THIRD TAXING DISTRICT
CITY OF NORWALK, CONNECTICUT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR:
JULY 1, 2021 - JUNE 30, 2022

HOPE & HERNANDEZ, P.C.
Certified Public Accountants

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

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THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

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THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

INDEPENDENT AUDITOR'S REPORT

HOPE HERNANDEZ, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Commissioners
Third Taxing District - City of Norwalk
East Norwalk, Connecticut

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 Third Taxing District - City of Norwalk, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, 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 Third Taxing District – City of Norwalk, Connecticut, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the East Norwalk Improvement Association, Inc., (Special Revenue – Library) a blended component unit, which represents 7.32%, 7.40%, and 58.47%, respectively, of the assets, net position, and revenues of Governmental Activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the special revenue fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Third Taxing District – City of Norwalk, 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 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

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Continued...

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 Third Taxing District – City of Norwalk, 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.

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

In performing an audit in accordance with generally accepted auditing standards, 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 Third Taxing District – City of Norwalk, 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 where, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Third Taxing District – City of Norwalk, 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,

INDEPENDENT AUDITOR'S REPORT

Continued...

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 and required supplementary information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund supplementary schedules, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

HOPE & HERNANDEZ, P.C.
Bridgeport, Connecticut
November 18, 2022

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. The discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's net position, and (d) identify individual fund issues or concerns.

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements, which immediately follow this section.

Using this Annual Report

The Third Taxing District of the City of Norwalk implemented the reporting requirements outlined in GASB 34 effective July 1, 2003. The financial statements' focus is on both the District as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions and enhance the District's accountability to the public.

Government-Wide Financial Statements

The government-wide financial statements (see pages 12 and 13) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the District and its governmental activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. The Statement of Activities combines all of the District's revenues and expenses in a single statement.

The two government-wide statements noted above, report the District's net position and how they have changed. Net position (the District's assets plus deferred outflows of resources, less liabilities and deferred inflows of resources), is one way to measure the District's financial health or position and to see the direction in which the District is heading.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- While analyzing the overall financial health of the District, one needs to consider additional factors such as changes in the District's proprietary fund (Electric Department) customer base and usage patterns, as well as, the conditions of the District's infrastructure assets.

MANAGEMENT DISCUSSION AND ANALYSIS - Continued

Government-Wide Financial Statements - Continued

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - The governmental activities column consists of the District's general fund and special revenue fund (Library). Activities for both funds are financed through the generation of investment income, rental income, and from an annual transfer from the proprietary fund (Electric Department).

- *Business-type activities* - The District's business-type activities consists of an Electric Department that charges fees to its respective customers for electric service.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major funds" – not the District as a whole. Funds are accounting devices that the District uses to monitor and report compliance with spending purposes (fund restrictions), spending limits (budget), and other fiscal accountability objectives.

The District has three kinds of funds

- *Governmental Funds* - The governmental activities column consists of the District's general fund and special revenue fund (Library). Please refer to pages 14 through 17. District general fund activities are financed through the generation of rental income from the firehouse and transfers in from the electric department. Income from the library is primarily rental income. General fund expenditures consist of elected public officials fees, community service projects, annual accounting and professional fees, and meetings and printing expenses for the District. Library expenditures consisted primarily of expenditures for the operations of the library (classified as community service projects).

- *Proprietary Funds* - Services for which the District charges customers a fee are reported in proprietary funds through the District's Electric Department. Please refer to pages 20 through 22.

- *Fiduciary Funds* - Fiduciary funds account for assets received where the District acts in the capacity of a trustee. The Pension Trust fund (see pages 23 and 24) accounts for resources of the District's single-employer defined benefit pension plan.

MANAGEMENT DISCUSSION AND ANALYSIS - Continued

Financial Analysis of the District as a Whole

DISTRICT'S NET POSITION							
	Governmental Activities		Business-type Activities		Totals		Total % Change
	2022	2021	2022	2021	2022	2021	2022-2021
Current and Other Assets	$ 184,598	$ 264,732	$16,336,779	$15,873,528	$16,521,377	$16,138,260	2.37%
Capital Assets	1,006,292	1,010,861	13,453,090	13,830,432	14,459,382	14,841,293	-2.57%
Total Assets	**1,190,890**	**1,275,593**	**29,789,869**	**29,703,960**	**30,980,759**	**30,979,553**	**0.00%**
Deferred Outflows of Resources	**-0-**	**-0-**	**1,529,549**	**1,477,793**	**1,529,549**	**1,477,793**	**3.50%**
Liabilities	20,173	20,126	14,466,822	14,368,322	14,486,995	14,388,448	0.68%
Total Liabilities	**20,173**	**20,126**	**14,466,822**	**14,368,322**	**14,486,995**	**14,388,448**	**0.68%**
Deferred Inflows of Resources	**-0-**	**-0-**	**2,020,428**	**1,791,865**	**2,020,428**	**1,791,865**	**12.76%**
Net Position:							
Net Investment in Capital Assets	1,006,292	1,010,861	13,453,090	12,667,385	14,459,382	13,678,246	5.71%
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	0
Unrestricted	164,425	244,606	1,379,078	2,354,181	1,543,503	2,598,787	40.61%
Total Net Position	**$1,170,717**	**$1,255,467**	**$14,832,168**	**$15,021,566**	**$16,002,885**	**$16,277,033**	**-1.68%**

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE - Continued

CHANGES IN NET POSITION				
	6/30/2022		6/30/2021	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Revenues				
Charges for Services	$ -0-	$10,695,849	$ -0-	$ 9,906,377
General Revenues				
Rental Income	64,003	-0-	58,043	-0-
Gain or Loss Disposition of Assets	-0-	2,886	-0-	170
Investment Income	175	(309,170)	353	354,061
Miscellaneous	48,754	(9,005)	46,071	(4,977)
Other Income	-0-	185,090	-0-	449,392
Total Revenues	112,932	10,565,650	$ 104,467	$10,705,023
Expenses				
Primary Government:				
General Government	19,666	-0-	$ 20,016	$ -0-
Community Service	458,016	-0-	332,036	-0-
Business-type Activities				
Expenses				
Electric Department	-0-	10,475,048	-0-	9,379,281
Total Expenses	477,682	10,475,048	$ 352,052	$ 9,379,281
Transfers	280,000	(280,000)	265,000	(265,000)
Increase (Decrease) in Net Position	(84,750)	(189,398)	17,415	1,060,742
Net Position - Beginning	1,255,467	15,021,566	1,238,052	$13,960,824
Net Position - Ending	$1,170,717	$14,832,168	$1,255,467	$15,021,566

The District's total net position of $16,002,885 decreased by $274,148 or 1.68%. The District's governmental activities net position decreased by $84,750, while the business-type activities' (Electric Department's) net position decreased by $189,398. The decrease in business-type activities is due mainly to a decrease in investments in the current year.

Please refer to page 63 for a listing of capital assets in service as of June 30, 2022.

Governmental Activities: Major revenue/expense factors include the following:

The District's governmental activities remained fairly consistent from fiscal 2021 to 2022. Rental Income increased by $5,960 to $64,003 due to an increase in library hall rentals. Investment income of $175 in 2022 decreased by $178 from the prior year. Miscellaneous revenues increased slightly by $2,683 from $46,071 in 2021 to $48,754 in 2022. This increase was mainly due to grant proceeds received by the library in the current year. General expenditures of $19,666 remained fairly constant with respect to the prior year 2021 of $20,016. Community service expenditures increased by $125,980 from $332,036 in 2021 to $458,016 in 2022 due to current year library operations. Transfers to the governmental activities from the business-type activities increased by $15,000 from $265,000 in 2021 to $280,000 in 2022. At June 30, 2022 $1,006,292 or 86% of the governmental activities' net position is invested in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE - Continued

Business-Type Activities:

Electric operating revenues increased by $789,472 from $9,906,377 in the prior year to $10,695,849 in 2022. The majority of this increase is due to increases in both Cervalis Data Center and Purchase Power adjustment revenues. Cervalis revenues increased by $323,282 from $521,039 in 2021 to $844,321 in 2022 due to an increase in activity at the Cervalis Data Center. Purchase power revenues increased by $453,266 from $18,214 in 2021 to $471,480 in 2022. The increase was due to the fact that the District reimplemented the Purchase Power charge beginning in July 2021 to $0.0065/kwh. Note: The Fuel adjustment charge was changed to $0.00/KWH in June 2020 to provide customers with financial relief during the Covid 19 pandemic. Investment income/(loss) decreased by $663,231 from $354,061 in 2021 to ($309,170) in 2022 due to the change in fair market value of the investment account during the current year. Other income decreased by $264,302 from $449,392 in 2021 to $185,090 in 2022 due to a reduction in special projects in the current year. Total operating expenses increased by $1,095,767 or 11.68% from $9,379,281 in 2021 to $10,475,048 in 2022. This increase is attributable to an increase of $1,081,684 in the cost of purchased power with the Connecticut Municipal electric Energy Cooperative (CMEEC) from fiscal year 2021 to 2022.

General Fund Budgetary Highlights

The District made no changes from the original to the final budget. The year's actual operations resulted in a deficit of revenues over expenditures of $17,015. Please see budget to actual comparisons on page 18.

Special Revenue Fund (Library) Budgetary Highlights

The District made no changes from the original to the final budget. The year's actual operations resulted in a deficit of revenues over expenditures of $63,166. (Please see budget to actual comparison on page 19).

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the District had invested $14,459,382 in a broad range of capital assets. This amount is net of accumulated depreciation. The net capital assets decreased by $381,911 or 2.57% from the prior year due primarily to current year additions offset by depreciation expense. Please refer to page 63 for detail of the Electric Department's plant in service at June 30, 2022 and Note 4 to the financial statements that details both plant in service and non-utility property of the entire District.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Capital Assets and Debt Administration - Continued

Other Liabilities

The Electric Department has an established "Power Sales Contract" for the Supply of Electric Power and Energy with CMEEC. Under this contract the Electric Department has agreed to maintain electric rates that, together with other sources of revenue, will provide sufficient revenues to meet its payment obligation to CMEEC under the contract. As a member of CMEEC the Electric Department is responsible for their share of certain costs that may exceed reserves, and/or insurance coverages. The impact of these costs on operations is unknown. The Electric Department is responsible for the repayment of a portion of CMEEC's bonded debt. As of June 30, 2022 the outstanding CMEEC obligation is $3,504,109. This is offset by the Electric Department's rate stabilization fund, which stabilizes the price of power to customers and provides for early payoff of the debt. As of June 30, 2022, the rate stabilization fund has a balance of $5,547,068.

Economic Factors

The Electric Department customers pay a Fuel Adjustment Charge which may change upward or downward reflecting changes in the cost of power purchased by the Department. The rate in effect for the fuel charge during the fiscal year was as follows:

	Fuel Charge
July 2021 – June 2022	$0.0065/KWH

Energy Conservation

In accordance with Bill #7501 passed by the General Assembly in 2005, the Electric Department began billing all customers one mil per KWH for energy conservation beginning January 1, 2006. This charge increased incrementally annually to 2.5 mils on January 1, 2011. The energy conservation charge was $.0025/KWH in calendar year 2022. Revenues from this charge will be expended by the Electric Department on energy conservation programs within the District.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the General Manager's office at 2 Second Street, Norwalk, Connecticut.

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT A

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	$ 205,848	$ 6,258,191	$ 6,464,039
Investments	-	2,367,973	2,367,973
Accounts Receivable, Net of Allowance for Doubtful Accounts of $0 and $60,000, respectively	-	1,110,541	1,110,541
Internal Balances	(21,250)	21,250	-
Expenses Paid in Advance	-	271,524	271,524
Total Current Assets	184,598	10,029,479	10,214,077
Non-Current Assets			
Investment in CMEEC	-	122,220	122,220
Other Restricted Assets	-	5,547,068	5,547,068
Cash - Restricted	-	638,012	638,012
Capital Assets			
Plant In Service, Net of Accumulated Depreciation	1,006,292	13,180,542	14,186,834
Non-Utility Property, Net of Accumulated Depreciation	-	13,702	13,702
Construction Work-in-Progress	-	258,846	258,846
Total Non-Current Assets	1,006,292	19,760,390	20,766,682
TOTAL ASSETS	1,190,890	29,789,869	30,980,759
DEFERRED OUTFLOWS OF RESOURCES	-	1,529,549	1,529,549
LIABILITIES			
Current Liabilities			
Accounts Payable	19,565	554,492	574,057
Taxes Payable	-	102,257	102,257
Customer Deposits and Advances	-	633,793	633,793
Accrued Compensated Absences	-	126,454	126,454
Other Accrued Expenses	608	21,388	21,996
Total Current Liabilities	20,173	1,438,384	1,458,557
Non-Current Liabilities			
Deferred Revenue	-	5,547,068	5,547,068
Net OPEB Obligation	-	5,819,673	5,819,673
Net Pension Obligation	-	1,661,697	1,661,697
Total Non-Current Liabilities	-	13,028,438	13,028,438
TOTAL LIABILITIES	20,173	14,466,822	14,486,995
DEFERRED INFLOWS OF RESOURCES	-	2,020,428	2,020,428
NET POSITION			
Net Investment in Capital Assets	1,006,292	13,453,090	14,459,382
Unrestricted	164,425	1,379,078	1,543,503
TOTAL NET POSITION	$ 1,170,717	$ 14,832,168	$ 16,002,885

See accompanying notes and accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental Activities:							
Public Officials Fees	$ 15,900	$ -	$ -	$ -	$ (15,900)	$ -	$ (15,900)
Payroll Tax Expense	1,105	-	-	-	(1,105)	-	(1,105)
Community Service Projects	458,016	-	-	-	(458,016)	-	(458,016)
Accounting and Professional Fees	-	-	-	-	-	-	-
Meetings, Printers, and Other	2,661	-	-	-	(2,661)	-	(2,661)
Total Governmental Activities	477,682	-	-	-	(477,682)	-	(477,682)
Business-type Activities:							
Electrical Facility	10,475,048	10,695,849	-	-	-	220,801	220,801
Total Business-type Activities	10,475,048	10,695,849	-	-	-	220,801	220,801
Total Primary Government	$ 10,952,730	$ 10,695,849	$ -	$ -	$ (477,682)	$ 220,801	$ (256,881)
General Revenues:							
Rental Income					$ 64,003	$ -	$ 64,003
Gain (Loss) on Disposition of Utility Plant					-	2,886	2,886
Investment Income (Loss)					175	(309,170)	(308,995)
Interest Expense					-	(9,005)	(9,005)
Other Income					3,719	185,090	188,809
Third Taxing District Matching Fund					11,035	-	11,035
Grants					34,000	-	34,000
Transfers					280,000	(280,000)	-
Total General Revenues, Special Items, and Transfers					392,932	(410,199)	(17,267)
Change in Net Position					(84,750)	(189,398)	(274,148)
Net Position - Beginning					1,255,467	15,021,566	16,277,033
Net Position - Ending					$ 1,170,717	$ 14,832,168	$ 16,002,885

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General	Special Revenue	Total Governmental Funds
Current Assets			
Cash	$ 147,713	$ 58,135	$ 205,848
Expenses Paid in Advance	-	-	-
Total Current Assets	147,713	58,135	205,848
TOTAL ASSETS	147,713	58,135	205,848
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
LIABILITIES			
Accounts Payable	19,565	-	19,565
Due to Electric Department	21,250	-	21,250
Capital Lease Obligations	-	-	-
Other Current Liabilities	-	608	608
TOTAL LIABILITIES	40,815	608	41,423
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES			
Assigned	-	57,527	57,527
Unassigned	106,898	-	106,898
TOTAL FUND BALANCES	$ 106,898	$ 57,527	$ 164,425

Amounts reported for governmental activities on the statement of net position are different because:

Total fund balance per balance sheet - governmental funds		$ 164,425
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost of governmental capital assets	$ 1,275,051	
Accumulated depreciation on above capital assets	(268,759)	1,006,292
Net position of governmental activities		$ 1,170,717

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT D

	General	Special Revenue	Total Governmental Funds
Revenues			
Rental Income	$ 46,735	$ 17,268	$ 64,003
Interest Income	168	7	175
Other Income	-	3,719	3,719
Third Taxing District Matching Funds	-	11,035	11,035
Grants		34,000	34,000
Total Revenues	46,903	66,029	112,932
Expenditures			
Public Officials Fees	15,900	-	15,900
Payroll Tax Expense	1,105	-	1,105
Community Service Projects	137,093	294,295	431,388
Accounting and Professional Fees	-	-	-
Meetings, Printers, and Other	2,661	-	2,661
Total Expenditures	156,759	294,295	451,054
Excess (Deficiency) of Revenues over Expenditures	(109,856)	(228,266)	(338,122)
Other Financing Sources (Uses)			
Capital Expenditures	(17,159)	(4,900)	(22,059)
Transfer in from Enterprise Electric Department	280,000	-	280,000
Transfers Between Funds	(170,000)	170,000	-
Net Other Financing Sources (Uses)	92,841	165,100	257,941
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(17,015)	(63,166)	(80,181)
Fund Balance (Deficit) - Beginning of Year	123,913	120,693	244,606
Fund Balance - End of Year	$ 106,898	$ 57,527	$ 164,425

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT E

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

Net change in fund balances - total governmental funds	$	(80,181)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. Therefore, the net of amounts paid for the purchase of capital assets for the year ended June 30, 2022, of $22,059 and current year depreciation expense of $26,628 is a reconciling item.		(4,569)
Change in net position of governmental activities	$	(84,750)

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT F

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Rental Income	$ 46,735	$ 46,735	$ 46,735	$ -
Interest Income	325	$ 325	168	(157)
Other Income	-	$ -	-	-
Total Revenues	47,060	47,060	46,903	(157)
Expenditures				
Salaries - Commissioners	10,500	10,500	10,500	-
Salary - Clerk	1,800	1,800	1,800	-
Salary - Treasurer	1,800	1,800	1,800	-
Salary - A-Rate Payer Representative	1,800	1,800	1,800	-
Payroll Tax Expense	1,300	1,300	1,105	195
Maintenance of Parks	32,000	32,000	51,574	(19,574)
Parks - Major/Capital	20,000	20,000	17,159	2,841
East Norwalk Cemetery	27,500	27,500	31,318	(3,818)
East Norwalk Library - Other	9,900	9,900	11,128	(1,228)
East Norwalk Library - Major/Capital	-	-	-	-
East Norwalk Library - Matching Funds	11,000	11,000	11,000	-
Holiday Events	6,750	6,750	4,823	1,927
Firehouse Expense	1,500	1,500	-	1,500
Firehouse Expense - Major/Capital	-	-	-	-
Concerts in the Park	33,000	33,000	24,750	8,250
Legal and Accounting Services	-	-	-	-
Annual Electors Meeting	3,200	3,200	2,661	539
District Newsletter Allowance	-	-	-	-
Other District Services	10,000	10,000	2,500	7,500
Contingencies	30,000	30,000	-	30,000
Total Expenditures	202,050	202,050	173,918	28,132
Excess (Deficiency) of Revenues over Expenditures	(154,990)	(154,990)	(127,015)	27,975
Other Financing Sources (Uses)				
Transfer in from Electric Department	280,000	280,000	280,000	-
Transfer Out to Special Revenue Fund	(170,000)	(170,000)	(170,000)	-
Utilization of Prior Years Unexpended Funds	76,331	76,331	-	(76,331)
Net Other Financing Sources (Uses)	186,331	186,331	110,000	(76,331)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$ 31,341	$ 31,341	(17,015)	$ (48,356)
Fund Balance (Deficit) - Beginning of Year			123,913	
Fund Balance - End of Year			$ 106,898	

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Rental Income	$ 15,500	$ 15,500	$ 17,268	$ 1,768
Interest and Other Income	5,700	5,700	3,726	(1,974)
Third Taxing District Matching Funds	11,000	11,000	11,035	35
Grants	9,000	9,000	34,000	25,000
Total Revenues	41,200	41,200	66,029	24,829
Expenditures				
Personnel	111,800	111,800	121,432	(9,632)
Benefits and Taxes	29,212	29,212	30,334	(1,122)
Programming	35,358	35,358	42,001	(6,643)
Utilities	4,830	4,830	9,739	(4,909)
Building Maintenance Security and Repairs	13,000	13,000	32,652	(19,652)
Professional Fees	13,000	13,000	12,286	714
Promotions and Advertising	4,000	4,000	45,851	(41,851)
Total Expenditures	211,200	211,200	294,295	(83,095)
Excess (Deficiency) of Revenues over Expenditures	(170,000)	(170,000)	(228,266)	(58,266)
Other Financing Sources (Uses)				
Transfer in from General Fund	170,000	170,000	170,000	-
Capital Expenditures	-	-	(4,900)	(4,900)
Net Other Financing Sources (Uses)	170,000	170,000	165,100	(4,900)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$ -	$ -	$ (63,166)	$ (63,166)
Fund Balance - Beginning of Year			120,693	
Fund Balance - End of Year			$ 57,527	

See accompanying notes and accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2022

EXHIBIT H

ASSETS	Electrical Department
Current Assets	
Cash	$ 6,258,191
Investments	2,367,973
Accounts Receivable, Net of Allowance for Doubtful Accounts of $60,000	1,110,541
Due from Governmental Funds	21,250
Expenses Paid in Advance	271,524
Total Current Assets	10,029,479
Non-Current Assets	
Investment in CMEEC	122,220
Other Restricted Assets	5,547,068
Cash - Restricted	638,012
Capital Assets	
Plant In Service, Net of Accumulated Depreciation	13,180,542
Non-Utility Property, Net of Accumulated Depreciation	13,702
Construction Work in Progress	258,846
Total Non-Current Assets	19,760,390
TOTAL ASSETS	29,789,869
DEFERRED OUTFLOWS OF RESOURCES	1,529,549
LIABILITIES	
Current Liabilities	
Accounts Payable	554,492
Taxes Payable	102,257
Customer Deposits and Advances	633,793
Accrued Compensated Absences	126,454
Other Accrued Expenses	21,388
Total Current Liabilities	1,438,384
Non-Current Liabilities	
Deferred Revenue	5,547,068
Net OPEB Obligation	5,819,673
Net Pension Obligation	1,661,697
Total Non-Current Liabilities	13,028,438
TOTAL LIABILITIES	14,466,822
DEFERRED INFLOWS OF RESOURCES	2,020,428
NET POSITION	
Net Investment in Capital Assets	13,453,090
Unrestricted	1,379,078
TOTAL NET POSITION	$ 14,832,168

See accompanying notes and accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT I

	Electrical Department
Operating Revenues	
Residential Sales	$ 4,402,749
Commercial Sales	2,641,424
Industrial Sales	785,707
Cervalis Sales	844,321
Water Pollution Control Plant	1,136,286
Private Security Lighting	101,886
Sales for Resale	301,166
Miscellaneous Service Revenue	10,830
Purchased Power Adjustment	471,480
Total Operating Revenues	10,695,849
Operating Expenses	
Electrical Power Purchased	5,480,589
Transmission	-
Distribution	336,884
Maintenance	555,686
Generation Expenses	82,210
Customer Service	454,751
Administration	2,344,479
Depreciation	850,229
Connecticut Gross Receipts Tax	370,220
Total Operating Expenses	10,475,048
Operating Income (Loss)	220,801
Nonoperating Revenue and Expenses	
Gain from Sale of Fixed Assets	2,886
Investment Income	77,946
Interest Expense	(9,005)
Unrealized Gain (Loss) on Investments	(441,034)
Realized Gain (Loss) on Investments	53,918
Other Income	185,090
Total Nonoperating Revenues and Expenses	(130,199)
Income (Loss) Before Operating Transfers	90,602
Operating Transfers	
Transfers Out	(280,000)
Net Operating Transfers	(280,000)
Change in Net Position	(189,398)
Net Position - Beginning	15,021,566
Net Position - Ending	$ 14,832,168

See accompanying notes and accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT J

	Electrical Department
Cash Flows from Operating Activities	
Cash Received from Customers	$ 10,895,253
Cash Payments to Suppliers, Vendors, and Contractors	(8,103,555)
Cash Payments to Employees for Payroll	(1,458,524)
Net Cash Provided by Operating Activities	1,333,174
Cash Flows from Noncapital Financing Activities	
Operating Transfers	(280,000)
Net Cash Used by Noncapital Financing Activities	(280,000)
Cash Flows from Capital and Related Financing Activities	
Purchase of Property and Equipment	(237,803)
Proceeds from CMEEC	84,961
Net Cash Used by Capital and Related Financing Activities	(152,842)
Cash Flows from Investing Activities	
Proceeds from Investments	21,440
Net Cash Provided by Investing Activities	21,440
Net Increase (Decrease) in Cash and Cash Equivalents	921,772
Cash and Cash Equivalents - Beginning of Year	5,974,431
Cash and Cash Equivalents - End of Year	6,896,203
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	220,801
Adjustments to Reconcile Operating Income (Loss) to net cash provided (used) by operating activities:	
Depreciation	850,229
Changes in Assets and Liabilities:	
Receivables, net	99,276
Expenses Paid in Advance and Other Assets	(20,537)
Payables and Accrued Liabilities	183,405
Net Cash Provided by Operating Activities	$ 1,333,174

See accompanying notes and accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF PLAN NET POSITION - PENSION TRUST FUND
JUNE 30, 2022

EXHIBIT K

ASSETS		
Cash	$	86,965
Investments, at Fair Value		
Municipal Obligations	$	103,241
Mutual Funds/Equities		3,638,813
TOTAL ASSETS		3,829,019
DEFERRED OUTFLOWS OF RESOURCES		-
TOTAL LIABILITIES		-
DEFERRED INFLOWS OF RESOURCES		-
NET POSITION HELD IN TRUST - RESTRICTED FOR PENSION BENEFITS	$	3,829,019

See accompanying notes and acountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION - PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT L

ADDITIONS		
Contributions:		
Employer	$	287,523
Total Contributions		287,523
Investment Income:		
Interest and Dividends		262,721
Net Appreciation (Depreciation) in Fair Value of Investments		(863,171)
		(600,450)
Less: Trustee, Advisory and Administrative Fees		(7,409)
Net Investment Income (Loss)		(607,859)
TOTAL ADDITIONS (DEDUCTIONS)		(320,336)
DEDUCTIONS		
Benefits		119,973
TOTAL DEDUCTIONS		119,973
CHANGE IN NET POSITION		(440,309)
NET POSITION HELD IN TRUST - RESTRICTED FOR PENSION BENEFITS		
BEGINNING OF YEAR		4,269,328
END OF YEAR	$	3,829,019

See accompanying notes and acountant's report.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement:

The Third Taxing District of the City of Norwalk, Connecticut (the District) was incorporated in the year 1913. The District maintains various properties in the District and provides library, recreation and electric services to its residents. The District's financial statements are not included in the City of Norwalk's financial statements because the City does not have oversight responsibility for the above services. Oversight responsibility was determined on the basis of financial interdependence, governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public services.

Government-wide and Fund Financial Statements:

The government-wide financial statements required by GASB pronouncements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its business-type activities. Governmental activities, which are supported by transfers from the business-type activities, are reported separately from the 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 any given function or segment, are offset by program revenues.

Separate fund financial statements are provided for the governmental funds (general fund and library special revenue fund), the proprietary fund (Electric Department), and pension trust funds. The pension trust fund is excluded from the government-wide financial statements.

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 the pension trust fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The modified-accrual basis of accounting is used by the governmental fund types. Under the modified-accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The government reports the following funds:

Governmental Fund

General Fund - The General Fund is the general operating fund of the District. All unrestricted resources except those required to be accounted for in another fund are accounted for in this fund. From this fund, general operating expenditures are paid.

Special Revenue Fund - This fund is used to account for the process of specific revenue sources (the District Library) that are legally restricted to expenditures for specific purposes.

Proprietary Funds

The District reports the following Enterprise Fund:

Electric Department - accounts for the operating activities of the District's electric utility services.

Additionally, the government reports the following fund type:

Pension Trust Fund - This fund reports fiduciary resources held in trust and the receipt, investment, and distribution of retirement contributions.

Budgetary Control:

Budgets and Budgetary Accounting – As set forth in the District Charter, the electors adopt an annual budget for the General Fund which includes an allocation for the Special Reserve Fund - Library. The annual budgets for the General Fund and Special Revenue Fund – Library, are prepared in accordance with the basis of accounting utilized by each fund. The Commissioners are authorized to transfer budgeted amounts within and among funds. All annual appropriations lapse at fiscal year-end.

Investments:

Investments are recorded at fair value based on quoted market prices.

Fund Changes and Transactions Between Funds:

Legally authorized transfers are treated as operating transfers and are included in the results of operations of both Governmental and Proprietary Funds. During the year ended June 30, 2022 District electors voted to authorize the transfer of $280,000 as a transfer from the Proprietary Fund (Electrical Department) to the Governmental Funds.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Fund Balance

In accordance with Governmental Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal vote of the District Electors and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the District Commissioners.
- Unassigned - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories.

The District's special revenue fund consists of the reporting of the District Library's operations. The Assigned Fund Balance amount of $57,527 at June 30, 2022 represents the residual fund balance amount not reported as non-spendable, restricted or committed.

The District spends restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable and Provision for Bad Debts

The District utilizes the reserve method of accounting for its bad debts. The allowance for losses in the balance sheet is increased by charges to bad debt expense and decreased by charge-offs. Management's periodic evaluation of the adequacy of the allowance is based on the department's historical experience and known and related risks in the accounts receivable listing.

Significant receivables include amounts due from customers primarily for utility services.

	Governmental Funds	Proprietary Funds
Accounts Receivable	$ -0-	$1,170,541
Less: Allowance for Uncollectible Accounts	-0-	60,000
Net Accounts Receivable	$ -0-	$1,110,541

Plant in Service and Non-Utility Property (Governmental and Business-Type Activities):

Plant in Service and Non-Utility Property are recorded at cost. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of assets is recorded by removing cost and accumulated depreciation and charging the resulting gain or loss to income. Depreciation expense has been calculated using the straight-line-method. The estimated useful lives are as follows:

	Years
Structures and improvements	10-50
Substation equipment	25
Generators	4-10
Poles, towers and equipment	25
Overhead conductors	25
Underground conduit	33-40
Underground conductors	10-40
Line transformers	25
Meters	15
Street lights and signals	10-20
Office furniture and equipment	3-10
Transportation equipment	3-10
Stores equipment	20
Tools, shop and yard equipment	20
Laboratory equipment	20
Communications equipment	5-10
Miscellaneous equipment	4-10
Computer software	4

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Deferred Revenue:

Deferred revenue is recognized resulting from an arrangement the District has with CMEEC (See Note 11).

Pension Plan Accounting:

Employer contributions to the plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Compensated Absences:

Electric Department employees accumulate vacation and sick leave hours for subsequent use or for payment upon the end of the calendar year. Vacation and sick leave expenses to be paid after year-end are accrued for time that was not taken by June 30, in the proprietary fund financial statement. The balance of $126,454 is classified as current at June 30, 2022.

Statement of Cash Flows - Electric Department

In accordance with GASB 34, Electric uses the direct method of presenting cash flows for purpose of the statement of cash flows and considers all highly liquid investments with an original maturity value of ninety days or less to be cash equivalents. Restricted cash held in segregated bank accounts representing customer security deposits is considered cash for cash flow purposes.

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary Net position of the District Electric Department's Pension Plan and additions to/deductions from the District Electric Department Pension Plan fiduciary net position have been determined on the same basis as they are reported by the District Electric Department Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

GASB Pronouncements:

GASB Statement 20 requires that each government makes an election concerning proprietary funds. The Third Taxing District - City of Norwalk, Connecticut, has elected to apply FASB pronouncements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. After that date GASB pronouncements will solely be used.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND INVESTMENTS

Cash and cash equivalents are defined as cash and short-term, highly liquid investments that are both readily convertible to known amounts of cash and that are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less meet the definition of cash equivalents. Pursuant to state statute, the District may invest in cash funds with banks, obligations of the United States, and obligations of any state or political subdivision.

Cash Deposits

At June 30, 2022, the Third Taxing District, - City of Norwalk, Connecticut maintained cash deposits with financial institutions as follows:

	Bank Balances	Reconciled Balances
Governmental Activities (District General and Special Revenue Funds)	$ 208,413	$ 205,848
Business-Type Activities (Electric Department)	6,921,435	6,896,203
Pension Trust Fund	86,965	86,965

Custodial credit risk and concentrations of credit risk - Of the $6,921,435 business-type activities bank balances, $6,200,636 is uninsured and uncollateralized at June 30, 2022. $6,142,461 or 89% of the June 30, 2022 bank balances for business-type activities are maintained at one financial institution, Patriot National Bank. The District does not address custodial credit risk or concentrations of credit risk in its deposits policy.

Investments:

At June 30, 2022, the District's reporting entity had the following investments:

Types of Investments	Fair Value/ Carrying Value	Cost	Average Credit Quality Ratings (1)	Segmented Time Distribution to Maturity
Business-Type Activities				
Equities/Mutual Funds	$2,367,973	$2,653,293	N/A	N/A
Total Business-Type Activities	$2,367,973	$2,653,293		
Pension Trust Fund				
Equities/Mutual Funds	3,638,813	3,786,870	N/A	N/A
Municipal Obligations	103,241	101,000	Aa3	4 years
Total Pension Trust Fund	$3,742,054	$3,887,870		

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND INVESTMENTS - Continued

(1) - Ratings are provided where applicable to indicate associated credit risk.
N/A - Indicates not applicable.

Investment Policy - Primary Government

Investing is performed in accordance with investment policies complying with state statutes and the District's Charter. District funds may be invested in (1) direct obligations of the United States government; (2) certificates of deposit at savings and loan associations and federally insured banks; (3) savings accounts at savings and loan associations and banks; and (4) any bond, note or other indebtedness issued by state or political subdivisions.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy provides that to the extent practicable, investments are matched with anticipated cash flows. The District according to that policy has invested in U.S. Treasury notes and Government Agency Obligations with various maturities ranging from less than 1 year to 10 years, to maximize interest earned in conjunction with anticipated cash flows.

Investment Policy - Pension Trust Fund

The District's pension committee is responsible for the operation of the District's Pension Plan (the Plan), including overseeing investments made by the Plan Trustee. The primary investment objective of the Plan is the achievement of a high total return without undue risk of large losses. Total return is defined as income return plus capital appreciation.

Overall asset allocation is determined by the Trustee's expectation of inflation, interest rates and corporate profits. Historical and relative valuations will determine the strategic allocation among the major asset categories. Limits for the range of allocation to the asset categories valued by the asset's current fair market value, will be as follows:

- Equities - Not to exceed 60%
- Fixed Income - Not to exceed 75%
- Reserves - Not to exceed 30%

The above ranges are not to suggest sudden, dramatic shifts in the asset mix but instead represent flexible bands within which the asset mix may shift over investment cycles. The appropriate mix is reviewed quarterly with the Committee, who may make recommendations concerning investments in the portfolio.

Equity investments represent a diversified list of investments in the common stock of companies with market capitalizations of $100 million and above. However, 20% of the equity portfolio may be invested in companies with market capitalizations of $25 million or more. Valuation analysis will be employed to determine investment opportunity in conjunction with a fundamental appraisal of management strengths, past performance, demographic and secular trends. Economic sector allocations reflect the intent of the investment strategy and the weighting is monitored relative to similar sectors of the S&P 500. In no case shall the equity portion of the portfolio have (1) an investment of over 5%, at cost, of the Plan's assets in any one company; (2) an investment in securities with limited marketability or less than investment quality; or (3) include a transaction involving short sales, margin purchases, letter stock, private or direct placements, or any derivative instruments. Performance of this portion of the portfolio is measured against the performance of the S&P 500 index.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS - Continued

Investment Policy – Pension Trust Fund - Continued

Fixed Income represent a diversified list of high quality U.S. government, U.S. Agency and corporate obligations rated A or better. Intermediate range maturities (average 5 to 10 years) will represent the core portfolio. While the Committee realizes that shifts within the maturity range will occur in line with the Trustee's overall investment outlook, performance of the fixed income portion of the portfolio shall be measured against the performance of the Lehman Intermediate Bond Fund Index.

Reserves represent a diversified list of high quality U.S. government or A-1, P-1 instruments. Since reserves are also required for distributions, they will be used in concert with overall strategy and withdrawal needs.

The investment performance of the Plan's portfolio is reviewed by the District's Committee on a quarterly basis. A representative of the Trustee meets with the Pension Committee at least once a year to review past investment performance, the investment outlook and the strategy planned to achieve the portfolio objectives.

Custodial credit risk and concentration of credit risk - The $3,742,054 carrying amount of the Pension Trust Fund investments at June 30, 2022 are defined as insured or registered or securities held by the entity or its agent in the entity's name.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy of diversifying funds among domestic common stock, U.S. Treasuries and corporate obligations, the latter two classifications with maturities ranging from less than 1 year through 10 years is in part designed to minimize interest rate risk to the extent practicable.

NOTE 3 - INVESTMENT IN CMEEC

Investment in Connecticut Municipal Electric Energy Cooperative (CMEEC), a related party, is valued at cost and represents the Electrical Department's pro rata equity interest in the Cooperative. The Electrical Department made this investment because of its desire for membership in the cooperative and benefits of such membership. The Electrical Department's purchases of power from CMEEC during 2022 was $5,480,589 and is presented as electric power purchased in the accompanying Statement of Revenues and Expenses - Proprietary Fund.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - PLANT IN SERVICE AND NON-UTILITY PROPERTY

Non-Utility Property

Non-utility property balances and activity for the year ended June 30, 2022 was as follows:

GOVERNMENTAL ACTIVITIES:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Non-Utility Property not Being Depreciated:				
Land	$ 790,045	$ -0-	$ -0-	$ 790,045
Total	$ 790,045	$ -0-	$ -0-	$ 790,045
Non-Utility Property Being Depreciated:				
Buildings & Improvements	$ 386,172	$ 22,059	$ -0-	$ 408,231
Equipment	76,775	-0-	-0-	76,775
Total	$ 462,947	$ 22,059	$ -0-	$ 485,006
Less: Accumulated Depreciation:				
Buildings	$(190,929)	$(23,496)	$ -0-	$(214,425)
Equipment	(51,202)	(3,132)	-0-	(54,334)
Total	$(242,131)	$ (26,628)	$ -0-	$ (268,759)
Total Non-Utility Property Being Depreciated – Net	$ 220,816	$ (4,569)	$ -0-	$ 216,247
Governmental Activities - Non-Utility Property – Net	$1,010,861	$ (4,569)	$ -0-	$1,006,292

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - PLANT IN SERVICE AND NON-UTILITY PROPERTY - Continued

Non-Utility Property - Continued

BUSINESS TYPE ACTIVITIES:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Non-Utility Property not Being Depreciated:				
Land	$ 13,702	$ -0-	$ -0-	$ 13,702
Business Type Activities - Non-Utility Property – Net	$ 13,702	$ -0-	$ -0-	$ 13,702

Depreciation Expense was charged to Governmental Functions as follows:

Community Service Projects	$26,628
Total Depreciation Expense - Governmental Activities	$26,628

Plant in Service

Plant in service balances and activity for the year ended June 30, 2022 was as follows:

GOVERNMENTAL ACTIVITIES:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Plant in Service not Being Depreciated	$ -0-	$ -0-	$ -0-	$ -0-
Plant in Service Being Depreciated	$ -0-	$ -0-	$ -0-	$ -0-

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – PLANT IN SERVICE AND NON-UTILITY PROPERTY – Continued

Plant in Service - Continued

BUSINESS TYPE ACTIVITIES:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Plant in Service not Being Depreciated:				
Franchise and Consents	$ 34,300	$ -0-	$ -0-	$ 34,300
Total	$ 34,300	$ -0-	$ -0-	$ 34,300
Plant in Service Being Depreciated:				
Generators	$ 2,886,820	$ 125,397	$ -0-	$ 3,012,217
Transmission Plant	3,498,453	-0-	-0-	3,498,453
Distribution Plant	14,316,072	200,067	(32,000)	14,484,139
General Plant	2,283,589	1,037,922	-0-	3,321,511
Total	$22,984,934	$1,363,386	$(32,000)	$24,316,320
Less: Accumulated Depreciation				
Generators	$(2,886,822)	$(25,079)	$ -0-	$(2,911,901)
Transmission Plant	(786,701)	(69,270)	-0-	(855,971)
Distribution Plant	(5,296,707)	(563,120)	(32,000)	(5,827,827)
General Plant	(1,381,619)	(192,760)	-0-	(1,574,379)
Total	$(10,351,849)	$(850,229)	$(32,000)	$(11,170,078)
Total Plant in Service Being Depreciated – Net	$12,633,085	$ 513,157	$ -0-	$13,146,242
Business Type Activities – Plant in Service – Net	12,667,385	513,157	-0-	13,180,542
Construction Work-in-Progress	$ 1,149,345	$ 275,126	$(1,165,625)	$ 2,588,846

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – SELF INSURANCE

The District provides a self-insurance plan which pays the deductible portion and any co-insurance requirements of the group health plan. Also, dental, eye care, and hearing aid coverage is available, subject to a combined annual limitation of $3,000 per participant. A summary of the activity during 2022 follows:

Balance, Beginning	$ -0-
Current year claims and changes in estimates	24,835
Claim payments	24,835
Balance, Ending	$ -0-

There have been no significant reductions in insurance coverages during the fiscal year 2022. Settled claims have not exceeded commercial excess coverages in any of the past three years.

NOTE 6 – CUSTOMER DEPOSITS AND ADVANCES

Some customers are required by the Electrical Department to post deposits against their future liability. These deposits are held in an interest bearing account until such time as they are either returned to the customer or used to satisfy said customer's outstanding electric bill. As of June 30, 2022, the District has $638,012 available for the customer security deposit liability of $633,793.

NOTE 7 – LINE OF CREDIT

The District has a $500,000 line of credit with a local bank which permits the Company to borrow up to $500,000 at a variable rate which was 4.75% at June 30, 2022. It is secured by all of the District's assets and expires on June 1, 2023. At June 30, 2022 the amount outstanding on the line of credit was $-0-.

NOTE 8 – SUMMARY OF CHANGES IN LONG-TERM DEBT

	Balance 7/1/21	Issued	Retired	Balance 6/30/22	Due Within 1 Year
Governmental Activities:	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Business-Type Activities:					
Deferred Revenue	$5,631,973	$ 709,444	$(794,349)	$5,547,068	$ -0-
Net OPEB Obligation	6,590,687	-0-	(771,014)	5,819,673	-0-
Net Pension Obligation	857,323	804,374	-0-	1,661,697	-0-
Totals	$13,079,983	$1,513,818	$(1,565,363)	$13,028,438	$ -0-

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – PENSION PLAN

General Information About the Pension Plan:

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description. The District's Pension Committee administers the District's Pension Plan – a single-employer defined benefit pension plan that provides retirement, disability, and death benefits to plan members and beneficiaries. All full-time employees are eligible to enter on the beginning of the month coincident with or following the later of the completion of 1 year of service and attainment of age 21.

Management of the District's plan is vested in the District's Pension Committee, which consists of three members who are the District's General Manager, Assistant General Manager and Senior Customer Account Analyst. The Pension Committee can recommend changes to the District's pension plan to the District Board of Commissioners.

Employees covered by benefit terms. At July 1, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	11
Total Members	19

Benefits provided. The normal retirement date for participants is at or after the attainment of age 65 with 10 years of the completion of continuous service. Each vested participant is entitled to a retirement benefit, and such benefit is equal to 2.5% of the average monthly compensation multiplied by the number of years of credited service. A participant may retire early on the first day of any month on or after the age of 55, with 10 years of credited service. Benefits fully vest on participants on or after 10 years of service and are reduced by .5% for each complete month by which commencement of benefit payments precedes the participant's normal retirement date.

Disability benefits are available for participants with 10 years of continuous service. If the participant is at least 55 on the date as of which he or she is entitled to a disability retirement benefit, the benefit is determined as for normal retirement (no early retirement factor is applied) but based on credited service and compensation prior to actual disability retirement. If the participant is less than 55 on the date as of which he or she is entitled to a disability benefit, the benefit is determined as in the immediately preceding sentence but is actuarially reduced for each month that the benefit starting date precedes his or her 55th birthday.

Pre-retirement death benefits are available for participants who are actively employed and for terminated employees with 10 years of service. The benefit is calculated as if the participant terminated, lived to the earliest date they could have retired, elected the 50% joint and Survivor Annuity option, then died. The 50% continuation benefit is payable to the spouse (if any).

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – PENSION PLAN – Continued

General Information About the Pension Plan: - Continued

Contributions. The annual required contribution for the current year was determined as part of the July 1, 2020, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 6.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 2.4% per year plus a service based scale based on years of service. The assumptions did not include postretirement benefit increases, which are not provided by the Plan. The unfunded accrued liabilities as of July 1, 2016 were amortized over a 20 year closed period. Future changes in the unfunded accrued liability will be amortized separately, assuming a new 20 year amortization for each valuation. For the year ended June 30, 2022, the average active member contribution rate was 0 percent of annual pay, and the District's average contribution rate was 25.03 percent of covered payroll.

Investment Policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the District's Pension Committee by a majority vote of its members. It is the policy of the District's Pension 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 District's investments policy is provided in more detail in Note 2 to the District's financial statements. The following was the District's adopted asset allocation policy as of July 1, 2021:

Asset Class	Target Allocation
US Large Cap	25.00%
US Mid/Small Cap	15.00%
Developed International Equities	10.00%
Emerging Market Equities	5.00%
Intermediate Corporate	15.00%
Intermediate Government	8.00%
High Yield Bonds	9.00%
International Bonds	4.00%
Short Term Bonds	4.00%
Money Market	1.00%
Real Estate (Core)	4.00%
Total	100.00%

Concentrations. The following investment represents more than 5% of the total Net Position Held in Trust for Pension Benefits:

Type of Investment	Description	Fair Market Value at June 30, 2022
Mutual Funds Equities	Vanguard 500 Index Fund	$372,196
Mutual Funds Equities	Vanguard Growth Index Fund	$295,433
Mutual Funds Equities	Vanguard FTSE World Ex US Index Admiral Fund	$223,089
Mutual Funds Equities	MFS Intl Diversification CLRS	$223,664

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Rates of Return.

Year Ended June 30:	Annual Money-Weighted Rate of Return, Net of Investment Expense
2014	12.26%
2015	2.60%
2016	-1.11%
2017	10.25%
2018	6.86%
2019	5.78%
2020	3.05%
2021	25.46%
2022	-13.98%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The District's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020.

Description of Significant Changes Prior to Year End

There were no significant plan changes since the last published valuation.

DROP Balances

Currently, there is no Deferred Retirement Option Plan (DROP). Therefore, the DROP balances are $0.

Valuation Date and Roll Forward Process

The Plan Sponsor uses the July 1, 2020 Actuarial Valuation to calculate the ADEC for the fiscal year ending 2022.

The July 1, 2020 Actuarial Valuation directly calculated the July 1, 2020 Total pension Liability (TPL). The July 1, 2020 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2022. The TPL as of June 30, 2022 was also adjusted to reflect any material plan changes after the valuation, if applicable.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Funding Policy

The Plan Sponsor uses the Entry Age Normal Actuarial Cost Method to calculate the plan liabilities. The funding Policy has two parts.

1. Normal Cost
2. Amortization of the Unfunded Actuarial liability (UAL)

Each year the Plan Sponsor pays the Normal Cost plus an amortization of the plan's UAL. Unfunded accrued liabilities as of July 1, 2016 were amortized over a 20 year closed period.

Future changes in the unfunded accrued liability will be amortized separately, assuming a new 20 year amortization for each valuation.

Assumption Selection

The selections of all assumptions used in determining the total pension liability were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

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. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Description of Actuarial Methods.

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and the expected return on Market Value over a five-year period at 20% per year. The method change was effective July 1, 2014.

Actuarial Cost Method

Entry Age Normal Actuarial Cost Method (level percentage of salary).

Normal Cost:

Under this method, the normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary.

The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Past Service Liability:

The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). Unfunded accrued liabilities as of July 1, 2016 were amortized over a closed 20-year period. Future changes in the unfunded accrued liability will be amortized separately, assuming a new 20-year amortization each valuation.

Experience Gains and Losses:

All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.

Actuarial Assumptions.

	Year Ending June 30, 2022	Year Ending June 30, 2021
Investment rate of return (net of investment-related and administrative expenses)	6.50%	6.50%
Rate of compensation increase (including inflation)	2.4% plus service based scale	2.4% plus service based scale

Service-based component of compensation increases (for determination of benefits)

Service	Salary Increase
0-4	1.50%
5-9	1.00%
10-14	0.50%
15+	0.00%

The plan does not have statistically credible data on which to form a rate of compensation increase assumption. The assumption is based on input from the plan sponsor regarding future expectations, as well as knowledge that younger employees generally earn higher annual percentage increases than older employees.

Inflation – 2.4%. This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75 year horizon) annual percentage increase in CPI, as published in the 2020 OASDI Trustees Report.

Mortality. Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (for General Employees), projected to the valuation date with Scale MP-2020.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Actuarial Assumptions. - Continued

Mortality Improvement. Projected to date of decrement using Scale MP-2020 (generational).

We have selected this mortality assumption because it is based on the latest published public retirement mortality study released by the Society of Actuaries.

Retirement Age

Age	Rate
<62	0%
62-64	10%
65-69	20%
70-74	15%
75	100%

The actuarial assumption in regards to rates of retirement shown above are based on standard tables (MERS 2014) modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

Termination – Prior to Retirement

Sample Withdawl Rates: Years of Service

Age	0	1	2	>=3
<=19	0.00%	0.00%	0.00%	0.00%
20	14.90%	12.50%	10.50%	9.30%
25	13.90%	11.25%	9.25%	6.80%
30	12.90%	10.00%	8.00%	5.05%
35	11.90%	8.90%	6.90%	3.95%
40	10.90%	7.90%	5.90%	3.25%
45	9.90%	7.05%	5.05%	2.75%
50	8.90%	6.30%	4.30%	2.25%
>=50	8.00%	5.00%	3.50%	1.75%

The actuarial assumptions in regards to rates of termination shown above are based on standard tables (Vaughn) modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

Percent of active employees married. 80%
Spouse's Age. Husbands are assumed to be 3 years older than wives.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Actuarial Assumptions. - Continued

Target Allocation and Expected Rate of Return / Actuarial Valuation as of July 1, 2020

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
US Large Cap	25.00%	5.25%	1.31%
US Mid/Small Cap	15.00%	5.75%	0.86%
Developed International Equities	10.00%	5.75%	0.58%
Emerging Market Equities	5.00%	7.75%	0.39%
Intermediate Corporate	15.00%	1.75%	0.26%
Intermediate Government	8.00%	0.75%	0.06%
High Yield Bonds	9.00%	4.00%	0.36%
International Bonds	4.00%	0.75%	0.03%
Short Term Bonds	4.00%	-0.25%	-0.01%
Money Market	1.00%	-1.25%	-0.01%
Real Estate (Core)	4.00%	5.75%	0.23%
	100.00%		4.06%
Long-Term Inflation Expectation			2.40%
Long-Term Expected Nominal Return			6.46%

**Long-Term Real Returns are provided by HHIA. The returns are geometric means.*

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 in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 6.50% was used.

The July 1, 2020 Actuarial Valuation directly calculated the July 1, 2020 Total Pension Liability (TPL). The July 1, 2020 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2022.

Discount Rate

The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contribution amounts are established by statute or contract or (b) a formal written policy exists.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Discount Rate - Continued

Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20 year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are projected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the actuary used the 6.50% interest rate assumption to discount plan liabilities.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2021	$5,126,651	$4,269,328	$ 857,323
Changes for the Year:			
Service Cost	145,206	-0-	145,206
Interest	338,832	-0-	338,832
Differences between expected and actual Experience	-0-	-0-	-0-
Changes of Assumptions	-0-	-0-	-0-
Contributions – Employer	-0-	287,523	(287,523)
Contributions – Member	-0-	-0-	-0-
Net Investment Income	-0-	(607,859)	607,859
Benefit payments, including refunds of member contributions	(119,973)	(119,973)	-0-
Administrative Expense	-0-	-0-	-0-
Other	-0-	-0-	-0-
Net Changes	364,065	(440,309)	804,374
Balances as of June 30, 2022	$5,490,716	$3,829,019	$1,661,697

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSION PLAN - Continued

General Information About the Pension Plan: - Continued

Changes in the Net Pension Liability - Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using the discount rate of 6.50%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability as of June 30, 2022	$2,209,204	$1,661,697	$1,195,176

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2022, the recognized pension expense is $357,456. As of June 30, 2022, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 41,870	$(137,115)
Changes of assumptions	129,794	-0-
Net difference between projected and actual earnings on pension plan investments	382,471	-0-
Total	$554,135	$(137,115)

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

Year Ended June 30:	
2023	$124,650
2024	71,542
2025	48,386
2026	172,960
2027	(518)
Thereafter	-0-

Payable to the Pension Plan – At June 30, 2022, the District reported a payable of $1,661,697 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

General Information About the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, the Third Taxing District of Norwalk, Connecticut Retirees Benefit Plan is a single employer defined benefit OPEB Plan administered by the District's Commissioners who have the authority to amend the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

The District provides post-retirement health care benefits for substantially all of its electrical department full-time employees upon reaching retirement or early retirement age (as defined in the Pension Plan document). The plan is closed to new entrants as of July 1, 2019. They are entitled to employer paid health benefits throughout retirement until death, at a benefit level equivalent to that which was in effect at the employee's time of retirement. When the retiree becomes eligible for Medicare the employer's obligation shall be limited to providing coverage for the difference between Medicare benefits and the benefits in effect at the employee's date of retirement. The employer's obligation to furnish retiree health benefits shall cease upon death of the retired employee.

The District currently funds post employment retirement benefits on a pay as you go basis. As of June 30, 2022, a trust fund has not been implemented to irrevocably separate assets to fund the liability associated with post employment benefits which will require the reporting of a trust fund in accordance with GASB Guidelines. The following is the current census of the District's benefit participants as of July 1, 2021:

Active Plan Members	9
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	0
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	5
Total	14

The OPEB Expense for the year ended June 30, 2022 was $314,908.

Total OPEB Liability

The District's total OPEB Liability of $5,819,673 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2021	$6,590,687
Changes for the Year:	
Service Cost	334,411
Interest	147,706
Differences Between Expected and Actual Experience	54,287
Changes of Benefit Terms	-0-
Changes of Assumptions	(1,132,744)
Benefit Payments	(174,674)
Net Changes	(771,014)
Balance as of June 30, 2022	$5,819,673

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Changes in the Total OPEB Liability - Continued

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54) or 1-percentage- point higher (4.54%) than the current discount rate:

	Current Discount Rate (3.54%)	1% Decrease (2.54%)	1% Increase (4.54%)
Total OPEB Liability as of June 30, 2022	$5,819,673	$6,692,430	$5,099,334

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (5.5% decreasing to 3.40%) or 1-percentage-point higher (7.5% decreasing to 5.4%) than the current healthcare cost trend rate:

	Healthcare Cost Trend Rates (6.50% decreasing to 4.40%))	1% Decrease (5.50% decreasing to 3.40%)	1% Increase (7.50% decreasing to 5.40%)
Total OPEB Liability as of June 30, 2022	$5,819,673	$4,968,790	$6,895,929

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the recognized OPEB expense is $314,908. As of June 30, 2022, deferred outflows and inflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 45,805	$(927,560)
Changes of Assumptions	929,609	(955,753)
Total	$975,414	$(1,883,313)

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

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Changes in the Total OPEB Liability - Continued

Year Ended June 30,	
2023	$130,155
2024	179,854
2025	179,854
2026	179,854
2027	171,685
Thereafter	66,497

Description of Significant Changes Prior to Year End

There were no significant plan changes since the last published valuation.

Valuation Date and Roll Forward Process

The July 1, 2021 Actuarial Valuation directly calculated the July 1, 2021 Total OPEB Liability (TOL). The July 1, 2021 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2022. The TOL as of June 30, 2022 was also adjusted to reflect any material plan changes after the valuation, if applicable.

Funding Policy

The Plan Sponsor's funding policy is to contribute the employer portion of retiree benefit payments annually.

Assumption Selection

The selections of all assumptions used in determining the total OPEB liability were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

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. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Description of Actuarial Methods.

Asset Valuation Method

Not applicable (unfunded plan).

Actuarial Cost Method

Entry Age Normal Actuarial Cost Method (level percentage of salary).

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Normal Cost: Under this method, the normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability.

Description of Actuarial Assumptions

Changes in Actuarial Assumptions as of July 1, 2021

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section).

* Interest
* Mortality
* Healthcare Cost Trend Rates
* Rate of Compensation Increase
* Inflation
* Retirement

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Interest

3.54% (Prior: 2.16%)

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 74/75 standards linking the discount rate to the 20 year AA municipal bond index for unfunded OPEB plans. The discount rate used for this valuation is equal to the published Bond Buyer GO 20-Bond Municipal Index effective as of June 30, 2022.

Rate of Compensation Increase (Including Inflation)

2.40%. (Prior: 2.60%)

The plan does not have statistically credible data on which to form a rate of compensation increase assumption. The assumption is based on historical national wage increases and input from the Plan Sponsor regarding future expectations.

The assumption was changed to align with the inflation assumption change.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Inflation

2.40%. (Prior: 2.60%)

The assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2021 OASDI Trustees Report.

Mortality

Pub-2010 Public Retirement Plans Mortality Tables for General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

(Prior: Pub 2010 Public Retirement Plans Mortality Tables for General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2019.

Mortality Improvement

Projected to date of decrement using Scale MP-2021 (generational).

(Prior: Projected to date of decrement using Scale MP-2019 (generational)).

We have selected this mortality assumption because it is based on the latest published pension mortality study released by the Society of Actuaries.

Retirement

The assumed rates of retirement are as follows:

Age	Rate
<62	0%
62	11%
63	13%
64	14%
65-74	18%
75	100%

The actuarial assumption in regards to rates of retirement shown above, are based on the rates used by the State of Connecticut Municipal Employee Retirement System actuaries.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Termination Prior to Retirement

Sample Withdrawal rates:

	Years of Service			
Age	0	1	2	>=3
<=19	0.00%	0.00%	0.00%	0.00%
20	14.90%	12.50%	10.50%	9.30%
25	13.90%	11.25%	9.25%	6.80%
30	12.90%	10.00%	8.00%	5.05%
35	11.90%	8.90%	6.90%	3.95%
40	10.90%	7.90%	5.90%	3.25%
45	9.90%	7.05%	5.05%	2.75%
50	8.90%	6.30%	4.30%	2.25%
>=55	8.00%	5.00%	3.50%	1.75%

The actuarial assumption in regards to rates of withdrawal shown above, are 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. The plan does not have sufficiently credible data on which to perform an experience study.

Utilization

100% of current active members will elect medical coverage at retirement. 100% of pre-65 retirees will continue coverage after age 65.

Medical Eligibility

All participants are assumed to be Medicare Eligible.

Spousal Coverage

70% of active members are assumed to be married and elect spousal benefits at retirement with wives 3 years younger than husbands.

Healthcare Cost Trend Rates

6.5% in 2021, reducing by 0.2% each year to an ultimate rate of 4.4% per year rate for 2032 and later. (Prior: 6.5 in 2019, reducing by 0.25% each year to an ultimate rate of 4.6% per year rate for 2027 and later.

Dental is assumed to increase by 4.4% per year. (Prior: 4.6%)

Healthcare cost trend rates reflect both the current and long-term outlook for increases in healthcare costs. The short-term rates are based on recent industry surveys, plan experience and near-term expectations. The long-term trend rate is based on general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Healthcare Cost Trend Rates – Continued

The trend rates were changed to align with the inflation assumption change and better reflect actual experience.

Premiums

2021 CT State Partnership Plan 2.0

Pre 65 Medical:

Employee	Employee and Spouse
$16,103.40	$34,667.76

Post 65 Medical: $1,403.98

Dental/Vision: (Self funded)

Single	Employee and Spouse
$135	$270

Premiums were used as the basis for per capita costs.

Patient Protection and Affordable Care Act (PPACA)

The High Cost Plan Excise Tax ("Cadillac Tax") was repealed as part of the 2020 Further Consolidated Appropriations Act, which was signed in December 2020.

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Plan Identification

Single-employer OPEB plan.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - Continued

Retiree Medical Benefit

Eligibility

Eligibility is age 55 with 10 years of service for medical coverage at retirement. In addition, employees hired after July 1, 2019 are not eligible for retiree medical. In addition, there are two active employees who have opted out of TTD medical benefits and have been excluded from the valuation.

Coverage

Pre-65 and Post-65 medical, Rx, Dental and Vision.

Retiree Contribution

Pre-65: Retirees and spouses contribute the same premium contribution percentage as active employees, frozen at the percentage in effect on the employee's retirement date (12% for 2019, 12.5% for 2021 and 13% for 2022 and later).

Post-65: Retirees and spouses pay nothing toward the cost of coverage.

Spousal Coverage

Spouses are covered for the retiree's lifetime.

NOTE 11 - COMMITMENT AND CONTINGENCIES

Operating Leases

The District is obligated under non-cancelable operating leases for office equipment. These lease commitments exist through June 30, 2023. Future minimum rental payments required under the non-cancelable operating leases are as follows:

2023	$17,803
Thereafter	-0-

Rent expense included in operations relating to the non-cancelable operating leases amounted to $28,025 for the year ended June 30, 2022.

CMEEC:

The Electric Department entered into a "Power Sales Contract for the Supply of Electric Power and Energy" (Power Contract) with the Connecticut Municipal Electric Energy Cooperative (CMEEC) its present energy supplier. Pursuant to this contract the Electric Department has covenanted to maintain electric rates that, together with other sources of revenue, will provide sufficient revenues to meet its payment obligation to CMEEC under the Power Contract.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - COMMITMENT AND CONTINGENCIES – Continued

CMEEC: - Continued

Payments to CMEEC under the Power Contract may not be subordinated to any other obligation of the Electric Department.

The Power Contract was amended and restated as of January 1, 2000 resulting in rate stabilization monies, which were collected from the Electric Department and other CMEEC members in conjunction with the purchase of energy, to be apportioned to the individual purchasers of energy including the Electric Department. These funds are the Rate Stabilization Fund, the Economic Development Fund, and the Energy Efficiency and Environmental Stewardship Fund. CMEEC's bonded debt that was incurred to provide power supply for its members was also apportioned among its members.

Rate Stabilization Fund:

The Electric Department has rate stabilization funds held by CMEEC. Electric's balances of rate stabilization funds held by CMEEC was $1,771,747 held in a trust account and $3,775,321 held in a non-trust account at June 30, 2022.

Conservation and Load Management Fund

For the year ended June 30, 2005, a Conservation and Load Management Fund was created. The fund may be utilized by the District for investment in renewable energy sources and for conservation and load management programs so as to result in cost reductions for the District and its consumers. As the fund is unrestricted, the District has included the $421,303 balance on their balance sheet at June 30, 2022.

Economic Development Fund

The Electric Department also has on deposit at CMEEC an Economic Development Fund. Pursuant to Resolution 92-6 adopted by the CMEEC Board of Directors on January 23, 1992 this fund is for the stated purpose of assisting Member System activities which promote economic development and which help maintain the competitive standing of the Members' electric utility systems. The Electric Department expended $0 of Economic Development Funds for the year ended June 30, 2022. The unrestricted balance available to the District at June 30, 2022 was $157,265.

Renewable Resource Investment Fund

The Electric Department also has on deposit at CMEEC a Renewable Resource Investment Fund. Pursuant to Resolution 08-04 adopted by the CMEEC Board of Directors on February 28, 2008, this Fund is for the stated purpose of assisting member system activities which promote energy conservation. The amount in the account as of June 30, 2022 was $30,152.

Regional Greenhouse Gas Initiative Fund

This fund was established as part of the Regional Greenhouse Gas Initiative (RGGI), which is the first mandatory cap and trade program in the United States to limit carbon dioxide from the power sector. Proceeds from the auction of greenhouse gas credits were utilized by CMEEC to create this fund, apportioned to each CMEEC member. As the fund is unrestricted, Elecric has included the $163,420 as part of cash and cash equivalents on their balance sheet at June 30, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - COMMITMENT AND CONTINGENCIES – Continued

The monies in the rate stabilization fund as of June 30, 2022 totaling $5,547,068 have been recorded as a restricted asset and, a deferred revenue in the accompanying proprietary fund balance sheet. The monies in the economic development fund, the conservation and load management fund, the renewable resource investment fund and the regional greenhouse gas initiative fund have been recorded as unrestricted cash in the accompanying proprietary fund balance sheet.

As a member of CMEEC, the Electric Department is responsible for their pro-rata share of CMEEC's shares of certain costs that may exceed reserves and/or insurance coverages. These costs and the impact on operations are unknown. The electrical department also has guaranteed a portion of CMEEC's bonded debt. The amount of debt guaranteed by the District as of June 30, 2022 was $3,504,109 Electric's net obligation (bonded debt less Electric's share of the rate stabilization fund) is $(2,042,959) at June 30, 2022.

Norden Park Generation

The Third Taxing District's agreement with ISO New England, to provide capacity from the District's three 2 MW diesel generators located at Norden Park, expired on May 30, 2008. In order to obtain continuing income from these generators the District's Commission authorized installation of required state of the art pollution control equipment on the generators at a cost of $900,000. The equipment was installed and the generators were bid into the ISO Locational Forward Reserve Market (LFRM) on June 1, 2008 with expected revenue of $84,000 per month. Almost immediately a dispute arose with Connecticut Light & Power (CL&P), who is the reporting party to ISO, over the amount of capacity being delivered to ISO. As a result, anticipated revenues were not realized and penalties were assessed by the ISO. The generators were removed from the market on September 1, 2008 and following an agreement with Connecticut Light & Power on February 18, 2009 were returned to the market on March 1, 2009. The February 18th Third Amendment to the Interconnection Agreement provides for the generators to operate until May 31, 2012. Before that time the Third Taxing District must petition the DPUC and receive approval to operate in the existing mode or must reconnect the generators at a capital cost of $1.2 million. As a condition of the agreement the Third Taxing District must pay up to $280,000 for switchgear needed by CL&P and must secure an easement and construct certain facilities needed by CL&P. The District has paid said amount and obtained the necessary easement. This Third Amendment was revised and restated on September 1, 2010 and provides among other things that: 1) the generators may operate until one year after the final decision by the DPUC on the method of interconnecting the generators; and 2) provided a favorable ruling is issued by the DPUC the District will pay CL&P up to an additional $96,000. On June 1, 2010, the LFRM market revenue dropped to $54,000 per month and on October 1, 2010, the revenue decreased to $9,120 per month.

The DPUC approval was ordered on January 6, 2011 giving the generators the authority to operate for the duration of the interconnection agreement.

For the twelve month period ending June 30, 2022, revenues related to the operation of the Norden units was $301,166.

The short term outlook (6-12 months) for the LFRM market in New England is expected to be fairly stable, depending on weather conditions and load growth. In response, the District continues to take an aggressive approach with maintenance and testing of the Norden Generators and has increased their operating efficiency in conjunction with CMEEC's Portfolio management staff. The Norden Lease expired on December 31, 2014. The District continues to operate the generators in cooperation with the owners of the property on a month to month basis.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - COMMITMENT AND CONTINGENCIES – Continued

COVID-19 Pandemic

The COVID-19 outbreak in the United States has caused business and government disruption through mandated and voluntary closings of businesses and government offices. While the Third Taxing District of the City of Norwalk, Connecticut did not have any disruptions in services, the related financial impact which could be caused by the COVID-19 outbreak cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE FISCAL YEARS

Total Pension Liability	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service Cost	$ 145,206	$ 106,147	$ 103,862	$ 117,061	$ 114,094	$ 97,976	$ 106,578	$ 103,474	$ 100,460
Interest	338,832	318,543	299,945	301,842	283,299	233,234	220,494	223,981	209,673
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(109,987)	-	(160,410)	-	460,550	-	(227,606)	-
Changes of Assumptions	-	78,365	-	185,134	-	46,127	-	(23,527)	-
Benefit Payments Including Refunds of Member Contributions	(119,973)	(119,973)	(119,973)	(135,458)	(135,458)	(142,046)	(131,052)	(127,497)	(90,620)
Net Change in Total Pension Liability	364,065	273,095	283,834	308,169	261,935	695,841	196,020	(51,175)	219,513
Total Pension Liability - Beginning	5,126,651	4,853,556	4,569,722	4,261,553	3,999,618	3,303,777	3,107,757	3,158,932	2,939,419
Total Pension Liability - Ending: (a)	$ 5,490,716	$ 5,126,651	$ 4,853,556	$ 4,569,722	$ 4,261,553	$ 3,999,618	$ 3,303,777	$ 3,107,757	$ 3,158,932
Plan Fiduciary Net Position									
Contributions - Employer	$ 287,523	$ 244,100	$ 241,400	$ 236,539	$ 233,500	$ 162,336	$ 150,000	$ 98,679	$ 98,679
Contributions - Member	-	-	-	-	-	-	-	-	-
Net Investment Income	(607,859)	852,142	95,527	164,959	176,384	235,472	(25,625)	58,913	248,106
Benefit Payments Including Refunds of Member Contributions	(119,973)	(119,973)	(119,973)	(135,458)	(135,458)	(142,046)	(131,052)	(127,497)	(90,620)
Administrative Expenses	-	-	-	-	(3,883)	(7,136)	(8,583)	-	-
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(440,309)	976,269	216,954	266,040	270,543	248,626	(15,260)	30,095	256,165
Plan Fiduciary Net Position - Beginning	4,269,328	3,293,059	3,076,105	2,810,065	2,539,522	2,290,896	2,306,156	2,276,061	2,019,896
Plan Fiduciary Net Position - Ending: (b)	$ 3,829,019	$ 4,269,328	$ 3,293,059	$ 3,076,105	$ 2,810,065	$ 2,539,522	$ 2,290,896	$ 2,306,156	$ 2,276,061
Net Pension Liability - Ending: (a)-(b)	$ 1,661,697	$ 857,323	$ 1,560,497	$ 1,493,617	$ 1,451,488	$ 1,460,096	$ 1,012,881	$ 801,601	$ 882,871
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.74%	83.28%	67.85%	67.31%	65.94%	63.49%	69.34%	74.21%	72.05%
Covered-Employee Payroll	$ 1,148,762	$ 1,121,838	$ 934,236	$ 910,561	$ 894,917	$ 872,239	$ 732,401	$ 711,069	$ 724,371
Net Pension Liability as a Percentage of Covered-Employee Payroll	144.65%	76.42%	167.03%	164.03%	162.19%	167.40%	138.30%	112.73%	121.88%

Until a 10-year trend is compiled, this schedule will present information for those years for which information is available.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
REQUIRED SUPPLMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability	$ 5,490,716	$ 5,126,651	$ 4,853,556	$ 4,569,722	$ 4,261,553	$ 3,999,618	$ 3,303,777	$ 3,107,757	$ 3,158,932	$ 2,939,419
Plan Fiduciary Net Position	3,829,019	4,269,328	3,293,059	3,076,105	2,810,065	2,539,522	2,290,896	2,306,156	2,276,061	2,019,896
Net Pension Liability (Asset)	$ 1,661,697	$ 857,323	$ 1,560,497	$ 1,493,617	$ 1,451,488	$ 1,460,096	$ 1,012,881	$ 801,601	$ 882,871	$ 919,523
Plan Fiduciary Net Position as Persentage of Total Pension Liability	69.74%	83.28%	67.85%	67.31%	65.94%	63.49%	69.34%	74.21%	72.05%	68.72%
Covered-Employee Payroll	1,148,762	1,121,838	934,236	910,561	894,917	872,239	732,401	711,069	724,371	703,273
Net Pension Liability as a Percentage of Covered-Employee Payroll	144.65%	76.42%	167.03%	164.03%	162.19%	167.40%	138.30%	112.73%	121.88%	130.75%

See Accountant's Report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION TRUST FUND
LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018
Actuarially Determined Employer Contribution (ADEC)	$ 287,573	$ 244,049	$ 241,349	$ 236,539	$ 233,469
Contributions in Relation to the Actuarially Determined Contribution	287,523	244,100	241,400	236,539	233,500
Contribution Deficiency (Excess)	$ 50	$ (51)	$ (51)	$ -	$ (31)
Covered-Employee Payroll	$1,148,762	$1,121,838	$ 934,236	$ 910,561	$ 894,917
Contributions as a Percentage of Covered-Employee Payroll	25.03%	21.76%	25.84%	25.98%	26.09%

	2017	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	$ 162,328	$ 159,351	$ 148,809	$ 145,690
Contributions in Relation to the Actuarially Determined Contribution	162,336	150,000	98,679	98,679
Contribution Deficiency (Excess)	$ (8)	$ 9,351	$ 50,130	$ 47,011
Covered-Employee Payroll	$ 872,239	$ 732,401	$ 711,069	$ 724,371
Contributions as a Percentage of Covered-Employee Payroll	18.61%	20.48%	13.88%	13.62%

Notes to Schedule

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 Percentage of Payroll, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	Market Value
Salary Increases	2.40% plus a service based scale ranging from 0-1.5% based on years of service
Investment Rate of Return	6.5%, net of pension plan investment and administrative expenses.
Retirement Age	Age 65 and 10 years of continuous service
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (for general employees), projected to valuation date with Scale MP-2020.

Until a 10-year trend is compiled, this schedule will present information for those years for which information is available.

See Accountant's Report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS - PENSION TRUST FUND
LAST NINE FISCAL YEARS

Year Ended June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2014	12.26%
2015	2.60%
2016	-1.11%
2017	10.25%
2018	6.86%
2019	5.78%
2020	3.05%
2021	25.46%
2022	-13.98%

Until a 10-year trend is compiled, this schedule will present information for those years for which information is available.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS

Total OPEB Liability	2022	2021	2020	2019	2018
Service Cost	$ 334,411	$ 317,149	$ 288,817	$ 248,950	$ 259,656
Interest	147,706	143,858	218,744	217,607	199,822
Changes of Benefit Terms	0	0	0	0	0
Differences Between Expected and Actual Experience	54,287	(32,980)	(1,509,657)	(31,909)	0
Changes of Assumptions	(1,132,744)	49,755	1,408,930	302,492	(231,792)
Benefit Payments	(174,674)	(157,868)	(157,205)	(178,274)	(173,216)
Net Change in Total OPEB Liability	(771,014)	319,914	249,629	558,866	54,470
Total OPEB Liability - Beginning	6,590,687	6,270,773	6,021,144	5,462,278	5,407,808
Total OPEB Liability - Ending	$ 5,819,673	$ 6,590,687	$ 6,270,773	$ 6,021,144	$ 5,462,278
Covered payroll	$ 919,181	$ 874,210	$ 852,056	$ 933,066	$ 909,421
Total OPEB Liability as a % of Covered Payroll	633.14%	753.90%	735.96%	645.31%	600.63%

See Footnote 10 for changes in benefit terms and changes in plan assumptions.

Until a 10-year trend is compiled, this schedule will present information for those years for which information is available.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
LAST FIVE FISCAL YEARS

	2022	2021	2020	2019	2018
Balance as of June 30,	$ 6,590,687	$ 6,270,773	$ 6,021,144	$ 5,462,278	$ 5,407,808
Changes for the Year:					
Service Cost	334,411	317,149	288,817	248,950	259,656
Interest	147,706	143,858	218,744	217,607	199,822
Differences Between Expected and Actual Experience	54,287	(32,980)	(1,509,657)	(31,909)	-
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(1,132,744)	49,755	1,408,930	302,492	(231,792)
Benefit Payments	(174,674)	(157,868)	(157,205)	(178,274)	(173,216)
Net Changes	(771,014)	319,914	249,629	558,866	54,470
Balance as of June 30,	$ 5,819,673	$ 6,590,687	$ 6,270,773	$ 6,021,144	$ 5,462,278

Until a 10-year trend is compiled, this schedule will present information for those years for which information is available.

SUPPLEMENTARY COMBINING AND INDIVIDUAL FUND SCHEDULES

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
SCHEDULE OF UTILITY PLANT
JUNE 30, 2022

	Utility Plant				Accumulated Depreciation				Net Book Value
	Balance July 1, 2021	Additions	Retirements	**Balance June 30, 2022**	Balance July 1, 2021	Additions	Retirements	**Balance June 30, 2022**	**June 30, 2022**
Intangible Assets									
Franchise and Consents	$ 34,300	$ -	$ -	**34,300**	$ -	$ -	$ -	**$ -**	**$ 34,300**
Generation									
Generators	2,886,820	125,397	-	**3,012,217**	2,886,822	25,079	-	**$ 2,911,901**	**$ 100,316**
Transmission Plant									
Land and Land Rights	1,487,395	-	-	**1,487,395**	-	-	-	**$ -**	**$ 1,487,395**
Structures & Improvements	93,913	-	-	**93,913**	76,534	1,121	-	**$ 77,655**	**$ 16,258**
Underground Conduit	69,021	-	-	**69,021**	65,340	196	-	**$ 65,536**	**$ 3,485**
Underground Conductors	245,307	-	-	**245,307**	163,986	3,840	-	**$ 167,826**	**$ 77,481**
Cervalis Data Center Facilities	1,602,817	-	-	**1,602,817**	480,841	64,113	-	**$ 544,954**	**$ 1,057,863**
Distribution Plant									
Structures and Improvements	375,031	-	-	**375,031**	304,394	5,039	-	**$ 309,433**	**$ 65,598**
Substation Equipment	9,470,901	83,924	(20,000)	**9,534,825**	2,592,649	381,393	(20,000)	**$ 2,954,042**	**$ 6,580,783**
Generator	18,370	-	-	**18,370**	18,368	-	-	**$ 18,368**	**$ 2**
Poles, Towers & Equipment	639,773	12,151	(5,000)	**646,924**	377,904	24,796	(5,000)	**$ 397,700**	**$ 249,224**
Overhead Conductors	612,605	10,273	-	**622,878**	303,687	19,720	-	**$ 323,407**	**$ 299,471**
Underground Conduit	300,359	-	-	**300,359**	225,277	4,933	-	**$ 230,210**	**$ 70,149**
Underground Conductors	601,331		-	**601,331**	103,660	14,966	-	**$ 118,626**	**$ 482,705**
Line Transformers	748,658	82,587	(5,000)	**826,245**	281,042	31,310	(5,000)	**$ 307,352**	**$ 518,893**
Meters	803,611	11,132	(2,000)	**812,743**	503,959	38,983	(2,000)	**$ 540,942**	**$ 271,801**
Street Lights & Signals	405,664		-	**405,664**	256,676	39,067	-	**$ 295,743**	**$ 109,921**
Computer Software	339,769	-	-	**339,769**	333,942	2,913	-	**$ 336,855**	**$ 2,914**
General Plant									
Structures & Improvements	1,107,481	1,003,015		**2,110,496**	402,951	102,819		**$ 505,770**	**$ 1,604,726**
Office Furniture & Equipment	168,310	515		**168,825**	157,861	4,128		**$ 161,989**	**$ 6,836**
Transportation Equipment	788,842	28,600	-	**817,442**	646,838	75,643	-	**$ 722,481**	**$ 94,961**
Stores Equipment	1,504	-	-	**1,504**	1,504	-	-	**$ 1,504**	**$ -**
Tools, Shop & Yard Equipment	83,907	-	-	**83,907**	58,668	2,395	-	**$ 61,063**	**$ 22,844**
Laboratory Equipment	7,447	-	-	**7,447**	5,353	155	-	**$ 5,508**	**$ 1,939**
Communications Equipment	31,599	647	-	**32,246**	26,450	3,109	-	**$ 29,559**	**$ 2,687**
Miscellaneous Equipment	94,499	5,145	-	**99,644**	77,143	4,511	-	**$ 81,654**	**$ 17,990**
TOTAL UTILITY PLANT	$ 23,019,234	$ 1,363,386	$ (32,000)	**$ 24,350,620**	$ 10,351,849	$ 850,229	$ (32,000)	**$ 11,170,078**	**$ 13,180,542**

See accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
SCHEDULE OF VARIOUS OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Electrical Department
Distribution	
Substation Payroll	$ 157,766
Overhead and Underground Lines	66,009
Street Lights and Signal Systems	-
Meters	3,292
Miscellaneous	109,817
Total Distribution	$ 336,884
Maintenance	
Station Equipment	$ 5,177
Overhead Lines	61,533
Line Transformers	-
Street Lights and Signal Systems	-
Underground Lines	-
Meters	2,809
Payroll	451,510
Miscellaneous	34,657
Total Maintenance	$ 555,686
Customer Service	
Meter Reading	$ 125,585
Customer Records and Collections	329,166
Bad Debt Expense	-
Total Customer Service	$ 454,751
Administration	
Administrative Salaries	$ 505,808
General Expense	45,068
Property and Casualty Insurance	349,849
Workmen's Compensation Insurance	15,770
Disability Insurance	13,115
Office Expense	43,473
Outside Services	219,462
Pension and Employee Benefits	1,058,803
Promotions	26,974
Company Trucks and Auto	49,627
Regulatory Expense	16,530
Total Administration	$ 2,344,479

See accountant's report.

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT
SCHEDULE OF VARIOUS ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Electrical Department
Outside Services	
Computer System Analyst and Programming	$ 46,405
Legal Fees (General)	10,405
Financial Audit Fees	23,675
Accounting Services	29,955
Pension Plan Actuarial and Legal Fees	20,719
Labor Law Attorneys	9,893
Repairs and Maintenance	59,558
Miscellaneous	4,882
Engineering	13,970
Total Outside Services	$ 219,462
Pension and Employee Benefits	
OPEB Expense	$ 314,908
Employee Health and Disability Programs	284,740
Pension Expense	357,456
Payroll Taxes	101,699
Total Pension and Employee Benefits	$ 1,058,803
General Expenses	
Travel and Lodging	$ 2,431
Seminars and Training	5,280
Miscellaneous	37,357
Total General Expenses	$ 45,068

See accountant's report.