u>\$ 91,057</u>  |
|  | General<br>Purpose | Schools           | Sewers            | Urban<br>Renewal  | Pension<br>Deficit | Total             |
| Debt Limitation:   |                    |                   |                   |                   |                    |                   |
| 2-1/4 Times Base   | \$ 204,878         | \$ -              | \$ -              | \$ -              | \$ -               | -                 |
| 4-1/2 Times Base   | -                  | 409,757           | -                 | -                 | -                  | -                 |
| 3-3/4 Times Base   | -                  | -                 | 341,464           | -                 | -                  | -                 |
| 3-1/4 Times Base   | -                  | -                 | -                 | 295,935           | -                  | -                 |
| 3 Times Base   | -                  | -                 | -                 | -                 | 273,171            | -                 |
| 7 Times Base   | -                  | -                 | -                 | -                 | -                  | 637,399           |
| Total Debt Limitation  | <u>204,878</u>     | <u>409,757</u>    | <u>341,464</u>    | <u>295,935</u>    | <u>273,171</u>     | <u>637,399</u>    |
| Indebtedness:  |                    |                   |                   |                   |                    |                   |
| Bonds Payable  | 21,737             | 12,808            | 1,541             | 1,280             | 136,370            | 173,736           |
| Bonds Authorized and Unissued                                      | 8,162              | 135,000           | -                 | -                 | -                  | 143,162           |
| Total Indebtedness   | <u>29,899</u>      | <u>147,808</u>    | <u>1,541</u>      | <u>1,280</u>      | <u>136,370</u>     | <u>316,898</u>    |
| Debt Limitation in<br>Excess of Outstanding<br>and Authorized Debt | <u>\$ 174,979</u>  | <u>\$ 261,949</u> | <u>\$ 339,923</u> | <u>\$ 294,655</u> | <u>\$ 136,801</u>  | <u>\$ 320,501</u> |

Note 1: In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted would be \$637.4 million.

Note 2: Bonds authorized and unissued represent bond authorizations for which bonds have been issued to partially finance the project or interim financing has been issued.

Note 3: Bonds and serial notes payable do not include State of Connecticut Serial Notes of \$23,977 as they are self supporting debt.

Note 4: Gas line extension bonds in the amount of \$11,014 are excluded from the analysis above as well as Lease Payables in the amount of \$666 and Subscription-Based Information Technology Payables in the amount of \$127 as they are self-supporting debt.

**CITY OF NORWICH, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION AND CONTINUING DISCLOSURE AGREEMENT RATIOS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|  | <u>2024</u>       | <u>2023</u>       | <u>2022</u>       | <u>2021</u>       | <u>2020</u>       | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       | <u>2016</u>       | <u>2015</u>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Calculation of Legal Debt Limit                                      |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Tax Collections  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General Fund tax collections   | \$ 85,526         | \$ 85,903         | \$ 85,977         | \$ 81,590         | \$ 77,469         | \$ 74,954         | \$ 75,168         | \$ 76,946         | \$ 69,575         | \$ 66,620         |
| Fire District collections  | 4,493             | 4,468             | 4,468             | 5,283             | 4,840             | 4,521             | 4,712             | 5,005             | 5,087             | 4,935             |
| Reimbursement for loss on tax exempt properties                      |                   |                   |                   |                   |                   |                   |                   | 2                 | 2                 | 4                 |
| Taxable Base   | 90,019            | 90,371            | 90,445            | 86,873            | 82,309            | 79,475            | 79,880            | 81,953            | 74,664            | 71,559            |
| Times limit of 7   | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 |
| Overall Legal Debt Limit   | <u>630,133</u>    | <u>632,597</u>    | <u>633,115</u>    | <u>608,111</u>    | <u>576,163</u>    | <u>556,326</u>    | <u>559,160</u>    | <u>573,671</u>    | <u>522,650</u>    | <u>500,913</u>    |
| Indebtedness:  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Long-term debt   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General Purpose Bonds Payable  | 21,737            | 21,615            | 21,198            | 23,106            | 23,806            | 22,858            | 16,861            | 18,289            | 17,347            | 15,705            |
| School Bonds   | 12,808            | 10,616            | 4,078             | 4,557             | 5,076             | 6,135             | 7,300             | 8,528             | 9,832             | 10,525            |
| Sewers   | 1,541             | 1,735             | 1,933             | 2,255             | 2,417             | 2,717             | 3,107             | 3,551             | 4,036             | 4,571             |
| Urban renewal  | 1,280             | 1,530             | 1,785             | 2,045             | 1,805             | 1,855             | 1,505             | 1,700             | 1,885             | 715               |
| Pension deficit  | 136,370           | 140,570           | 145,000           |                   |                   |                   |                   |                   |                   |                   |
| Water  | 248               | 294               | 6,763             | 7,274             | 7,784             | 15,929            | 6,356             | 6,869             | 5,951             | 2,248             |
| Leases   |                   |                   | 63                | 125               | 185               | 350               | 514               | 675               | 830               | 979               |
| Gas line extensions  | 11,014            | 12,139            | 13,277            | 14,432            | 15,041            | 14,998            | 16,019            | 17,041            | 14,907            | 11,509            |
| Bonds authorized and unissued  | 143,579           | 152,841           | 7,612             | 6,872             | 8,122             | 4,912             | 11,872            | 3,935             | 4,709             | 9,622             |
| Total indebtedness (1)   | <u>328,577</u>    | <u>341,341</u>    | <u>201,709</u>    | <u>60,666</u>     | <u>64,236</u>     | <u>69,753</u>     | <u>63,534</u>     | <u>60,588</u>     | <u>59,497</u>     | <u>55,873</u>     |
| Less:  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Water bonds and serial notes payable                                 | (248)             | (294)             | (6,763)           | (7,274)           | (7,784)           | (15,929)          | (6,356)           | (6,869)           | (5,951)           | (2,248)           |
| School building grants   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Utilities portion of POB   | (49,875)          | (51,411)          | (53,032)          |                   |                   |                   |                   |                   |                   |                   |
| Gas line extensions  | (11,014)          | (12,139)          | (13,277)          | (14,432)          | (15,041)          | (14,998)          | (16,019)          | (17,041)          | (14,907)          | (11,509)          |
| Net indebtedness applicable to legal debt limit (1)                  | <u>267,440</u>    | <u>277,496</u>    | <u>128,636</u>    | <u>38,960</u>     | <u>41,410</u>     | <u>38,827</u>     | <u>41,159</u>     | <u>36,679</u>     | <u>38,639</u>     | <u>42,116</u>     |
| Debt Limitation in Excess of Outstanding and Authorized Debt         | \$ <u>362,693</u> | \$ <u>355,101</u> | \$ <u>504,479</u> | \$ <u>569,151</u> | \$ <u>534,753</u> | \$ <u>517,500</u> | \$ <u>518,001</u> | \$ <u>536,992</u> | \$ <u>484,012</u> | \$ <u>458,797</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 42.44%            | 43.87%            | 20.32%            | 6.41%             | 7.19%             | 6.98%             | 7.36%             | 6.39%             | 7.39%             | 8.41%             |
| Net indebtedness as a percentage of net taxable assessed value (1)   | 12.315%           | 13.040%           | 6.183%            | 1.904%            | 2.043%            | 2.040%            | 2.212%            | 1.987%            | 2.116%            | 2.311%            |
| Net indebtedness per capita  | 6,706             | 6,936             | 3,215             | 1,005             | 1,068             | 984               | 1,043             | 927               | 968               | 1,048             |

(Continued on next page)

**TABLE 10  
(CONTINUED)**

**CITY OF NORWICH, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION AND CONTINUING DISCLOSURE AGREEMENT RATIOS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|   | <u>2024</u>      | <u>2023</u>      | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>     | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    |
|---|------------------|------------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| Calculation of Continuing Disclosure Agreement Ratios   |                  |                  |                |                |                |                |                 |                |                |                |
| Encumbrances for purchase and commitments ordered in the previous year that were received and liquidated in the current year are reported for financial statement reporting purposes. |                  |                  |                |                |                |                |                 |                |                |                |
| Total indebtedness per legal debt limit   | \$ 328,577       | \$ 341,341       | \$ 201,709     | \$ 60,666      | \$ 64,236      | \$ 69,753      | \$ 63,534       | \$ 60,588      | \$ 59,497      | \$ 55,873      |
| Less: Authorized but unissued debt  | <u>(143,579)</u> | <u>(152,841)</u> | <u>(7,612)</u> | <u>(6,872)</u> | <u>(8,122)</u> | <u>(4,912)</u> | <u>(11,872)</u> | <u>(3,935)</u> | <u>(4,709)</u> | <u>(9,622)</u> |
| Total Direct Debt   | <u>184,998</u>   | <u>188,499</u>   | <u>194,096</u> | <u>53,793</u>  | <u>56,114</u>  | <u>64,841</u>  | <u>51,662</u>   | <u>56,653</u>  | <u>54,788</u>  | <u>46,251</u>  |
| Less: Water bonds and sewer indirect self-funding debt  | (1,789)          | (2,029)          | (8,696)        | (9,528)        | (10,201)       | (18,646)       | (9,463)         | (10,420)       | (9,987)        | (6,819)        |
| Less: School building grants  |                  |                  |                |                |                |                |                 |                |                |                |
| Total Net Direct Debt   | <u>183,209</u>   | <u>186,470</u>   | <u>185,400</u> | <u>44,265</u>  | <u>45,913</u>  | <u>46,196</u>  | <u>42,199</u>   | <u>46,233</u>  | <u>44,800</u>  | <u>39,432</u>  |
| Equalized Net Grand List ("ENGL") (3)   | 4,294,436        | 3,835,308        | 3,226,101      | 3,101,046      | 2,839,954      | 2,801,852      | 2,711,520       | 2,707,001      | 2,670,158      | 2,574,692      |
| Valuation Date  | 10/1/2022        | 10/1/2021        | 10/1/2020      | 10/1/2019      | 10/1/2018      | 10/1/2017      | 10/1/2016       | 10/1/2015      | 10/1/2014      | 10/1/2013      |
| Ratio of Direct Debt to ENGL  | 4.308%           | 4.915%           | 6.016%         | 1.735%         | 1.976%         | 2.314%         | 1.905%          | 2.093%         | 2.052%         | 1.796%         |
| Total Direct Debt Per Capita  | \$4,638.76       | \$4,711.42       | \$4,850.71     | \$1,387.57     | \$1,447.43     | \$1,642.80     | \$1,308.89      | \$1,432.22     | \$1,373.16     | \$1,151.16     |
| Ratio of Net Direct Debt to ENGL  | 4.266%           | 4.862%           | 5.747%         | 1.427%         | 1.617%         | 1.649%         | 1.556%          | 1.708%         | 1.678%         | 1.532%         |
| Total Net Direct Debt Per Capita  | \$4,593.89       | \$4,660.71       | \$4,633.39     | 1,141.79       | \$1,184.31     | \$1,170.40     | \$1,069.14      | \$1,168.80     | \$1,122.84     | \$981.44       |
| Ratio of Net General Bonded Debt to ENGL  | 0.804%           | 0.840%           | 0.783%         | 0.892%         | 1.017%         | 1.035%         | 0.891%          | 0.991%         | 1.018%         | 1.019%         |
| Total Net General Bonded Debt Per Capita  | \$866.20         | \$805.61         | \$631.66       | \$713.56       | \$745.01       | \$734.55       | \$612.13        | \$677.97       | \$681.18       | \$652.83       |

Notes:

- 1 Total and net indebtedness calculated in accordance with Connecticut General Statutes
- 2 The city has no overlapping debt
- 3 The Equalized Net Grand List is calculated annually by the State of Connecticut Office of Policy & Management and is an approximation of the actual value of taxable property.

**CITY OF NORWICH, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year | Population (1) | Per Capita Personal Income (2) | Total Personal Income (thousands) (2) | School Enrollment (3) | Employed (4) | Unemployed (4) | Percentage Unemployed |                                   |                          |                   |
|-------------|----------------|--------------------------------|---------------------------------------|-----------------------|--------------|----------------|-----------------------|-----------------------------------|--------------------------|-------------------|
|             |                |                                |                                       |                       |              |                | City of Norwich (4)   | New London/<br>Norwich Market (4) | State of Connecticut (4) | United States (5) |
| 2024        | 39,881         | 36,075                         | 1,438,707                             | 4,897                 | 19,091       | 766            | 3.9%                  | 3.2%                              | 3.5%                     | 4.5%              |
| 2023        | 40,009         | 33,441                         | 1,337,941                             | 4,747                 | 19,148       | 805            | 4.0%                  | 3.2%                              | 3.5%                     | 3.9%              |
| 2022        | 40,014         | 31,459                         | 1,258,800                             | 4,657                 | 18,618       | 1,047          | 5.3%                  | 4.5%                              | 3.8%                     | 4.3%              |
| 2021        | 38,768         | 30,201                         | 1,170,832                             | 4,798                 | 17,332       | 1,630          | 8.6%                  | 6.7%                              | 6.1%                     | 5.3%              |
| 2020        | 38,768         | 28,429                         | 1,102,135                             | 4,977                 | 18,065       | 1,924          | 9.6%                  | 6.9%                              | 5.8%                     | 6.6%              |
| 2019        | 39,470         | 28,429                         | 1,122,093                             | 5,009                 | 19,964       | 802            | 3.9%                  | 3.5%                              | 3.6%                     | 4.0%              |
| 2018        | 39,470         | 27,825                         | 1,098,253                             | 4,996                 | 20,083       | 1,032          | 4.9%                  | 4.2%                              | 4.5%                     | 4.1%              |
| 2017        | 39,556         | 26,823                         | 1,061,011                             | 5,054                 | 20,217       | 1,163          | 5.4%                  | 4.8%                              | 5.0%                     | 4.6%              |
| 2016        | 39,899         | 27,111                         | 1,081,702                             | 5,123                 | 19,387       | 1,374          | 6.6%                  | 5.5%                              | 5.6%                     | 5.0%              |
| 2015        | 40,178         | 25,510                         | 1,024,941                             | 5,255                 | 19,246       | 1,418          | 6.9%                  | 5.7%                              | 5.5%                     | 5.2%              |

- (1) State of Connecticut Department of Public Health, US Census Bureau
- (2) U.S. Census Bureau, 2010 Census and American Community Survey (CP03 and DP03)
- (3) School enrollment includes Norwich students attending the quasi-private high school, Norwich Free Academy
- (4) Labor Department, State of Connecticut
- (5) U.S. Department of Labor Bureau of Labor Statistics

**CITY OF NORWICH, CONNECTICUT  
PRINCIPAL EMPLOYERS  
2024 AND 2015  
(UNAUDITED)  
(IN THOUSANDS)**

| Business Name                      | Nature of Business                     | 2024         |      |                                     | 2015         |      |                                     |
|------------------------------------|--|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|                                    |  | Employees    | Rank | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| William W. Backus Hospital         | Medical Center                         | 1,895        | 1    | 9.93%                               | 1,439        | 1    | 7.48%                               |
| City of Norwich (incl. NPU & BOE)  | Municipality                           | 1,175        | 2    | 6.15%                               | 1,073        | 2    | 5.58%                               |
| State of Connecticut               | All State agencies                     | 944          | 3    | 4.94%                               | 911          | 3    | 4.73%                               |
| U.S. Food Service                  | Food Distribution                      | 300          | 4    | 1.57%                               | 375          | 5    | 1.95%                               |
| United Community & Family Services | Healthcare & community services        | 276          | 5    | 1.45%                               | 252          | 7    | 1.31%                               |
| Nordson EFD                        | Plastics Products Manufacturing        | 270          | 6    | 1.41%                               |              |      | 0.00%                               |
| Bob's Discount Furniture           | Distribution Center                    | 250          | 7    | 1.31%                               | 530          | 4    | 2.75%                               |
| Norwich Free Academy               | Quasi-private high school              | 245          | 8    | 1.28%                               | 295          | 6    | 1.53%                               |
| The American Group                 | Ambulance Service and other operations | 219          | 9    | 1.15%                               | 181          | 10   | 0.94%                               |
| Shop Rite                          | Grocery                                | 180          | 10   | 0.94%                               | 225          | 9    | 1.17%                               |
| Wal-Mart                           | Grocery & retailer                     |              |      | 0.00%                               | 226          | 8    | 1.17%                               |
| <b>Total</b>                       |  | <b>5,754</b> |      | <b>30.14%</b>                       | <b>5,507</b> |      | <b>28.61%</b>                       |

Source: July 2023 survey by Norwich Community Development Corporation. Not all companies responded with updated information.

**CITY OF NORWICH, CONNECTICUT  
BUDGETED FULL-TIME EQUIVALENT EMPLOYEES  
LAST TEN FISCAL YEARS**

|   | <u>2024</u>   | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General City                            |               |               |               |               |               |               |               |               |               |               |
| City Council                            | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           |
| City Manager                            | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           |
| Finance                                 | 13.0          | 13.0          | 12.5          | 12.5          | 12.5          | 11.5          | 11.5          | 12.0          | 12.0          | 12.0          |
| Assessment                              | 4.0           | 4.0           | 4.0           | 4.0           | 4.0           | 3.6           | 3.0           | 3.0           | 4.0           | 4.0           |
| Treasurer                               | 3.0           | 3.0           | 3.0           | 3.0           | 3.0           | 2.8           | 3.0           | 3.0           | 3.0           | 3.0           |
| Human Resources                         | 4.0           | 4.0           | 4.0           | 4.0           | 4.0           | 3.6           | 4.0           | 4.0           | 4.6           | 4.6           |
| City Clerk                              | 0.0           | 0.0           | 4.5           | 4.5           | 4.5           | 4.5           | 4.5           | 4.0           | 5.0           | 4.0           |
| Planning & Neighborhood Services        | 4.0           | 4.0           | 9.0           | 9.0           | 9.0           | 9.0           | 9.0           | 9.5           | 11.0          | 10.0          |
| Election                                | 10.0          | 9.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           |
| Police                                  | 2.0           | 2.0           | 100.0         | 103.0         | 104.5         | 104.5         | 104.8         | 106.8         | 110.5         | 110.8         |
| Fire                                    | 101.0         | 100.0         | 58.7          | 58.8          | 58.8          | 58.8          | 58.7          | 59.0          | 61.0          | 62.0          |
| Emergency Management                    | 59.7          | 58.7          | 0.3           | 0.3           | 0.3           | 0.3           | 0.3           | 1.0           | 1.0           | 1.0           |
| PW Street Maintenance                   | 0.3           | 0.3           | 31.0          | 32.0          | 32.0          | 32.0          | 34.0          | 35.0          | 37.0          | 37.0          |
| PW Engineering & Administration         | 35.0          | 35.0          | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 5.0           | 5.0           |
| PW Fleet Maintenance                    | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           |
| PW Solid Waste                          | 8.0           | 7.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 3.0           | 3.0           | 3.0           |
| PW Building Maintenance                 | 0.0           | 0.0           | 9.0           | 9.0           | 9.0           | 9.0           | 9.0           | 9.0           | 9.0           | 9.0           |
| PW Parking Maintenance                  | 9.0           | 9.0           | 1.0           | 1.0           | 1.0           | 1.0           | 1.0           | 1.0           | 1.0           | 1.0           |
| Senior Citizens Center                  | 1.0           | 1.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.0           | 7.6           | 7.6           |
| Youth Service Bureau                    | 7.5           | 7.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           |
| Human Services                          | 4.0           | 2.0           | 3.4           | 3.4           | 3.4           | 3.4           | 3.0           | 3.0           | 5.0           | 5.0           |
| Recreation                              | 4.5           | 3.0           | 5.0           | 5.0           | 5.0           | 5.0           | 5.6           | 5.0           | 5.0           | 5.0           |
| Subtotal - General City                 | <u>281.0</u>  | <u>273.0</u>  | <u>273.4</u>  | <u>277.5</u>  | <u>279.0</u>  | <u>277.0</u>  | <u>279.4</u>  | <u>286.3</u>  | <u>299.7</u>  | <u>299.0</u>  |
| Board of Education                      |               |               |               |               |               |               |               |               |               |               |
| General Fund-funded positions           | 492.6         | 461.0         | 451.4         | 379.5         | 379.5         | 447.7         | 410.5         | 375.9         | 409.7         | 388.3         |
| State & federal grant-funded positions  | 0.0           | 34.1          | 36.1          | 36.1          | 38.7          | 28.0          | 31.0          | 42.3          | 42.3          | 39.0          |
| School Lunch (state & federal grant)    | 3.0           | 29.3          | 21.3          | 21.3          | 21.3          | 21.3          | 21.0          | 22.3          | 22.3          | 22.3          |
| Adult Education (state & federal grant) | <u>295.7</u>  | <u>246.1</u>  | <u>279.3</u>  | <u>291.5</u>  | <u>307.9</u>  | <u>266.1</u>  | <u>226.4</u>  | <u>220.9</u>  | <u>214.6</u>  | <u>184.3</u>  |
| Subtotal - Board of Education           | <u>791.3</u>  | <u>770.5</u>  | <u>788.2</u>  | <u>728.4</u>  | <u>747.4</u>  | <u>763.1</u>  | <u>688.9</u>  | <u>661.3</u>  | <u>688.8</u>  | <u>633.9</u>  |
| Norwich Public Utilities                | <u>152.0</u>  | <u>151.0</u>  | <u>150.0</u>  | <u>146.0</u>  | <u>147.5</u>  | <u>148.5</u>  | <u>149.5</u>  | <u>149.5</u>  | <u>146.5</u>  | <u>142.0</u>  |
| Grand totals                            | <u>1224.3</u> | <u>1194.5</u> | <u>1211.6</u> | <u>1151.9</u> | <u>1173.9</u> | <u>1188.6</u> | <u>1117.8</u> | <u>1097.1</u> | <u>1135.0</u> | <u>1074.9</u> |

Notes on this Table:  
Source: City Adopted Budget documents

**CITY OF NORWICH, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function</b>                              |             |             |             |             |             |             |             |             |             |             |
| <i>General Government</i>                    |             |             |             |             |             |             |             |             |             |             |
| Finance                                      |             |             |             |             |             |             |             |             |             |             |
| Number of tax and refuse bills mailed +      | 50,608      | 49,806      | 50,736      | 50,070      | 50,371      | 50,511      | 49,698      | 50,157      | 49,697      | 49,336      |
| Number of internal control reviews performed | 2           | 3           | 2           | 2           | 2           | 3           | 14          | 2           | 2           | 2           |
| Assessor                                     |             |             |             |             |             |             |             |             |             |             |
| Number of deeds processed                    | 1,720       | 1,872       | 1,954       | 1,976       | 1,758       | 1,526       | 1,497       | 1,426       | 1,489       | 1,496       |
| Personal property declarations               | 1,739       | 1,870       | 1,879       | 1,912       | 2,027       | 1,784       | 1,780       | 1,763       | 1,833       | 1,719       |
| Board of assessment appeals adjustments      | 26          | 3           | 11          | 6           | 7           | 27          | 434         | 96          | 43          | 10          |
| Human Resources                              |             |             |             |             |             |             |             |             |             |             |
| Number of applications processed             | 1,842       | 3,427       | 2,285       | 3,081       | 2,271       | 2,412       | 3,510       | 2,327       | 1,597       | 1,349       |
| Vacancies filled through promotion           | 28          | 46          | 37          | 26          | 31          | 27          | 25          | 26          | 19          | 19          |
| Vacancies filled through new hires           | 43          | 59          | 48          | 40          | 32          | 29          | 19          | 21          | 21          | 29          |
| Employee turnover rate (includes retirees)   | 10.8%       | 13.7%       | 10.2%       | 9.0%        | 9.2%        | 7.0%        | 7.9%        | 6.3%        | 5.0%        | 1.5%        |
| City Clerk                                   |             |             |             |             |             |             |             |             |             |             |
| Land records recorded                        | 5,943       | 5,484       | 8,164       | 7,434       | 6,871       | 5,985       | 6,517       | 6,597       | 5,822       | 6,146       |
| Marriage licenses issued                     | 258         | 238         | 319         | 297         | 217         | 230         | 432         | 302         | 300         | 274         |
| Death certificates recorded                  | 668         | 630         | 954         | 1,020       | 558         | 555         | 563         | 479         | 476         | 517         |
| Birth certificates recorded                  | 885         | 884         | 853         | 827         | 876         | 854         | 949         | 936         | 941         | 860         |
| Election                                     |             |             |             |             |             |             |             |             |             |             |
| Voters added                                 | 1,798       | 2,121       | 1,935       | 3,882       | 1,752       | 2,316       | 1,717       | 3,490       | 1,908       | 856         |
| Voters removed                               | 1,912       | 5,371       | 2,295       | 3,082       | 1,632       | 3,324       | 4,830       | 2,507       | 1,827       | 895         |
| Voter changes                                | 3,036       | 3,223       | 2,495       | 6,379       | 2,829       | 3,754       | 3,591       | 5,100       | 2,541       | 2,124       |
| Total voters                                 | 20,746      | 18,921      | 20,160      | 25,104      | 20,525      | 20,999      | 20,085      | 25,013      | 24,167      | 21,129      |
| Planning & Neighborhood Services             |             |             |             |             |             |             |             |             |             |             |
| Site development plans                       | 7           | 10          | 14          | 12          | 13          | 13          | 13          | 3           | 5           | 5           |
| Zoning permit applications                   | 335         | 194         | 241         | 333         | 289         | 260         | 259         | 251         | 263         | 172         |
| Zoning complaints                            | 60          | 68          | 65          | 40          | 28          | 54          | 70          | 47          | 47          | 68          |
| Code violations                              | 663         | 331         | 683         | 943         | 793         | 986         | 826         | 1,178       | 572         | 273         |
| Citations issued                             | 167         | 12          | 6           | 144         | 181         | 214         | 22          | 77          | 145         | 76          |
| <i>Education</i>                             |             |             |             |             |             |             |             |             |             |             |
| Average Class Size - Kindergarten            | 14.6        | 16.9        | 18.8        | 16.7        | 16.9        | 19.8        | 20.4        | 21.3        | 20.3        | 20.6        |
| Average Class Size - Grade 2                 | 21.3        | 20.1        | 20.4        | 20.0        | 17.1        | 20.1        | 19.9        | 21.9        | 19.5        | 19.6        |
| Average Class Size - Grade 5                 | 21.4        | 22.3        | 18.5        | 18.4        | 16.6        | 21.5        | 22.4        | 23.0        | 20.1        | 21.1        |
| Average Class Size - Grade 7                 | 22.9        | 16.2        | 19.7        | 21.7        | 23.5        | 22.0        | 22.9        | 22.9        | 21.5        | 24.5        |
| <i>Public Safety</i>                         |             |             |             |             |             |             |             |             |             |             |
| Police                                       |             |             |             |             |             |             |             |             |             |             |
| 911 calls *                                  | 20,967      | 22,079      | 21,145      | 21,956      | 21,103      | 20,920      | 22,648      | 22,290      | 22,189      | 20,506      |
| Calls initiated by officers*                 | 8,428       | N/R         |
| Non-emergency calls *                        | 34,324      | 23,472      | 50,737      | 31,060      | 35,016      | 36,156      | 39,045      | 35,141      | 35,020      | 36,646      |
| DWI arrests *                                | 133         | 101         | 142         | 86          | 144         | 197         | 212         | 171         | 196         | 182         |
| Fire   |             |             |             |             |             |             |             |             |             |             |
| Central Fire Department                      |             |             |             |             |             |             |             |             |             |             |
| Service Calls                                | 2,789       | 2,668       | 2,609       | 2,322       | 2,265       | 2,409       | 2,874       | 2,430       | 2,381       | 2,784       |
| East Great Plain VFD                         |             |             |             |             |             |             |             |             |             |             |
| Service Calls                                | 1,022       | 983         | 985         | 883         | 844         | 975         | 961         | 784         | 823         | 786         |
| Laurel Hill VFD                              |             |             |             |             |             |             |             |             |             |             |
| Service Calls                                | 102         | 117         | 96          | N/A         | 111         | 118         | 118         | 105         | 118         | 103         |
| Occum VFD                                    |             |             |             |             |             |             |             |             |             |             |
| Service Calls                                | 231         | 260         | 262         | 189         | 166         | 188         | 240         | 207         | 161         | 255         |
| Taftville VFD                                |             |             |             |             |             |             |             |             |             |             |
| Service Calls                                | 850         | 865         | 747         | N/A         | 751         | 783         | N/A         | 670         | 646         | 666         |
| <i>Enc Yantic VFD</i>                        |             |             |             |             |             |             |             |             |             |             |
| Service Calls                                | 744         | 624         | 674         | 584         | 682         | 688         | 617         | 570         | 683         | 631         |
| Emergency Management                         |             |             |             |             |             |             |             |             |             |             |
| Hours of emergency training                  | 76          | 50          | 32          | 1,850       | 1,850       | 1,900       | 1,100       | 357         | 1,530       | 1,450       |
| Shelters maintained                          | 13          | 13          | 13          | 13          | 17          | 17          | 17          | 16          | 16          | 16          |

TABLE 14  
(CONTINUED)

CITY OF NORWICH, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

|   | 2024   | 2023  | 2022  | 2021   | 2020  | 2019  | 2018  | 2017   | 2016  | 2015  |
|---|--------|-------|-------|--------|-------|-------|-------|--------|-------|-------|
| <b>Function</b>                           |        |       |       |        |       |       |       |        |       |       |
| <i>Social Services</i>                    |        |       |       |        |       |       |       |        |       |       |
| Recreation                                |        |       |       |        |       |       |       |        |       |       |
| Number of youth registrations             | 4,111  | 2,395 | 2,205 | 1,672  | 3,325 | 3,099 | 3,476 | 2,613  | 2,177 | 2,122 |
| Number of youth program hours             | 270    | 1,722 | 685   | 2,003  | 4,862 | 9,892 | 2,295 | 2,283  | 1,725 | 1,575 |
| Adults & Seniors registrations            | 621    | 164   | 309   | 341    | 839   | 884   | 607   | 158    | 160   | 226   |
| Adults & Seniors program hours            | 1,760  | N/R   | N/R   | 325    | 973   | 2,473 | 165   | 87     | 278   | 335   |
| Human Services                            |        |       |       |        |       |       |       |        |       |       |
| General Human Services                    |        |       |       |        |       |       |       |        |       |       |
| Job placements                            | 18     | 34    | 20    | 22     | 30    | 218   | 111   | 134    | 225   | 225   |
| Individuals relocated due to condemnation | 26     | 6     | 55    | 13     | 55    | 150   | 18    | 55     | 80    | 72    |
| Rent & housing assistance cases           | 4,313  | 1,961 | 1,933 | 91     | 133   | 72    | 195   | 215    | 202   | 130   |
| Senior Center                             |        |       |       | 145122 |       |       |       |        |       |       |
| Preventative health programs & services   | 12,895 | 8,394 | 6,945 | 1,383  | 5,891 | 9,060 | 9,013 | 10,039 | 9,975 | 9,836 |
| Outreach services                         | 3,146  | 4,941 | 3,675 | 3,233  | 2,720 | 3,182 | 2,979 | 2,639  | 1,050 | 997   |
| Youth & Family Services                   |        |       |       |        |       |       |       |        |       |       |
| Counseling cases                          | 58     | 26    | 45    | 16     | 28    | 71    | 79    | 60     | 55    | 83    |
| Youth employment                          | 234    | 167   | 151   | 146    | 176   | 106   | 42    | 129    | 170   | 168   |
| Juvenile justice/ diversion               | 27     | 87    | 51    | 36     | 48    | 92    | 89    | 63     | 81    | 67    |
| <i>Public Works</i>                       |        |       |       |        |       |       |       |        |       |       |
| Engineering & Administration              |        |       |       |        |       |       |       |        |       |       |
| Road miles paved                          | 2.45   | 6.92  | 4.20  | 5.30   | 4.20  | 4.00  | 6.00  | 3.44   | 9.10  | 6.20  |
| Road miles chip sealed or crack sealed    | 4.29   | 4.25  | 6.40  | 5.50   | 7.00  | 0.00  | 3.50  | 4.63   | 5.00  | 5.30  |
| <i>Utilities</i>                          |        |       |       |        |       |       |       |        |       |       |
| Gas service calls                         | 2,781  | 2,686 | 2,599 | 2,125  | 2,270 | 2,444 | 2,666 | 3,042  | 2,933 | 3,290 |
| Electric service calls                    | 216    | 368   | 681   | 722    | 816   | 1,399 | 1,934 | 1,347  | 1,526 | 1,313 |
| Water service calls                       | 1,245  | 975   | 1,497 | 831    | 1,366 | 1,995 | 2,277 | 2,437  | 2,797 | 2,277 |
| Sewer service calls                       | 88     | 202   | 134   | 127    | 137   | 58    | 152   | 195    | 345   | 142   |

Source: The respective City departments.

N/A - not available

N/R - Not reported before

\* - Statistics are reported on a calendar year basis. For example, in the fiscal year 2024 column, these are the statistics for calendar year 2023.

\*+ - The City stopped sending separate refuse bills in 2009.

**CITY OF NORWICH, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

| Fiscal Year                       | 2024  | 2023  | 2022  | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Function</b>                   |       |       |       |       |       |       |       |       |       |       |
| <i>Education</i>                  |       |       |       |       |       |       |       |       |       |       |
| School buildings                  | 13    | 13    | 13    | 13    | 13    | 13    | 13    | 13    | 13    | 13    |
| Administrative buildings          | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| <i>Public Safety</i>              |       |       |       |       |       |       |       |       |       |       |
| Police                            |       |       |       |       |       |       |       |       |       |       |
| Stations                          | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Vehicles                          | 48    | 48    | 48    | 48    | 50    | 50    | 50    | 50    | 50    | 39    |
| Fire                              |       |       |       |       |       |       |       |       |       |       |
| Firefighting/rescue vehicles      | 24    | 24    | 24    | 24    | 27    | 27    | 27    | 27    | 27    | 27    |
| Other vehicles                    | 29    | 29    | 29    | 29    | 31    | 31    | 31    | 31    | 31    | 11    |
| Fire stations                     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     |
| <i>Social Services</i>            |       |       |       |       |       |       |       |       |       |       |
| Recreation                        |       |       |       |       |       |       |       |       |       |       |
| Number of basketball courts       | 16    | 16    | 16    | 16    | 16    | 16    | 16    | 16    | 16    | 16    |
| Number of football fields         | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Number of multi-use fields        | 15    | 15    | 15    | 15    | 15    | 15    | 15    | 15    | 15    | 15    |
| Number of playgrounds             | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 14    |
| Number of soccer fields           | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     |
| Number of softball fields         | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |
| Number of tennis courts           | 4     | 4     | 4     | 4     | 8     | 10    | 10    | 10    | 10    | 10    |
| Mowers                            | 4     | 4     | 4     | 4     | 5     | 5     | 5     | 5     | 5     | 5     |
| Other vehicles                    | 11    | 11    | 11    | 11    | 5     | 5     | 5     | 5     | 5     | 5     |
| <i>Public Works</i>               |       |       |       |       |       |       |       |       |       |       |
| Streets & Parks Maintenance       |       |       |       |       |       |       |       |       |       |       |
| Dump trucks                       | 33    | 33    | 33    | 33    | 34    | 34    | 36    | 36    | 36    | 25    |
| Sweepers                          | 2     | 2     | 2     | 2     | 2     | 2     | 3     | 3     | 3     | 2     |
| Parks                             | 18    | 18    | 14    | 14    | 14    | 14    | 10    | 10    | 10    | 10    |
| Cemeteries                        | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Mowers                            | 11    | 11    | 11    | 11    | 18    | 18    | 16    | 16    | 16    | 16    |
| Building Maintenance              |       |       |       |       |       |       |       |       |       |       |
| Parking lots                      | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 13    |
| Parking garages                   | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     |
| <i>Utilities</i>                  |       |       |       |       |       |       |       |       |       |       |
| Gas                               |       |       |       |       |       |       |       |       |       |       |
| Gas distribution main (miles)     | 155   | 156   | 155   | 156   | 156   | 158   | 156   | 156   | 156   | 151   |
| Electric                          |       |       |       |       |       |       |       |       |       |       |
| Distribution lines                | 230   | 231   | 232   | 232   | 232   | 233   | 232   | 232   | 234   | 235   |
| Street lights                     | 4,140 | 4,144 | 4,142 | 4,150 | 4,146 | 4,150 | 4,181 | 4,172 | 4,180 | 4,292 |
| Water                             |       |       |       |       |       |       |       |       |       |       |
| Water distribution system (miles) | 201   | 201   | 201   | 201   | 199   | 196   | 196   | 196   | 195   | 196   |
| Sewer                             |       |       |       |       |       |       |       |       |       |       |
| Sewer distribution system (miles) | 139   | 138   | 138   | 138   | 138   | 137   | 136   | 136   | 130   | 129   |
| Fiber Optic                       |       |       |       |       |       |       |       |       |       |       |
| Fiber optic cable (miles)         | 82    | 82    | 82    | 82    | 82    | 82    | 80    | 77    | 75    | 74    |

Source: The respective City departments.

N/A - not available

N/R - these statistics are not reported any longer



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