

**THIRD TAXING DISTRICT  
CITY OF NORWALK, CONNECTICUT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR:  
JULY 1, 2023 - JUNE 30, 2024**

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

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**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**INDEPENDENT AUDITOR'S REPORT**



## 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, 2024, 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, 2024, 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 1.71%, 1.74%, and 41.40%, 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

## INDEPENDENT AUDITOR'S REPORT

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...

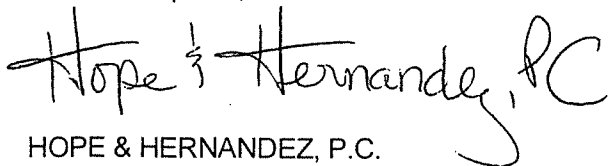
the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

### 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 22, 2024

**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**MANAGEMENT DISCUSSION AND ANALYSIS**



# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **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, 2024. 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.

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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### **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.

## THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

### MANAGEMENT DISCUSSION AND ANALYSIS - Continued

#### Financial Analysis of the District as a Whole

| DISTRICT'S NET POSITION<br>(in thousands of dollars) |                           |                           |                            |                            |                            |                            |                |
|--|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------|
|  | Governmental Activities   |                           | Business-type Activities   |                            | Totals                     |                            | Total % Change |
|  | 2024                      | 2023                      | 2024                       | 2023                       | 2024                       | 2023                       | 2024-2023      |
| Current and Other Assets                             | \$ 621,528                | \$ 149,058                | \$17,538,481               | \$17,612,833               | \$18,160,009               | \$17,761,891               | 2.24%          |
| Capital Assets                                       | <u>1,027,201</u>          | <u>1,013,797</u>          | <u>13,690,051</u>          | <u>13,114,682</u>          | <u>14,717,252</u>          | <u>14,128,479</u>          | 4.17%          |
| <b>Total Assets</b>                                  | <b>1,648,729</b>          | <b>1,162,855</b>          | <b>31,228,532</b>          | <b>30,727,515</b>          | <b>32,877,261</b>          | <b>31,890,370</b>          | <b>3.09%</b>   |
| Deferred Outflows of Resources                       | -0-                       | -0-                       | 779,849                    | 1,037,839                  | 779,849                    | 1,037,839                  | -24.86%        |
| Liabilities  | <u>21,682</u>             | <u>33,036</u>             | <u>15,416,144</u>          | <u>14,991,962</u>          | <u>15,437,826</u>          | <u>15,024,998</u>          | 2.75%          |
| <b>Total Liabilities</b>                             | <b>21,682</b>             | <b>33,036</b>             | <b>15,416,144</b>          | <b>14,991,962</b>          | <b>15,437,826</b>          | <b>15,024,998</b>          | <b>2.75%</b>   |
| Deferred Inflows of Resources                        | -0-                       | -0-                       | 1,366,622                  | 1,689,629                  | 1,366,622                  | 1,689,629                  | -19.12%        |
| Net Position:  |                           |                           |                            |                            |                            |                            |                |
| Net Investment in Capital Assets                     | 1,027,201                 | 1,013,797                 | 13,690,051                 | 13,114,682                 | 14,717,252                 | 14,128,479                 | 4.17%          |
| Restricted   | -0-                       | -0-                       | -0-                        | -0-                        | -0-                        | -0-                        | 2.41%          |
| Unrestricted   | <u>599,846</u>            | <u>116,022</u>            | <u>1,535,564</u>           | <u>1,969,081</u>           | <u>2,135,410</u>           | <u>2,085,103</u>           | 2.41%          |
| <b>Total Net Position</b>                            | <b><u>\$1,627,047</u></b> | <b><u>\$1,129,819</u></b> | <b><u>\$15,225,615</u></b> | <b><u>\$15,083,763</u></b> | <b><u>\$16,852,662</u></b> | <b><u>\$16,213,582</u></b> | <b>3.94%</b>   |

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE - Continued

| <b>CHANGES IN NET POSITION</b>             |                                    |                                     |                                    |                                     |
|--|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
|  | <b>6/30/2024</b>                   |                                     | <b>6/30/2023</b>                   |                                     |
|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> |
| <b>Revenues</b>                            |                                    |                                     |                                    |                                     |
| Charges for Services                       | \$ -0-                             | \$11,992,864                        | \$ -0-                             | \$12,121,755                        |
| <b>General Revenues</b>                    |                                    |                                     |                                    |                                     |
| Rental Income                              | 80,655                             | -0-                                 | 69,942                             | -0-                                 |
| Gain or Loss Disposition of Assets         | -0-                                | 2,081                               | -0-                                | 29,358                              |
| Investment Income                          | 700                                | 246,843                             | 215                                | 127,794                             |
| Miscellaneous                              | 11622                              | (12,875)                            | 23,453                             | ( 7,391)                            |
| Other Income                               | -0-                                | 143,565                             | -0-                                | 757,673                             |
| <b>Total Revenues</b>                      | <b>92,977</b>                      | <b>12,372,478</b>                   | <b>93,610</b>                      | <b>13,029,189</b>                   |
| <b>Expenses</b>                            |                                    |                                     |                                    |                                     |
| Primary Government:                        |                                    |                                     |                                    |                                     |
| General Government                         | 19,333                             | -0-                                 | 19,096                             | -0-                                 |
| Community Service                          | 391,416                            | -0-                                 | 510,412                            | -0-                                 |
| <b>Business-type Activities</b>            |                                    |                                     |                                    |                                     |
| <b>Expenses</b>                            |                                    |                                     |                                    |                                     |
| Electric Department                        | -0-                                | 11,415,626                          | -0-                                | 12,382,594                          |
| <b>Total Expenses</b>                      | <b>410,749</b>                     | <b>11,415,626</b>                   | <b>529,508</b>                     | <b>12,382,594</b>                   |
| <b>Transfers</b>                           | <b>815,000</b>                     | <b>(815,000)</b>                    | <b>395,000</b>                     | <b>( 395,000)</b>                   |
| <b>Increase (Decrease) in Net Position</b> | <b>497,228</b>                     | <b>141,852</b>                      | <b>( 40,898)</b>                   | <b>251,595</b>                      |
| <b>Net Position - Beginning</b>            | <b>1,129,819</b>                   | <b>15,083,763</b>                   | <b>1,170,717</b>                   | <b>14,832,168</b>                   |
| <b>Net Position - Ending</b>               | <b>\$1,627,047</b>                 | <b>\$15,225,615</b>                 | <b>\$1,129,819</b>                 | <b>\$15,083,763</b>                 |

The District's total net position of \$16,852,662 increased by \$639,080 or 3.94%. The District's governmental activities net position increased by \$497,228, while the business-type activities' (Electric Department's) net position increased by \$141,852. The overall increase in the governmental activities is due to an increase in cash that has built up due to the funding of projects for the firehouse and Roger Ludlow Triangle Park that are still outstanding as of year-end June 30, 2024. The increase in the business type activities is due to an increase in cash from operations as well as fixed asset purchases during the current year.

Please refer to page 63 for a listing of capital assets in service as of June 30, 2024.

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

The District's governmental activities remained fairly consistent from fiscal 2023 to 2024. Rental Income increased by \$10,713 to \$80,655 in fiscal year 2024 due to an increase in firehouse and library hall rentals. Investment income of \$700 in 2024 increased by \$485 from the prior year. Miscellaneous revenues decreased by \$11,831 from \$23,453 in 2023 to \$11,622 in 2024. This decrease was mainly due to a decrease in library grant proceeds, which were greater in the prior year. General expenditures of \$19,333 remained fairly constant with respect to the prior year 2023 of \$19,096. Community service expenditures decreased by \$118,996 from \$510,412 in 2023 to \$391,416 in 2024 due to maintenance to the District parks.

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

#### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE - Continued**

Transfers to the governmental activities from the business-type activities increased by \$400,000 from \$395,000 in 2023 to \$815,000 in 2024. At June 30, 2024 \$1,027,201 or 63% of the governmental activities' net position is invested in capital assets.

#### **Business-Type Activities:**

Electric operating revenues remained fairly constant and decreased by \$128,891 or 1% from \$12,121,755 in the prior year to \$11,992,864 in 2024. Investment income increased by \$119,049 from \$127,794 in 2023 to \$246,843 in 2024 due to increased earning with respect to the prior year and a change in fair market value of the investment account during the current year. Other income decreased by \$614,108,583 from \$757,673 in 2023 to \$143,565 in 2024 due to mainly the receipt of \$560,000 from the CT Department of Transportation to compensate Third Taxing District for an easement at 230 East Avenue in the prior year. Total operating expenses decreased by \$966,968 or 8% from \$12,382,594 in 2023 to \$11,415,626 in 2024. This decrease is mainly attributable to a decrease of \$1,164,366 in the cost of purchased power with the Connecticut Municipal electric Energy Cooperative (CMEEC) from fiscal year 2023 to 2024.

#### **General Fund Budgetary Highlights**

The District made no changes from the original to the final budget. The year's actual operations resulted in a surplus of revenues over expenditures of \$511,724. 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 \$27,900. (Please see budget to actual comparison on page 19).

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

At the end of 2024, the District had invested \$14,717,252 in a broad range of capital assets. This amount is net of accumulated depreciation. The net capital assets increased by \$588,773 or 4% 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, 2024 and Note 4 to the financial statements that details both plant in service and non-utility property of the entire District.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

## **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. 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, 2024 the outstanding CMEEC obligation is \$2,489,310. 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, 2024, the rate stabilization fund has a balance of \$6,037,721.

#### **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 2023 – June 2024 | \$0.035/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 2024. 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**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**BASIC FINANCIAL STATEMENTS**



THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT A

| ASSETS   | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| <b>Current Assets</b>  |                            |                             |                      |
| Cash   | \$ 638,506                 | \$ 6,504,469                | \$ 7,142,975         |
| Investments  | -                          | 2,618,652                   | 2,618,652            |
| Accounts Receivable, Net of Allowance<br>for Doubtful Accounts of \$0 and \$60,000, respectively | -                          | 1,245,030                   | 1,245,030            |
| Internal Balances  | (16,978)                   | 16,978                      | -                    |
| Expenses Paid in Advance   | -                          | 327,340                     | 327,340              |
| <b>Total Current Assets</b>  | <u>621,528</u>             | <u>10,712,469</u>           | <u>11,333,997</u>    |
| <b>Non-Current Assets</b>  |                            |                             |                      |
| Investment in CMEEC  | -                          | 122,220                     | 122,220              |
| Other Restricted Assets  | -                          | 6,037,721                   | 6,037,721            |
| Cash - Restricted  | -                          | 352,870                     | 352,870              |
| Cash - Certificates of Deposits - Restricted   | -                          | 313,201                     | 313,201              |
| <b>Capital Assets</b>  |                            |                             |                      |
| Plant In Service, Net of Accumulated Depreciation  | 970,855                    | 12,440,504                  | 13,411,359           |
| Non-Utility Property, Net of Accumulated Depreciation  | -                          | 13,702                      | 13,702               |
| Construction Work-in-Progress  | 56,346                     | 1,235,845                   | 1,292,191            |
| <b>Total Non-Current Assets</b>  | <u>1,027,201</u>           | <u>20,516,063</u>           | <u>21,543,264</u>    |
| <b>TOTAL ASSETS</b>  | <u>1,648,729</u>           | <u>31,228,532</u>           | <u>32,877,261</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  | <u>-</u>                   | <u>779,849</u>              | <u>779,849</u>       |
| <b>LIABILITIES</b>   |                            |                             |                      |
| <b>Current Liabilities</b>   |                            |                             |                      |
| Accounts Payable   | 20,962                     | 664,989                     | 685,951              |
| Taxes Payable  | -                          | 128,599                     | 128,599              |
| Customer Deposits and Advances   | -                          | 770,586                     | 770,586              |
| Accrued Compensated Absences   | -                          | 159,676                     | 159,676              |
| Other Accrued Expenses   | 720                        | 23,710                      | 24,430               |
| <b>Total Current Liabilities</b>   | <u>21,682</u>              | <u>1,747,560</u>            | <u>1,769,242</u>     |
| <b>Non-Current Liabilities</b>   |                            |                             |                      |
| Deferred Revenue   | -                          | 6,037,721                   | 6,037,721            |
| Net OPEB Obligation  | -                          | 6,373,035                   | 6,373,035            |
| Net Pension Obligation   | -                          | 1,257,828                   | 1,257,828            |
| <b>Total Non-Current Liabilities</b>   | <u>-</u>                   | <u>13,668,584</u>           | <u>13,668,584</u>    |
| <b>TOTAL LIABILITIES</b>   | <u>21,682</u>              | <u>15,416,144</u>           | <u>15,437,826</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   | <u>-</u>                   | <u>1,366,622</u>            | <u>1,366,622</u>     |
| <b>NET POSITION</b>  |                            |                             |                      |
| Net Investment in Capital Assets   | 1,027,201                  | 13,690,051                  | 14,717,252           |
| Unrestricted   | 599,846                    | 1,535,564                   | 2,135,410            |
| <b>TOTAL NET POSITION</b>  | <u>\$ 1,627,047</u>        | <u>\$ 15,225,615</u>        | <u>\$ 16,852,662</u> |

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2024

|  | Program Revenues |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |               |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------|
|  | Expenses         | Charges for Services | Operating Grants and Contributions |                                  | Governmental Activities                           | Primary Government       |               |
|  |                  |                      | Operating Grants and Contributions | Capital Grants and Contributions |   | Business-type Activities | Total         |
| <b>Functions / Programs</b>                          |                  |                      |                                    |                                  |   |                          |               |
| <b>Primary government:</b>                           |                  |                      |                                    |                                  |   |                          |               |
| Governmental Activities:                             |                  |                      |                                    |                                  |   |                          |               |
| Public Officials Fees                                | \$ 15,900        | \$ -                 | \$ -                               | \$ -                             | \$ (15,900)                                       | \$ -                     | \$ (15,900)   |
| Payroll Tax Expense                                  | 1,078            | -                    | -                                  | -                                | (1,078)   | -                        | (1,078)       |
| Community Service Projects                           | 391,416          | -                    | -                                  | -                                | (391,416)   | -                        | (391,416)     |
| Meetings, Printers, and Other                        | 2,355            | -                    | -                                  | -                                | (2,355)   | -                        | (2,355)       |
| Total Governmental Activities                        | 410,749          | -                    | -                                  | -                                | (410,749)   | -                        | (410,749)     |
| Business-type Activities:                            |                  |                      |                                    |                                  |   |                          |               |
| Electrical Facility                                  | 11,415,626       | 11,992,864           | -                                  | -                                | -   | 577,238                  | 577,238       |
| Total Business-type Activities                       | 11,415,626       | 11,992,864           | -                                  | -                                | -   | 577,238                  | 577,238       |
| Total Primary Government                             | \$ 11,826,375    | \$ 11,992,864        | \$ -                               | \$ -                             | \$ (410,749)                                      | \$ 577,238               | \$ 166,489    |
| <b>General Revenues:</b>                             |                  |                      |                                    |                                  |   |                          |               |
| Rental Income  |                  |                      |                                    |                                  | \$ 80,655   | \$ -                     | \$ 80,655     |
| Gain (Loss) on Disposition of Utility Plant          |                  |                      |                                    |                                  | -   | 2,081                    | 2,081         |
| Investment Income (Loss)                             |                  |                      |                                    |                                  | 700   | 246,843                  | 247,543       |
| Interest Expense                                     |                  |                      |                                    |                                  | -   | (12,875)                 | (12,875)      |
| Other Income   |                  |                      |                                    |                                  | 3,172   | 143,565                  | 146,737       |
| Third Taxing District Matching Fund                  |                  |                      |                                    |                                  | -   | -                        | -             |
| Grants   |                  |                      |                                    |                                  | 8,450   | -                        | 8,450         |
| Transfers  |                  |                      |                                    |                                  | 815,000   | (815,000)                | -             |
| Total General Revenues, Special Items, and Transfers |                  |                      |                                    |                                  | 907,977   | (435,386)                | 472,591       |
| Change in Net Position                               |                  |                      |                                    |                                  | 497,228   | 141,852                  | 639,080       |
| Net Position - Beginning                             |                  |                      |                                    |                                  | 1,129,819   | 15,083,763               | 16,213,582    |
| Net Position - Ending                                |                  |                      |                                    |                                  | \$ 1,627,047                                      | \$ 15,225,615            | \$ 16,852,662 |

**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**FUND FINANCIAL STATEMENTS**

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 JUNE 30, 2024

| ASSETS                                | <u>General</u>    | <u>Special<br/>Revenue</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------------|-------------------|----------------------------|---|
| <b>Current Assets</b>                 |                   |                            |   |
| Cash                                  | \$ 629,028        | \$ 9,478                   | \$ 638,506                              |
| Accounts Receivable                   | -                 | -                          | -                                       |
| Expenses Paid in Advance              | -                 | -                          | -                                       |
| <b>Total Current Assets</b>           | <u>629,028</u>    | <u>9,478</u>               | <u>638,506</u>                          |
| <b>TOTAL ASSETS</b>                   | <u>629,028</u>    | <u>9,478</u>               | <u>638,506</u>                          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | <u>-</u>          | <u>-</u>                   | <u>-</u>                                |
| <b>LIABILITIES</b>                    |                   |                            |   |
| Accounts Payable                      | 20,962            | -                          | 20,962                                  |
| Due to Electric Department            | 16,978            | -                          | 16,978                                  |
| Other Current Liabilities             | -                 | 720                        | 720                                     |
| <b>TOTAL LIABILITIES</b>              | <u>37,940</u>     | <u>720</u>                 | <u>38,660</u>                           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | <u>-</u>          | <u>-</u>                   | <u>-</u>                                |
| <b>FUND BALANCES</b>                  |                   |                            |   |
| Assigned                              | -                 | 8,758                      | 8,758                                   |
| Unassigned                            | 591,088           | -                          | 591,088                                 |
| <b>TOTAL FUND BALANCES</b>            | <u>\$ 591,088</u> | <u>\$ 8,758</u>            | <u>\$ 599,846</u>                       |

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

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

Total fund balance per balance sheet - governmental funds \$ 599,846

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

|  |              |           |
|--|--------------|-----------|
| Cost of governmental capital assets              | \$ 1,295,206 |           |
| Accumulated depreciation on above capital assets | (324,351)    |           |
| Cost of construction - work in progress          | 56,346       | 1,027,201 |
|  |              | <hr/>     |

**Net position of governmental activities** \$ 1,627,047

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D

|   | General           | Special<br>Revenue | Total<br>Governmental<br>Funds |
|---|-------------------|--------------------|--------------------------------|
| <b>Revenues</b>   |                   |                    |                                |
| Rental Income   | \$ 53,718         | \$ 26,937          | \$ 80,655                      |
| Interest Income   | 677               | 23                 | 700                            |
| Other Income  | -                 | 3,172              | 3,172                          |
| Grants  | -                 | 8,450              | 8,450                          |
| <b>Total Revenues</b>   | <u>54,395</u>     | <u>38,582</u>      | <u>92,977</u>                  |
| <b>Expenditures</b>   |                   |                    |                                |
| Public Officials Fees   | 15,900            | -                  | 15,900                         |
| Payroll Tax Expense   | 1,078             | -                  | 1,078                          |
| Community Service Projects  | 127,960           | 236,482            | 364,442                        |
| Accounting and Professional Fees  | -                 | -                  | -                              |
| Meetings, Printers, and Other   | 2,355             | -                  | 2,355                          |
| <b>Total Expenditures</b>   | <u>147,293</u>    | <u>236,482</u>     | <u>383,775</u>                 |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b>  | <u>(92,898)</u>   | <u>(197,900)</u>   | <u>(290,798)</u>               |
| <b>Other Financing Sources (Uses)</b>   |                   |                    |                                |
| Capital Expenditures  | (40,378)          | -                  | (40,378)                       |
| Transfer in from Enterprise<br>Electric Department  | 815,000           | -                  | 815,000                        |
| Transfers Between Funds   | (170,000)         | 170,000            | -                              |
| <b>Net Other Financing Sources (Uses)</b>   | <u>604,622</u>    | <u>170,000</u>     | <u>774,622</u>                 |
| <b>Excess (Deficiency) of Revenues and Other<br/>Financing Sources Over Expenditures<br/>and Other Financing Uses</b> | 511,724           | (27,900)           | 483,824                        |
| <b>Fund Balance (Deficit) - Beginning of Year</b>   | <u>79,364</u>     | <u>36,658</u>      | <u>116,022</u>                 |
| <b>Fund Balance - End of Year</b>   | <u>\$ 591,088</u> | <u>\$ 8,758</u>    | <u>\$ 599,846</u>              |

**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, 2024**

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**EXHIBIT E**

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

Net change in fund balances - total governmental funds \$ 483,824

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 and work in progress for the year ended June 30, 2024, of \$40,378 less current year depreciation expense of \$26,974 is a reconciling item.

13,404

**Change in net position of governmental activities**

\$ 497,228

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, 2024

EXHIBIT F

|   | Budgeted Amounts |                  | Actual            | Variance          |
|---|------------------|------------------|-------------------|-------------------|
|   | Original         | Final            |                   |                   |
| <b>Revenues</b>   |                  |                  |                   |                   |
| Rental Income   | \$ 53,718        | \$ 53,718        | \$ 53,718         | \$ -              |
| Interest Income   | 325              | 325              | 677               | 352               |
| Other Income  | -                | -                | -                 | -                 |
| <b>Total Revenues</b>   | <u>54,043</u>    | <u>54,043</u>    | <u>54,395</u>     | <u>352</u>        |
| <b>Expenditures</b>   |                  |                  |                   |                   |
| 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            | 1,078             | 222               |
| Maintenance of Parks  | 42,800           | 42,800           | 43,952            | (1,152)           |
| Parks - Major/Capital   | 150,000          | 150,000          | 10,378            | 139,622           |
| East Norwalk Cemetery   | 31,700           | 31,700           | 31,009            | 691               |
| East Norwalk Cemetery - Major/Capital   | -                | -                | -                 | -                 |
| East Norwalk Library - Other  | 8,100            | 8,100            | 7,970             | 130               |
| East Norwalk Library - Major/Capital  | -                | -                | -                 | -                 |
| East Norwalk Library - Matching Funds   | -                | -                | -                 | -                 |
| Holiday Events  | 6,800            | 6,800            | 10,371            | (3,571)           |
| Firehouse Expense   | 1,500            | 1,500            | -                 | 1,500             |
| Firehouse Expense - Major/Capital   | 400,000          | 400,000          | 30,000            | 370,000           |
| Concerts in the Park  | 33,900           | 33,900           | 26,533            | 7,367             |
| Legal and Accounting Services   | -                | -                | -                 | -                 |
| Annual Electors Meeting   | 3,000            | 3,000            | 2,355             | 645               |
| District Newsletter Allowance   | -                | -                | -                 | -                 |
| Other District Services   | 10,000           | 10,000           | 8,125             | 1,875             |
| Contingencies   | 30,000           | 30,000           | -                 | 30,000            |
| <b>Total Expenditures</b>   | <u>735,000</u>   | <u>735,000</u>   | <u>187,671</u>    | <u>547,329</u>    |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b>  | <u>(680,957)</u> | <u>(680,957)</u> | <u>(133,276)</u>  | <u>547,681</u>    |
| <b>Other Financing Sources (Uses)</b>   |                  |                  |                   |                   |
| Transfer in from Electric Department  | 815,000          | 815,000          | 815,000           | -                 |
| Transfer Out to Special Revenue Fund  | (170,000)        | (170,000)        | (170,000)         | -                 |
| Utilization of Prior Years Unexpended Funds   | 70,117           | 70,117           | -                 | 70,117            |
| <b>Net Other Financing Sources (Uses)</b>   | <u>715,117</u>   | <u>715,117</u>   | <u>645,000</u>    | <u>70,117</u>     |
| <b>Excess (Deficiency) of Revenues and Other<br/>Financing Sources Over Expenditures<br/>and Other Financing Uses</b> | <u>\$ 34,160</u> | <u>\$ 34,160</u> | 511,724           | <u>\$ 477,564</u> |
| <b>Fund Balance (Deficit) - Beginning of Year</b>   |                  |                  | <u>79,364</u>     |                   |
| <b>Fund Balance - End of Year</b>   |                  |                  | <u>\$ 591,088</u> |                   |



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, 2024

EXHIBIT G

|   | Budgeted Amounts |                  | Actual             | Variance           |
|---|------------------|------------------|--------------------|--------------------|
|   | Original         | Final            |                    |                    |
| <b>Revenues</b>   |                  |                  |                    |                    |
| Rental Income   | \$ 19,000        | \$ 19,000        | \$ 26,937          | \$ 7,937           |
| Interest and Other Income   | 6,570            | 6,570            | 3,195              | (3,375)            |
| Grants  | 10,000           | 10,000           | 8,450              | (1,550)            |
| <b>Total Revenues</b>   | <u>35,570</u>    | <u>35,570</u>    | <u>38,582</u>      | <u>3,012</u>       |
| <b>Expenditures</b>   |                  |                  |                    |                    |
| Personnel   | 119,900          | 119,900          | 127,111            | (7,211)            |
| Benefits and Taxes  | 28,570           | 28,570           | 36,506             | (7,936)            |
| Programming   | 31,015           | 31,015           | 23,629             | 7,386              |
| Utilities   | 6,385            | 6,385            | 10,972             | (4,587)            |
| Building Maintenance Security and Repairs   | 6,700            | 6,700            | 11,021             | (4,321)            |
| Professional Fees   | 11,800           | 11,800           | 11,788             | 12                 |
| Promotions and Advertising  | 1,200            | 1,200            | 15,455             | (14,255)           |
| <b>Total Expenditures</b>   | <u>205,570</u>   | <u>205,570</u>   | <u>236,482</u>     | <u>(30,912)</u>    |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b>  | <u>(170,000)</u> | <u>(170,000)</u> | <u>(197,900)</u>   | <u>(27,900)</u>    |
| <b>Other Financing Sources (Uses)</b>   |                  |                  |                    |                    |
| Transfer in from General Fund   | 170,000          | 170,000          | 170,000            | -                  |
| Capital Expenditures  | -                | -                | -                  | -                  |
| <b>Net Other Financing Sources (Uses)</b>   | <u>170,000</u>   | <u>170,000</u>   | <u>170,000</u>     | <u>-</u>           |
| <b>Excess (Deficiency) of Revenues and Other<br/>Financing Sources Over Expenditures<br/>and Other Financing Uses</b> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ (27,900)</u> | <u>\$ (27,900)</u> |
| <b>Fund Balance - Beginning of Year</b>   |                  |                  | <u>36,658</u>      |                    |
| <b>Fund Balance - End of Year</b>   |                  |                  | <u>\$ 8,758</u>    |                    |

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
 STATEMENT OF NET POSITION - PROPRIETARY FUND  
 JUNE 30, 2024

EXHIBIT H

| <b>ASSETS</b>  | <u>Electrical<br/>Department</u> |
|--|----------------------------------|
| <b>Current Assets</b>  |                                  |
| Cash   | \$ 6,504,469                     |
| Investments  | 2,618,652                        |
| Accounts Receivable, Net of Allowance<br>for Doubtful Accounts of \$60,000 | 1,245,030                        |
| Due from Governmental Funds  | 16,978                           |
| Expenses Paid in Advance   | 327,340                          |
| <b>Total Current Assets</b>  | <u>10,712,469</u>                |
| <b>Non-Current Assets</b>  |                                  |
| Investment in CMEEC  | 122,220                          |
| Other Restricted Assets  | 6,037,721                        |
| Cash - Restricted  | 352,870                          |
| Cash - Certificates of Deposits - Restricted                               | 313,201                          |
| <b>Capital Assets</b>  |                                  |
| Plant In Service, Net of Accumulated Depreciation                          | 12,440,504                       |
| Non-Utility Property, Net of Accumulated Depreciation                      | 13,702                           |
| Construction Work in Progress  | 1,235,845                        |
| <b>Total Non-Current Assets</b>  | <u>20,516,063</u>                |
| <b>TOTAL ASSETS</b>  | <u>31,228,532</u>                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                      | <u>779,849</u>                   |
| <b>LIABILITIES</b>   |                                  |
| <b>Current Liabilities</b>   |                                  |
| Accounts Payable   | 664,989                          |
| Taxes Payable  | 128,599                          |
| Customer Deposits and Advances   | 770,586                          |
| Accrued Compensated Absences   | 159,676                          |
| Other Accrued Expenses   | 23,710                           |
| <b>Total Current Liabilities</b>   | <u>1,747,560</u>                 |
| <b>Non-Current Liabilities</b>   |                                  |
| Deferred Revenue   | 6,037,721                        |
| Net OPEB Obligation  | 6,373,035                        |
| Net Pension Obligation   | 1,257,828                        |
| <b>Total Non-Current Liabilities</b>                                       | <u>13,668,584</u>                |
| <b>TOTAL LIABILITIES</b>   | <u>15,416,144</u>                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       | <u>1,366,622</u>                 |
| <b>NET POSITION</b>  |                                  |
| Net Investment in Capital Assets   | 13,690,051                       |
| Unrestricted   | 1,535,564                        |
| <b>TOTAL NET POSITION</b>  | <u>\$ 15,225,615</u>             |

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, 2024

EXHIBIT I

|   | Electrical<br>Department |
|---|--------------------------|
| <b>Operating Revenues</b>                       |                          |
| Residential Sales                               | \$ 4,501,332             |
| Commercial Sales                                | 2,339,350                |
| Industrial Sales                                | 760,617                  |
| Cervalis Sales                                  | 1,117,864                |
| Water Pollution Control Plant                   | 1,175,682                |
| Private Security Lighting                       | 94,474                   |
| Sales for Resale                                | 38,656                   |
| Miscellaneous Service Revenue                   | 3,957                    |
| Purchased Power Adjustment                      | 1,960,932                |
| <b>Total Operating Revenues</b>                 | <u>11,992,864</u>        |
| <b>Operating Expenses</b>                       |                          |
| Electrical Power Purchased                      | 6,055,332                |
| Transmission                                    | -                        |
| Distribution                                    | 400,219                  |
| Maintenance                                     | 556,018                  |
| Generation Expenses                             | 82,737                   |
| Customer Service                                | 515,334                  |
| Administration                                  | 2,526,138                |
| Depreciation                                    | 835,872                  |
| Connecticut Gross Receipts Tax                  | 443,976                  |
| <b>Total Operating Expenses</b>                 | <u>11,415,626</u>        |
| <b>Operating Income (Loss)</b>                  | <u>577,238</u>           |
| <b>Nonoperating Revenue and Expenses</b>        |                          |
| Gain from Sale of Fixed Assets                  | 2,081                    |
| Investment Income                               | 176,873                  |
| Interest Expense                                | (12,875)                 |
| Unrealized Gain (Loss) on Investments           | 64,814                   |
| Realized Gain (Loss) on Investments             | 5,156                    |
| Other Income                                    | 143,565                  |
| <b>Total Nonoperating Revenues and Expenses</b> | <u>379,614</u>           |
| <b>Income (Loss) Before Operating Transfers</b> | <u>956,852</u>           |
| <b>Operating Transfers</b>                      |                          |
| Transfers Out                                   | 815,000                  |
| <b>Net Operating Transfers</b>                  | <u>815,000</u>           |
| <b>Change in Net Position</b>                   | 141,852                  |
| <b>Net Position - Beginning</b>                 | 15,083,763               |
| <b>Net Position - Ending</b>                    | <u>\$ 15,225,615</u>     |

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT J

|   | Electrical<br>Department |
|---|--------------------------|
| <b>Cash Flows from Operating Activities</b>   |                          |
| Cash Received from Customers  | \$ 12,009,793            |
| Cash Payments to Suppliers, Vendors, and Contractors  | (8,799,324)              |
| Cash Payments to Employees for Payroll  | (1,593,318)              |
| <b>Net Cash Provided by Operating Activities</b>  | <u>1,617,151</u>         |
| <b>Cash Flows from Noncapital Financing Activities</b>  |                          |
| Operating Transfers   | (815,000)                |
| <b>Net Cash Used by Noncapital Financing Activities</b>   | <u>(815,000)</u>         |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                       |                          |
| Purchase of Property and Equipment  | (1,210,987)              |
| Proceeds from CMEEC   | 87,785                   |
| Interest Paid   | (1,123,202)              |
| <b>Net Cash Used by Capital and Related Financing Activities</b>                                      |                          |
| <b>Cash Flows from Investing Activities</b>   |                          |
| Net Investment Activity   | (167,479)                |
| <b>Net Cash Used by Investing Activities</b>  | <u>488,530</u>           |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   |                          |
| <b>Cash and Cash Equivalents - Beginning of Year</b>  | <u>6,992,999</u>         |
| <b>Cash and Cash Equivalents - End of Year</b>  | <u>\$ 6,504,469</u>      |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>  |                          |
| Operating Income (Loss)   | 577,238                  |
| Adjustments to Reconcile Operating Income (Loss) to net cash provided (used) by operating activities: |                          |
| Depreciation  | 835,872                  |
| Other Income  | 143,565                  |
| Changes in Assets and Liabilities:  |                          |
| Receivables, net  | (28,145)                 |
| Expenses Paid in Advance and Other Assets   | (39,451)                 |
| Payables, Accrued Liabilities, Deferred Inflows/Outflows  | 128,072                  |
| <b>Net Cash Provided by Operating Activities</b>  | <u>\$ 1,617,151</u>      |

**THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
STATEMENT OF PLAN NET POSITION - PENSION TRUST FUND  
JUNE 30, 2024**

**EXHIBIT K**

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**ASSETS**

|   |    |                         |
|---|----|-------------------------|
| Cash  | \$ | 144,064                 |
| Investments, at Fair Value  |    |                         |
| Municipal Obligations   |    | 100,337                 |
| Mutual Funds/Equities   |    | <u>4,774,363</u>        |
| <b>TOTAL ASSETS</b>   |    | <u>5,018,764</u>        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                               |    | <u>-</u>                |
| <b>TOTAL LIABILITIES</b>  |    | <u>-</u>                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |    | <u>-</u>                |
| <b>NET POSITION HELD IN TRUST - RESTRICTED FOR PENSION BENEFITS</b> | \$ | <u><u>5,018,764</u></u> |

**THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
STATEMENT OF CHANGES IN PLAN NET POSITION - PENSION TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

**EXHIBIT L**

**ADDITIONS**

|  |                |
|--|----------------|
| Contributions:   |                |
| Employer   | \$ 298,766     |
| Total Contributions  | <u>298,766</u> |
| Investment Income:   |                |
| Interest, Dividends and Capital Losses                       | 212,341        |
| Net Appreciation (Depreciation) in Fair Value of Investments | 330,604        |
|  | <u>542,945</u> |
| Less: Trustee, Advisory and Administrative Fees              | (9,389)        |
| Net Investment Income (Loss)                                 | <u>533,556</u> |

**TOTAL ADDITIONS (DEDUCTIONS) 832,322**

**DEDUCTIONS**

|          |                |
|----------|----------------|
| Benefits | <u>207,815</u> |
|----------|----------------|

**TOTAL DEDUCTIONS 207,815**

**CHANGE IN NET POSITION 624,507**

**NET POSITION HELD IN TRUST - RESTRICTED FOR PENSION BENEFITS**

|                          |                            |
|--------------------------|----------------------------|
| <b>BEGINNING OF YEAR</b> | <u>4,394,257</u>           |
| <b>END OF YEAR</b>       | <u><u>\$ 5,018,764</u></u> |

**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **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.



# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **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, 2024 District electors voted to authorize the transfer of \$815,000 as a transfer from the Proprietary Fund (Electrical Department) to the Governmental Funds.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **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 \$8,758 at June 30, 2024 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.

#### 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.

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Accounts Receivable and Provision for Bad Debts - Continued

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

|  | <b>Governmental Funds</b> | <b>Proprietary Funds</b> |
|--|---------------------------|--------------------------|
| Accounts Receivable                        | \$ -0-                    | \$1,305,030              |
| Less: Allowance for Uncollectible Accounts | -0-                       | ( 60,000)                |
| Net Accounts Receivable                    | <u>\$ -0-</u>             | <u>\$1,245,030</u>       |

#### 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:

|                                | <b>Years</b> |
|--------------------------------|--------------|
| 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            |

#### 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.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

#### 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 \$159,676 is classified as current at June 30, 2024.

#### 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 not considered cash for cash flow purposes. Highly liquid investments with an original maturity of over 90 days are not considered cash for cash equivalents.

#### 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.

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### 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 and Certificates of Deposits

At June 30, 2024, the Third Taxing District, - City of Norwalk, Connecticut maintained cash and certificates of deposits with financial institutions as follows:

|  | Bank Balances | Reconciled Balances |
|--|---------------|---------------------|
| Governmental Activities (District General and Special Revenue Funds) | \$6,399,937   | \$ 638,506          |
| Business-Type Activities (Electric Department)                       | 7,215,946     | 7,170,540           |
| Pension Trust Fund   | 144,064       | 144,064             |

Custodial credit risk and concentrations of credit risk - Of the \$7,215,946 business-type activities bank balances, \$6,572,694 is uninsured and uncollateralized at June 30, 2024. \$6,145,014 or 85% of the June 30, 2024 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, 2024, the District's reporting entity had the following investments:

| Types of Investments                  | Fair Value/<br>Carrying<br>Value | Cost               | Average Credit<br>Quality Ratings<br>(1) | Segmented Time<br>Distribution to<br>Maturity |
|---------------------------------------|----------------------------------|--------------------|--|---|
| <b>Business-Type Activities</b>       |                                  |                    |  |   |
| Equities/Mutual Funds                 | \$2,618,652                      | \$2,872,128        | N/A                                      | N/A   |
| <b>Total Business-Type Activities</b> | <b>\$2,618,652</b>               | <b>\$2,872,128</b> |  |   |
| <b>Pension Trust Fund</b>             |                                  |                    |  |   |
| Equities/Mutual Funds                 | \$4,774,363                      | \$4,262,988        | N/A                                      | N/A   |
| Municipal Obligations                 | 100,337                          | 101,000            | Aa3                                      | 2 years                                       |
| <b>Total Pension Trust Fund</b>       | <b>\$4,874,700</b>               | <b>\$4,363,988</b> |  |   |

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

## THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

#### NOTE 2 - CASH AND INVESTMENTS - Continued

##### Fair Value:

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

| Types of Investments                  | June 30,<br>2024   | Level<br>1         | Level<br>2 | Level<br>3 |
|---------------------------------------|--------------------|--------------------|------------|------------|
| <b>Business-Type Activities</b>       |                    |                    |            |            |
| Equities/Mutual Funds                 | <u>\$2,618,652</u> | <u>\$2,618,652</u> | \$ -0-     | \$ -0-     |
| <b>Total Business-Type Activities</b> | <u>\$2,618,652</u> | <u>\$2,618,652</u> | \$ -0-     | \$ -0-     |
|                                       |                    |                    |            |            |
| <b>Pension Trust Fund</b>             |                    |                    |            |            |
| Equities/Mutual Funds                 | \$4,774,363        | \$4,774,363        | \$ -0-     | \$ -0-     |
| Municipal Obligations                 | 100,337            | 100,337            | -0-        | -0-        |
| Cash and Cash Equivalents             | <u>144,064</u>     | <u>144,064</u>     | -0-        | -0-        |
| <b>Total Pension Trust Fund</b>       | <u>\$5,018,764</u> | <u>\$5,018,764</u> | \$ -0-     | \$ -0-     |

Debt and equity securities are classified in Level 1 of the fair market value hierarchy and are valued using prices quoted in active markets for those securities.

##### 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.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **NOTE 2 – CASH AND INVESTMENTS** - Continued

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.

**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 \$4,874,700 carrying amount of the Pension Trust Fund investments at June 30, 2024 are defined as insured or registered or securities held by the entity or its agent in the entity's name.

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

#### **NOTE 2 – CASH AND INVESTMENTS** - Continued

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 2024 was \$6,055,332 and is presented as electric power purchased in the accompanying Statement of Revenues and Expenses - Proprietary Fund.

#### **NOTE 4 - PLANT IN SERVICE AND NON-UTILITY PROPERTY**

##### Non-Utility Property

Non-utility property balances and activity for the year ended June 30, 2024 was as follows:

##### **GOVERNMENTAL ACTIVITIES:**

|  | Beginning Balance  | Additions         | Disposals/<br>Reclassifications | Ending Balance     |
|--|--------------------|-------------------|---------------------------------|--------------------|
| Non-Utility Property not Being Depreciated:          |                    |                   |                                 |                    |
| Land   | \$ 800,250         | \$ -0-            | \$ -0-                          | \$ 800,250         |
| <b>Total</b>   | <b>\$ 800,250</b>  | <b>\$ -0-</b>     | <b>\$ -0-</b>                   | <b>\$ 800,250</b>  |
| Non-Utility Property Being Depreciated:              |                    |                   |                                 |                    |
| Buildings & Improvements                             | \$ 418,181         | \$ -0-            | \$ -0-                          | \$ 418,181         |
| Equipment  | 76,775             | -0-               | -0-                             | 76,775             |
| <b>Total</b>   | <b>\$ 494,956</b>  | <b>\$ -0-</b>     | <b>\$ -0-</b>                   | <b>\$ 494,956</b>  |
| Less: Accumulated Depreciation:                      |                    |                   |                                 |                    |
| Buildings  | \$(239,911)        | \$(23,842)        | \$ -0-                          | \$(263,753)        |
| Equipment  | ( 57,466)          | ( 3,132)          | -0-                             | ( 60,598)          |
| <b>Total</b>   | <b>\$ 297,377)</b> | <b>\$(26,974)</b> | <b>\$ -0-</b>                   | <b>\$(324,351)</b> |
| Total Non-Utility Property Being Depreciated – Net   | 197,579            | (26,974)          | -0-                             | (170,605)          |
| Governmental Activities - Non-Utility Property – Net | 997,829            | (26,974)          | -0-                             | 970,855            |
| Construction – Work in Progress                      | \$ 15,968          | \$ 40,378         | \$ -0-                          | \$ 56,346          |



## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

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

##### Non-Utility Property - Continued

#### **BUSINESS TYPE ACTIVITIES:**

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

Depreciation Expense was charged to Governmental Functions as follows:

|  |          |
|--|----------|
| Community Service Projects                           | \$26,974 |
| Total Depreciation Expense - Governmental Activities | \$26,974 |

##### Plant in Service

Plant in service balances and activity for the year ended June 30, 2024 was as follows:

#### **GOVERNMENTAL ACTIVITIES:**

|   | Beginning<br>Balance | Additions | Disposals/<br>Reclassifications | Ending<br>Balance |
|---|----------------------|-----------|---------------------------------|-------------------|
| Plant in Service not<br>Being Depreciated | \$ -0-               | \$ -0-    | \$ -0-                          | \$ -0-            |
| Plant in Service Being<br>Depreciated     | \$ -0-               | \$ -0-    | \$ -0-                          | \$ -0-            |

## THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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

Plant in Service - Continued

#### **BUSINESS TYPE ACTIVITIES:**

|  | Beginning<br>Balance | Additions          | Disposals/<br>Reclassifications | Ending<br>Balance    |
|--|----------------------|--------------------|---------------------------------|----------------------|
| Plant in Service not<br>Being Depreciated:           |                      |                    |                                 |                      |
| Franchise and Consents                               | \$ 34,300            | \$ -0-             | \$ -0-                          | \$ 34,300            |
| <b>Total</b>   | <b>\$ 34,300</b>     | <b>\$ -0-</b>      | <b>\$ -0-</b>                   | <b>\$ 34,300</b>     |
| Plant in Service Being<br>Depreciated:               |                      |                    |                                 |                      |
| Generators   | \$ 3,012,217         | \$ -0-             | \$ -0-                          | \$ 3,012,217         |
| Transmission Plant                                   | 3,498,453            | 17,961             | -0-                             | 3,516,414            |
| Distribution Plant                                   | 14,596,421           | 622,707            | (147,459)                       | 15,071,669           |
| General Plant  | 3,431,007            | 15,391             | ( 6,056)                        | 3,440,342            |
| <b>Total</b>   | <b>\$ 24,538,098</b> | <b>\$ 656,059</b>  | <b>\$(153,515)</b>              | <b>\$ 25,040,642</b> |
| Less: Accumulated Depreciation                       |                      |                    |                                 |                      |
| Generators   | \$( 2,936,980)       | \$( 25,079)        | \$ -0-                          | \$( 2,962,059)       |
| Transmission Plant                                   | ( 925,241)           | ( 69,809)          | -0-                             | ( 995,050)           |
| Distribution Plant                                   | ( 6,345,918)         | (587,389)          | (141,366)                       | ( 6,791,941)         |
| General Plant  | ( 1,737,849)         | (153,595)          | ( 6,056)                        | ( 1,885,388)         |
| <b>Total</b>   | <b>\$11,945,988</b>  | <b>\$(835,872)</b> | <b>\$(147,422)</b>              | <b>\$12,634,438</b>  |
| Total Plant in Service Being<br>Depreciated – Net    | \$12,592,110         | \$(179,813)        | \$( 6,093)                      | \$12,406,204         |
| Business Type Activities –<br>Plant in Service – Net | 12,626,410           | (179,813)          | ( 6,093)                        | (12,440,504)         |
| Construction Work-in-Progress                        | 474,570              | 1,132,793          | (371,518)                       | 1,235,845            |

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

#### **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 \$3,500 per participant. A summary of the activity during 2024 follows:

|  |               |
|--|---------------|
| Balance, Beginning                           | \$ -0-        |
| Current year claims and changes in estimates | 46,566        |
| Claim payments                               | (46,566)      |
| <b>Balance, Ending</b>                       | <b>\$ -0-</b> |

There have been no significant reductions in insurance coverages during the fiscal year 2024. 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, 2024, the District has \$770,684 available for the customer security deposit liability of \$770,586.

#### **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 8.25% at June 30, 2024. It is secured by all of the District's assets and expires on June 1, 2025. At June 30, 2024 the amount outstanding on the line of credit was \$-0-.

#### **NOTE 8 – SUMMARY OF CHANGES IN LONG-TERM DEBT**

|                           | <b>Balance<br/>7/1/23</b> | <b>Issued</b>    | <b>Retired</b>     | <b>Balance<br/>6/30/24</b> | <b>Due<br/>Within 1<br/>Year</b> |
|---------------------------|---------------------------|------------------|--------------------|----------------------------|----------------------------------|
| Governmental Activities:  | \$ -0-                    | \$ -0-           | \$ -0-             | \$ -0-                     | \$ -0-                           |
| Business-Type Activities: |                           |                  |                    |                            |                                  |
| Deferred Revenue          | \$ 5,807,123              | \$480,577        | \$(249,979)        | \$ 6,037,721               | \$ -0-                           |
| Net OPEB Obligation       | 5,978,623                 | 394,412          | -0-                | 6,373,035                  | -0-                              |
| Net Pension Obligation    | 1,547,287                 | -0-              | (289,459)          | 1,257,828                  | -0-                              |
| <b>Totals</b>             | <b>\$13,333,033</b>       | <b>\$874,989</b> | <b>\$(539,438)</b> | <b>\$13,668,584</b>        | <b>\$ -0-</b>                    |

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### 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, 2023, the following employees were covered by the benefit terms:

|   |           |
|---|-----------|
| Inactive plan members or beneficiaries currently receiving benefits | 5         |
| Inactive plan members entitled to but not yet receiving benefits    | 3         |
| Active plan members   | 11        |
| <b>Total Members</b>  | <b>19</b> |

*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 55<sup>th</sup> 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).

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### 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, 2022, 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, 2024, the average active member contribution rate was 0 percent of annual pay, and the District's average contribution rate was 24.67 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, 2023:

| Asset Class                      | Target Allocation |
|----------------------------------|-------------------|
| US Large Cap                     | 26.00%            |
| US Mid/Small Cap                 | 16.00%            |
| Developed International Equities | 12.00%            |
| Emerging Market Equities         | 4.00%             |
| Intermediate Corporate           | 17.00%            |
| Intermediate Government          | 16.00%            |
| Money Market                     | 5.00%             |
| Real Estate (Core)               | 4.00%             |
| <b>Total</b>                     | <b>100.00%</b>    |

*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<br>at June 30, 2024 |
|-----------------------|--|---------------------------------------|
| Mutual Funds Equities | Vanguard 500 Index Fund                      | \$504,569                             |
| Mutual Funds Equities | Vanguard Growth Index Fund                   | \$404,526                             |
| Mutual Funds Equities | Vanguard FTSE World Ex US Index Admiral Fund | \$303,520                             |
| Mutual Funds Equities | MFS Intl Diversification CLRS                | \$302,558                             |
| Mutual Funds Equities | PIMCO Income Fund Institutional Class        | \$301,594                             |
| Mutual Funds Equities | American Fund Bond of America                | \$352,287                             |

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 9 - PENSION PLAN - Continued

#### General Information About the Pension Plan: - Continued

##### *Rates of Return.*

| <b>Year Ended June 30:</b> | <b>Annual Money-Weighted Rate of Return,<br/>Net of Investment Expense</b> |
|----------------------------|--|
| 2015                       | 2.60%  |
| 2016                       | -1.11%   |
| 2017                       | 10.25%   |
| 2018                       | 6.86%  |
| 2019                       | 5.78%  |
| 2020                       | 3.05%  |
| 2021                       | 25.46%   |
| 2022                       | -13.98%  |
| 2023                       | 10.09%   |
| 2024                       | 12.03%   |

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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

#### *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, 2022 Actuarial Valuation to calculate the ADEC for the fiscal year ending 2024.

The July 1, 2022 Actuarial Valuation directly calculated the July 1, 2022 Total pension Liability (TPL). The July 1, 2022 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2024. The TPL as of June 30, 2023 was also adjusted to reflect any material plan changes after the valuation, if applicable.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **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.

#### **Actuarial Cost Method**

Changes in Actuarial Cost Method: None

Description of Current Actuarial Cost Method: Entry Age Normal (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.

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### 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.

#### *Changes in Actuarial Assumptions.*

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).

- Mortality

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

|  | Year Ending<br>June 30, 2024  | Year Ending<br>June 30, 2023  |
|--|-------------------------------|-------------------------------|
| <b>Investment rate of return</b> (net of investment-related and administrative expenses) | 6.50%                         | 6.50%                         |
| <b>Rate of compensation increase</b> (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.



# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### **NOTE 9 - PENSION PLAN** - Continued

#### General Information About the Pension Plan: - Continued

**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 2023 OASDI Trustees Report.

**Mortality.** Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (for General Employees), projected to the valuation date with Scale MP-2021.

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

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

Prior: 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 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% |
| >=50 | 8.00%  | 5.00%  | 3.50%  | 1.75% |

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 9 - PENSION PLAN - Continued

#### General Information About the Pension Plan: - Continued

#### *Actuarial Assumptions.* - Continued

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.

#### **Target Allocation and Expected Rate of Return / Actuarial Valuation as of July 1, 2022**

| Asset Class                       | Target Allocation | Long-Term Expected Real Rate of Return* | Weighting |
|-----------------------------------|-------------------|---|-----------|
| US Large Cap                      | 26.00%            | 4.60%                                   | 1.20%     |
| US Mid/Small Cap                  | 16.00%            | 5.20%                                   | 0.83%     |
| Developed International Equities  | 12.00%            | 5.80%                                   | 0.70%     |
| Emerging Market Equities          | 4.00%             | 7.55%                                   | 0.30%     |
| Intermediate Corporate            | 17.00%            | 1.45%                                   | 0.25%     |
| Intermediate Government           | 16.00%            | 0.70%                                   | 0.11%     |
| Money Market                      | 5.00%             | 0.80%                                   | 0.04%     |
| Real Estate (Core)                | 4.00%             | 5.00%                                   | 0.20%     |
|                                   | 100.00%           |   | 3.63%     |
| Long-Term Inflation Expectation   |                   |   | 2.40%     |
| Long-Term Expected Nominal Return |                   |   | 6.03%     |

\*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. The results support a rate between 6.00% and 6.50%. An expected rate of return of 6.50% was used.

The July 1, 2022 Actuarial Valuation directly calculated the July 1, 2022 Total Pension Liability (TPL). The July 1, 2022 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2024.

#### **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.

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

#### **NOTE 9 - PENSION PLAN** - Continued

#### General Information About the Pension Plan: - Continued

#### **Discount Rate** - Continued

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. 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**

|   | <b>Total Pension<br/>Liability (a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability (a)-(b)</b> |
|---|--|--|--|
| <b>Balances as of June 30, 2023</b>                         | <u>\$5,941,544</u>                     | <u>\$4,394,257</u>                             | <u>\$1,547,287</u>                       |
| <b>Changes for the Year:</b>                                |  |  |  |
| Service Cost  | 153,344                                | -0-  | 153,344                                  |
| Interest  | 389,519                                | -0-  | 389,519                                  |
| Differences between expected and actual Experience          | -0-                                    | -0-  | -0-                                      |
| Changes of Assumptions                                      | -0-                                    | -0-  | -0-                                      |
| Contributions – Employer                                    | -0-                                    | 298,766  | (298,766)                                |
| Contributions – Member                                      | -0-                                    | -0-  | -0-                                      |
| Net Investment Income                                       | -0-                                    | 533,556  | (533,556)                                |
| Benefit payments, including refunds of member contributions | (207,815)                              | (207,815)                                      | -0-                                      |
| Administrative Expense                                      | -0-                                    | -0-  | -0-                                      |
| Other   | -0-                                    | -0-  | -0-                                      |
| <b>Net Changes</b>  | <u>335,048</u>                         | <u>624,507</u>                                 | <u>(289,459)</u>                         |
| <b>Balances as of June 30, 2024</b>                         | <u>\$6,276,592</u>                     | <u>\$5,018,764</u>                             | <u>\$1,257,828</u>                       |

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

#### **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:

|   | <b>1% Decrease<br/>(5.50%)</b> | <b>Current<br/>Discount Rate<br/>(6.50%)</b> | <b>1% Increase<br/>(7.50%)</b> |
|---|--------------------------------|--|--------------------------------|
| Net pension liability as of June 30, 2024 | \$1,257,828                    | \$1,257,828                                  | \$748,171                      |

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

For the fiscal year ended June 30, 2024, the recognized pension expense is \$260,133. As of June 30, 2024, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

|  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual experience                               | \$ 31,184                                 | \$( 52,443)                              |
| Changes of assumptions   | 49,599                                    | -0-                                      |
| Net difference between projected and actual earnings on pension plan investments | -0-                                       | ( 50,358)                                |
| <b>Total</b>   | <b>\$ 80,783</b>                          | <b>\$(102,801)</b>                       |

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

| <b>Year Ended June 30:</b> |             |
|----------------------------|-------------|
| 2025                       | \$( 17,350) |
| 2026                       | 107,224     |
| 2027                       | 66,254      |
| 2028                       | 45,638      |
| 2029                       | -0-         |
| Thereafter                 | -0-         |

**Payable to the Pension Plan** – At June 30, 2024, the District reported a payable of \$1,257,828 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **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, 2024, 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, 2023:

|   |           |
|---|-----------|
| Active Plan Members   | 9         |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 0         |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits    | 6         |
| <b>Total</b>  | <b>15</b> |

The OPEB Expense for the year ended June 30, 2024 was \$294,883.

#### Total OPEB Liability

The District's total OPEB Liability of \$6,373,035 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

#### Changes in the Total OPEB Liability

|  | <b>Total OPEB Liability</b> |
|--|-----------------------------|
| Balance as of June 30, 2023                        | \$5,978,623                 |
| Changes for the Year:                              |                             |
| Service Cost                                       | 249,121                     |
| Interest   | 223,401                     |
| Differences Between Expected and Actual Experience | ( 86,833)                   |
| Changes of Benefit Terms                           | -0-                         |
| Changes of Assumptions                             | 225,037                     |
| Benefit Payments                                   | ( 216,314)                  |
| Net Changes  | <u>394,412</u>              |
| Balance as of June 30, 2024                        | <b><u>\$6,373,035</u></b>   |

## THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

#### 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 (2.93) or 1-percentage-point higher (4.93%) than the current discount rate:

|  | <b>Current<br/>Discount Rate<br/>(3.93%)</b> | <b>1% Decrease<br/>(2.93%)</b> | <b>1% Increase<br/>(4.93%)</b> |
|--|--|--------------------------------|--------------------------------|
| Total OPEB Liability as of June 30, 2024 | \$6,373,035                                  | \$7,306,080                    | \$5,600,389                    |

*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 (6.0% decreasing to 3.40%) or 1-percentage-point higher (7.5% decreasing to 5.4%) than the current healthcare cost trend rate:

|  | <b>Healthcare Cost<br/>Trend Rates<br/>(7.00%<br/>decreasing to<br/>4.40%))</b> | <b>1% Decrease<br/>(6.00%<br/>decreasing to<br/>3.40%)</b> | <b>1% Increase<br/>(8.00%<br/>decreasing to<br/>5.40%)</b> |
|--|---|--|--|
| Total OPEB Liability as of June 30, 2024 | \$6,373,035   | \$5,467,170  | \$7,509,133  |

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

For the fiscal year ended June 30, 2024, the recognized OPEB expense is \$294,883. As of June 30, 2024, deferred outflows and inflows of resources related to OPEB are reported as follows:

|  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 28,841                                 | \$ 601,044                               |
| Changes of Assumptions                             | 670,225                                   | 662,777                                  |
| Total  | <u>\$699,066</u>                          | <u>\$1,263,821</u>                       |

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

# THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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

#### Changes in the Total OPEB Liability - Continued

| Year Ended June 30, |             |
|---------------------|-------------|
| 2025                | \$(177,639) |
| 2026                | (177,639)   |
| 2027                | (169,470)   |
| 2028                | ( 64,282)   |
| 2029                | 13,643      |
| Thereafter          | 10,632      |

#### *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, 2023 Actuarial Valuation directly calculated the July 1, 2023 Total OPEB Liability (TOL). The July 1, 2023 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2024. The TOL as of June 30, 2024 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).

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

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

Normal Cost: Under this method, the total 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, 2023**

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
- \* Healthcare Cost Trend Rates

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

#### **Interest**

3.93% (Prior: 3.25%)

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, 2024.

#### **Rate of Compensation Increase (Including Inflation)**

2.40%.

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.



# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

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

#### **Inflation**

2.40%.

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 2023 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.

#### **Mortality Improvement**

Projected to date of decrement using Scale MP-2021 (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:

2018 MERS

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

## THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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

##### **Retirement** - Continued

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.

##### **Termination Prior to Retirement**

Sample Withdrawal rates:

| Age  | Years of Service |        |        |       |
|------|------------------|--------|--------|-------|
|      | 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**

7.0% in 2023, reducing by 0.2% each year to an ultimate rate of 4.4% per year rate for 2036 and later. (Prior: 6.5 in 2021, reducing by 0.2% each year to an ultimate rate of 4.4% per year rate for 2032 and later).

Dental is assumed to increase by 4.4% per year.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

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

#### **Healthcare Cost Trend Rates – Continued**

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 our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation

The trend rates were changed to better reflect actual experience.

#### **Premiums**

2023 CT State Partnership Plan 2.0

Pre 65 Medical:

| <b>Employee</b> | <b>Employee and Spouse</b> |
|-----------------|----------------------------|
| \$17,283.00     | \$37,147.56                |

Post 65 Medical: \$1,589.26

Dental/Vision: (Self funded)

| <b>Single</b> | <b>Employee and Spouse</b> |
|---------------|----------------------------|
| \$91          | \$182                      |

Premiums were used as the basis for per capita costs.

#### **Patient Protection and Affordable Care Act (PPACA)**

For purposes of this valuation, extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

For purposes of this valuation, elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.

#### **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.

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

#### **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 2020 and 13% for 2021 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**

##### **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.

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.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **NOTE 11 - COMMITMENT AND CONTINGENCIES** – Continued

#### Rate Stabilization Fund:

The Electric Department has rate stabilization funds held by CMEEC. Electric's balances of rate stabilization funds held by CMEEC was \$2,210,266 held in a trust account and \$3,827,455 held in a non-trust account at June 30, 2024.

#### 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 \$555,443 balance on their balance sheet at June 30, 2024.

#### 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, 2024. The unrestricted balance available to the District at June 30, 2024 was \$161,157.

#### 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, 2024 was \$33,176.

#### 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, Electric has included the \$292,410, as part of cash and cash equivalents on their balance sheet at June 30, 2024.

# **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

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## **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

### **NOTE 11 - COMMITMENT AND CONTINGENCIES** – Continued

The monies in the rate stabilization fund as of June 30, 2024 totaling \$6,037,721 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 CMEEEC, the Electric Department is responsible for their pro-rata share of CMEEEC'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 CMEEEC's bonded debt. The amount of debt guaranteed by the District as of June 30, 2024 was \$2,489,310 Electric's net obligation (bonded debt less Electric's share of the rate stabilization fund) is \$(3,548,411) at June 30, 2024.

#### **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 18<sup>th</sup> 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 year ended June 30, 2024, revenues related to the operation of the Norden units was \$38,656.

## **THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024**

#### **NOTE 11 - COMMITMENT AND CONTINGENCIES** – Continued

##### Norden Park Generation - Continued

In 2024, the Third Taxing District retired the Norden Generators from the ISO-NE energy market. The Third Taxing District is currently in possession of the generators which are currently being held for sale. The Norden lease expired on December 14, 2014. The generators remain on the property with an agreement with the owners of the property on a month to month basis.

**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION**



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

|   | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total Pension Liability</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service Cost  | \$ 153,344          | \$ 148,691          | \$ 145,206          | \$ 106,147          | \$ 103,862          | \$ 117,061          | \$ 114,094          | \$ 97,976           | \$ 106,578          | \$ 103,474          |
| Interest  | 389,519             | 362,724             | 338,832             | 318,543             | 299,945             | 301,842             | 283,299             | 233,234             | 220,494             | 223,981             |
| Changes of Benefit Terms  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Differences Between Expected and Actual Experience                                | -                   | 50,082              | -                   | (109,987)           | -                   | (160,410)           | -                   | 460,550             | -                   | (227,606)           |
| Changes of Assumptions  | -                   | 9,304               | -                   | 78,365              | -                   | 185,134             | -                   | 46,127              | -                   | (23,527)            |
| Benefit Payments Including Refunds of Member Contributions                        | (207,815)           | (119,973)           | (119,973)           | (119,973)           | (119,973)           | (135,458)           | (135,458)           | (142,046)           | (131,052)           | (127,497)           |
| <b>Net Change in Total Pension Liability</b>                                      | 335,048             | 450,828             | 364,065             | 273,095             | 283,834             | 308,169             | 281,935             | 695,841             | 196,020             | (51,175)            |
| <b>Total Pension Liability - Beginning</b>  | 5,941,544           | 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           |
| <b>Total Pension Liability - Ending: (a)</b>                                      | <b>\$ 6,276,592</b> | <b>\$ 5,941,544</b> | <b>\$ 5,490,716</b> | <b>\$ 5,126,651</b> | <b>\$ 4,853,556</b> | <b>\$ 4,569,722</b> | <b>\$ 4,261,553</b> | <b>\$ 3,999,618</b> | <b>\$ 3,303,777</b> | <b>\$ 3,107,757</b> |
| <b>Plan Fiduciary Net Position</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - Employer  | \$ 298,766          | \$ 291,169          | \$ 287,523          | \$ 244,100          | \$ 241,400          | \$ 236,539          | \$ 233,500          | \$ 162,336          | \$ 150,000          | \$ 98,679           |
| Contributions - Member  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Net Investment Income   | 533,556             | 394,042             | (607,859)           | 852,142             | 95,527              | 164,959             | 176,384             | 235,472             | (25,625)            | 58,913              |
| Benefit Payments Including Refunds of Member Contributions                        | (207,815)           | (119,973)           | (119,973)           | (119,973)           | (119,973)           | (135,458)           | (135,458)           | (142,046)           | (131,052)           | (127,497)           |
| Administrative Expenses   | -                   | -                   | -                   | -                   | -                   | -                   | (3,883)             | (7,136)             | (8,583)             | -                   |
| Other   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Net Change in Plan Fiduciary Net Position</b>                                  | 624,507             | 565,238             | (440,309)           | 976,269             | 216,954             | 266,040             | 270,543             | 248,626             | (15,260)            | 30,095              |
| <b>Plan Fiduciary Net Position - Beginning</b>                                    | 4,394,257           | 3,829,019           | 4,269,328           | 3,293,059           | 3,076,105           | 2,810,085           | 2,539,522           | 2,290,896           | 2,306,156           | 2,276,061           |
| <b>Plan Fiduciary Net Position - Ending: (b)</b>                                  | <b>\$ 5,018,764</b> | <b>\$ 4,394,257</b> | <b>\$ 3,829,019</b> | <b>\$ 4,269,328</b> | <b>\$ 3,293,059</b> | <b>\$ 3,076,105</b> | <b>\$ 2,810,085</b> | <b>\$ 2,539,522</b> | <b>\$ 2,290,896</b> | <b>\$ 2,306,156</b> |
| <b>Net Pension Liability - Ending: (a)-(b)</b>                                    | <b>\$ 1,257,828</b> | <b>\$ 1,547,287</b> | <b>\$ 1,661,697</b> | <b>\$ 857,323</b>   | <b>\$ 1,560,497</b> | <b>\$ 1,493,617</b> | <b>\$ 1,451,468</b> | <b>\$ 1,460,096</b> | <b>\$ 1,012,881</b> | <b>\$ 801,601</b>   |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 79.96%              | 73.96%              | 69.74%              | 83.28%              | 67.85%              | 67.31%              | 65.94%              | 63.49%              | 69.34%              | 74.21%              |
| <b>Covered-Employee Payroll</b>   | \$ 1,210,988        | \$ 1,182,605        | \$ 1,148,762        | \$ 1,121,838        | \$ 934,236          | \$ 910,561          | \$ 894,917          | \$ 872,239          | \$ 732,401          | \$ 711,069          |
| <b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>          | 103.87%             | 130.84%             | 144.65%             | 76.42%              | 167.03%             | 164.03%             | 162.19%             | 167.40%             | 138.30%             | 112.73%             |

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

|   | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Pension Liability   | \$ 6,276,592 | \$ 5,941,544 | \$ 5,490,716 | \$ 5,126,651 | \$ 4,853,556 | \$ 4,569,722 | \$ 4,261,553 | \$ 3,999,618 | \$ 3,303,777 | \$ 3,107,757 |
| Plan Fiduciary Net Position   | 5,018,764    | 4,394,257    | 3,829,019    | 4,269,328    | 3,293,059    | 3,076,105    | 2,810,065    | 2,539,522    | 2,290,896    | 2,306,156    |
| Net Pension Liability (Asset)   | \$ 1,257,828 | \$ 1,547,287 | \$ 1,661,697 | \$ 857,323   | \$ 1,560,497 | \$ 1,493,617 | \$ 1,451,488 | \$ 1,460,096 | \$ 1,012,881 | \$ 801,601   |
| Plan Fiduciary Net Position as<br>Percentage of Total Pension Liability | 79.96%       | 73.96%       | 69.74%       | 83.28%       | 67.85%       | 67.31%       | 65.94%       | 63.49%       | 69.34%       | 74.21%       |
| Covered-Employee Payroll  | 1,210,988    | 1,182,605    | 1,148,762    | 1,121,838    | 934,236      | 910,561      | 894,917      | 872,239      | 732,401      | 711,069      |
| Net Pension Liability as a Percentage<br>of Covered-Employee Payroll    | 103.87%      | 130.84%      | 144.65%      | 76.42%       | 167.03%      | 164.03%      | 162.19%      | 167.40%      | 138.30%      | 112.73%      |

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

|  | 2024               | 2023               | 2022               | 2021               | 2020              |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|
| Actuarially Determined Employer Contribution (ADEC)                  | \$ 298,766         | \$ 291,169         | \$ 287,573         | \$ 244,049         | \$ 241,349        |
| Contributions in Relation to the Actuarially Determined Contribution | 298,766            | 291,169            | 287,523            | 244,100            | 241,400           |
| Contribution Deficiency (Excess)                                     | \$ -               | \$ -               | \$ 50              | \$ (51)            | \$ (51)           |
| Covered-Employee Payroll   | <u>\$1,210,988</u> | <u>\$1,182,605</u> | <u>\$1,148,762</u> | <u>\$1,121,838</u> | <u>\$ 934,236</u> |
| Contributions as a Percentage of Covered-Employee Payroll            | 24.67%             | 24.62%             | 25.03%             | 21.76%             | 25.84%            |
| <br>   |                    |                    |                    |                    |                   |
| Actuarially Determined Employer Contribution (ADEC)                  | \$ 236,539         | \$ 233,469         | \$ 162,328         | \$ 159,351         | \$ 148,809        |
| Contributions in Relation to the Actuarially Determined Contribution | 236,539            | 233,500            | 162,336            | 150,000            | 98,679            |
| Contribution Deficiency (Excess)                                     | \$ -               | \$ (31)            | \$ (8)             | \$ 9,351           | \$ 50,130         |
| Covered-Employee Payroll   | <u>\$ 910,561</u>  | <u>\$ 894,917</u>  | <u>\$ 872,239</u>  | <u>\$ 732,401</u>  | <u>\$ 711,069</u> |
| Contributions as a Percentage of Covered-Employee Payroll            | 25.98%             | 26.09%             | 18.61%             | 20.48%             | 13.88%            |

**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-2021. |

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

|  | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018      |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-----------|
| Total OPEB Liability                               |              |              |              |              |              |              |           |
| Service Cost                                       | 249,121 \$   | 244,448 \$   | 334,411 \$   | 317,149 \$   | 288,817 \$   | 248,950 \$   | 259,656   |
| Interest   | 223,401      | 211,595      | 147,706      | 143,858      | 218,744      | 217,607      | 199,822   |
| Changes of Benefit Terms                           | 0            | 0            | 0            | 0            | 0            | 0            | 0         |
| Differences Between Expected and Actual Experience | (86,833)     | (33,165)     | 54,287       | (32,980)     | (1,509,657)  | (31,909)     | 0         |
| Changes of Assumptions                             | 225,037      | (88,736)     | (1,132,744)  | 49,755       | 1,408,930    | 302,492      | (231,792) |
| Benefit Payments                                   | (216,314)    | (175,192)    | (174,674)    | (157,868)    | (157,205)    | (178,274)    | (173,216) |
| Net Change in Total OPEB Liability                 | 394,412      | 156,950      | (771,014)    | 319,914      | 249,629      | 558,866      | 54,470    |
| Total OPEB Liability - Beginning                   | 5,978,623    | 5,819,673    | 6,590,687    | 6,270,773    | 6,021,144    | 5,462,278    | 5,407,808 |
| Total OPEB Liability - Ending                      | 6,373,035 \$ | 5,978,623 \$ | 5,819,673 \$ | 6,590,687 \$ | 6,270,773 \$ | 6,021,144 \$ | 5,462,278 |
| Covered payroll                                    | 966,104 \$   | 941,242 \$   | 919,181 \$   | 874,210 \$   | 852,056 \$   | 933,066 \$   | 909,421   |
| Total OPEB Liability as a % of Covered Payroll     | 659.66%      | 635.18%      | 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 SEVEN FISCAL YEARS

|  | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance as of June 30,                             | \$ 5,978,623 | \$ 5,819,673 | \$ 6,590,687 | \$ 6,270,773 | \$ 6,021,144 | \$ 5,462,278 | \$ 5,407,808 |
| Changes for the Year:                              |              |              |              |              |              |              |              |
| Service Cost                                       | 249,121      | 244,448      | 334,411      | 317,149      | 288,817      | 248,950      | 259,656      |
| Interest   | 223,401      | 211,595      | 147,706      | 143,858      | 218,744      | 217,607      | 199,822      |
| Differences Between Expected and Actual Experience | (86,833)     | (33,185)     | 54,287       | (32,980)     | (1,509,657)  | (31,909)     | -            |
| Changes of Benefit Terms                           | -            | -            | -            | -            | -            | -            | -            |
| Changes of Assumptions                             | 225,037      | (88,736)     | (1,132,744)  | 49,755       | 1,408,930    | 302,492      | (231,792)    |
| Benefit Payments                                   | (216,314)    | (175,192)    | (174,674)    | (157,868)    | (157,205)    | (178,274)    | (173,216)    |
| Net Changes  | 394,412      | 158,930      | (771,014)    | 319,914      | 249,629      | 558,866      | 54,470       |
| Balance as of June 30,                             | \$ 6,373,035 | \$ 5,978,603 | \$ 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.

**THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT**

**SUPPLEMENTARY COMBINING AND INDIVIDUAL  
FUND SCHEDULES**

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
SCHEDULE OF UTILITY PLANT  
JUNE 30, 2024

|                                 | Utility Plant        |                      |                   |                     | Accumulated Depreciation |                   |                   |                     | Net Book Value       |                      |           |
|---------------------------------|----------------------|----------------------|-------------------|---------------------|--------------------------|-------------------|-------------------|---------------------|----------------------|----------------------|-----------|
|                                 | Balance              |                      | Balance           |                     | Balance                  |                   | Balance           |                     | Balance              |                      |           |
|                                 | July 1, 2023         | June 30, 2024        | July 1, 2023      | June 30, 2024       | July 1, 2023             | June 30, 2024     | July 1, 2023      | June 30, 2024       | July 1, 2023         | June 30, 2024        |           |
| Intangible Assets               |                      |                      |                   |                     |                          |                   |                   |                     |                      |                      |           |
| Franchise and Consents          | \$ 34,300            | \$ 34,300            | -                 | -                   | \$ -                     | \$ -              | -                 | -                   | \$ -                 | \$ -                 | \$ 34,300 |
| Generation                      |                      |                      |                   |                     |                          |                   |                   |                     |                      |                      |           |
| Generators                      | 3,012,217            | 3,012,217            | -                 | -                   | 2,936,980                | 2,962,059         | 25,079            | -                   | 2,962,059            | -                    | 50,158    |
| Transmission Plant              |                      |                      |                   |                     |                          |                   |                   |                     |                      |                      |           |
| Land and Land Rights            | 1,487,395            | 1,487,395            | -                 | -                   | -                        | -                 | -                 | -                   | -                    | -                    | 1,487,395 |
| Structures & Improvements       | 93,913               | 111,874              | 17,961            | -                   | 78,776                   | 1,660             | 1,660             | -                   | 80,436               | -                    | 31,438    |
| Underground Conduit             | 69,021               | 69,021               | -                 | -                   | 65,732                   | 196               | 196               | -                   | 65,928               | -                    | 3,093     |
| Underground Conductors          | 245,307              | 245,307              | -                 | -                   | 171,666                  | 3,840             | 3,840             | -                   | 175,506              | -                    | 69,801    |
| Cervalis Data Center Facilities | 1,602,817            | 1,602,817            | -                 | -                   | 609,067                  | 64,113            | 64,113            | -                   | 673,180              | -                    | 929,637   |
| Distribution Plant              |                      |                      |                   |                     |                          |                   |                   |                     |                      |                      |           |
| Structures and Improvements     | 425,991              | 425,991              | -                 | -                   | 316,001                  | 6,567             | 6,567             | -                   | 322,568              | -                    | 103,423   |
| Substation Equipment            | 9,557,801            | 9,952,926            | 395,125           | -                   | 3,336,354                | 398,117           | 398,117           | -                   | 3,734,471            | -                    | 6,218,455 |
| Generator                       | 18,370               | 18,370               | -                 | -                   | 18,370                   | -                 | -                 | -                   | 18,370               | -                    | -         |
| Poles, Towers & Equipment       | 649,078              | 656,548              | 19,512            | (12,042)            | 406,575                  | 21,576            | 21,576            | (12,042)            | 416,109              | -                    | 240,439   |
| Overhead Conductors             | 623,840              | 630,632              | 18,792            | (12,000)            | 342,987                  | 20,120            | 20,120            | (12,000)            | 351,107              | -                    | 279,525   |
| Underground Conduit             | 300,359              | 300,359              | -                 | -                   | 235,143                  | 4,695             | 4,695             | -                   | 239,838              | -                    | 60,521    |
| Underground Conductors          | 602,613              | 602,613              | -                 | -                   | 133,624                  | 14,998            | 14,998            | -                   | 148,622              | -                    | 453,991   |
| Line Transformers               | 838,344              | 947,265              | 148,281           | (39,360)            | 311,827                  | 37,524            | 37,524            | (39,360)            | 309,991              | -                    | 637,274   |
| Meters                          | 814,155              | 769,027              | 18,721            | (63,849)            | 574,176                  | 36,028            | 36,028            | (57,756)            | 552,448              | -                    | 216,579   |
| Street Lights & Signals         | 405,664              | 405,664              | -                 | -                   | 334,351                  | 35,914            | 35,914            | -                   | 370,265              | -                    | 35,399    |
| Computer Software               | 360,206              | 362,274              | 22,276            | (20,208)            | 341,361                  | 11,850            | 11,850            | (20,208)            | 333,003              | -                    | 29,271    |
| General Plant                   |                      |                      |                   |                     |                          |                   |                   |                     |                      |                      |           |
| Structures & Improvements       | 2,117,708            | 2,127,043            | 15,391            | (6,056)             | 606,224                  | 101,173           | 101,173           | (6,056)             | 701,341              | -                    | 1,425,702 |
| Office Furniture & Equipment    | 177,304              | 177,304              | -                 | -                   | 167,462                  | 5,473             | 5,473             | -                   | 172,935              | -                    | 4,369     |
| Transportation Equipment        | 906,785              | 906,785              | -                 | -                   | 779,515                  | 38,305            | 38,305            | -                   | 817,820              | -                    | 88,965    |
| Stores Equipment                | 1,504                | 1,504                | -                 | -                   | 1,504                    | -                 | -                 | -                   | 1,504                | -                    | -         |
| Tools, Shop & Yard Equipment    | 83,907               | 83,907               | -                 | -                   | 63,458                   | 2,315             | 2,315             | -                   | 65,773               | -                    | 18,134    |
| Laboratory Equipment            | 7,447                | 7,447                | -                 | -                   | 5,663                    | 155               | 155               | -                   | 5,818                | -                    | 1,629     |
| Communications Equipment        | 36,708               | 36,708               | -                 | -                   | 23,437                   | 2,391             | 2,391             | -                   | 25,828               | -                    | 10,880    |
| Miscellaneous Equipment         | 99,644               | 99,644               | -                 | -                   | 85,735                   | 3,783             | 3,783             | -                   | 89,518               | -                    | 10,126    |
| <b>TOTAL UTILITY PLANT</b>      | <b>\$ 24,572,398</b> | <b>\$ 25,074,942</b> | <b>\$ 656,059</b> | <b>\$ (153,515)</b> | <b>\$ 11,945,988</b>     | <b>\$ 835,872</b> | <b>\$ 835,872</b> | <b>\$ (147,422)</b> | <b>\$ 12,634,438</b> | <b>\$ 12,440,504</b> |           |

THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
SCHEDULE OF VARIOUS OPERATING EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

|                                  | Electrical<br>Department |
|----------------------------------|--------------------------|
| Distribution                     |                          |
| Substation Payroll               | \$ 177,859               |
| Overhead and Underground Lines   | 81,577                   |
| Street Lights and Signal Systems | -                        |
| Meters                           | 1,062                    |
| Miscellaneous                    | 139,721                  |
| <b>Total Distribution</b>        | <b>\$ 400,219</b>        |
| Maintenance                      |                          |
| Station Equipment                | \$ 16,750                |
| Overhead Lines                   | 67,524                   |
| Line Transformers                | -                        |
| Street Lights and Signal Systems | -                        |
| Underground Lines                | -                        |
| Meters                           | 4,260                    |
| Payroll                          | 426,685                  |
| Miscellaneous                    | 40,799                   |
| <b>Total Maintenance</b>         | <b>\$ 556,018</b>        |
| Customer Service                 |                          |
| Meter Reading                    | \$ 144,075               |
| Customer Records and Collections | 371,259                  |
| Bad Debt Expense                 | -                        |
| <b>Total Customer Service</b>    | <b>\$ 515,334</b>        |
| Administration                   |                          |
| Administrative Salaries          | \$ 588,529               |
| General Expense                  | 54,831                   |
| Property and Casualty Insurance  | 401,457                  |
| Workmen's Compensation Insurance | 14,951                   |
| Disability Insurance             | 13,447                   |
| Office Expense                   | 39,421                   |
| Outside Services                 | 319,776                  |
| Pension and Employee Benefits    | 1,019,974                |
| Promotions                       | 23,770                   |
| Company Trucks and Auto          | 32,249                   |
| Regulatory Expense               | 17,733                   |
| <b>Total Administration</b>      | <b>\$ 2,526,138</b>      |



THIRD TAXING DISTRICT - CITY OF NORWALK, CONNECTICUT  
 SCHEDULE OF VARIOUS ADMINISTRATIVE EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 2024

|  | Electrical<br>Department |
|--|--------------------------|
| Outside Services                           |                          |
| Computer System Analyst and Programming    | \$ 49,194                |
| Legal Fees (General)                       | 12,060                   |
| Financial Audit Fees                       | 25,600                   |
| Accounting Services                        | 33,975                   |
| Pension Plan Actuarial and Legal Fees      | 24,062                   |
| Labor Law Attorneys                        | -                        |
| Repairs and Maintenance                    | 58,771                   |
| Miscellaneous                              | 49,762                   |
| Engineering                                | 66,352                   |
| <b>Total Outside Services</b>              | <b>\$ 319,776</b>        |
| Pension and Employee Benefits              |                          |
| OPEB Expense                               | \$ 294,883               |
| Employee Health and Disability Programs    | 351,278                  |
| Pension Expense                            | 260,133                  |
| Payroll Taxes                              | 113,680                  |
| <b>Total Pension and Employee Benefits</b> | <b>\$ 1,019,974</b>      |
| General Expenses                           |                          |
| Travel and Lodging                         | \$ 2,305                 |
| Seminars and Training                      | 7,660                    |
| Miscellaneous                              | 44,866                   |
| <b>Total General Expenses</b>              | <b>\$ 54,831</b>         |