

TOWN OF NORFOLK  
AUDITED FINANCIAL STATEMENTS

June 30, 2023



SINNAMON & ASSOCIATES, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF NORFOLK  
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JUNE 30, 2023

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Independent Auditor's Report

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

**Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Norfolk, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Norfolk, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

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



## **Auditors' Responsibility for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

## Supplementary Information

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

## Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated March 29, 2024 on our consideration of the Town of Norfolk, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.



Sinnamon & Associates, LLC  
Certified Public Accountants

March 29, 2024  
Canaan Connecticut

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

The Management Discussion and Analysis (MD&A) offers the readers of the Town of Norfolk (the "Town") financial statements a narrative overview and analysis of the financial activities of the Town for the fiscal year ending June 30, 2023. The information presented here should be considered in conjunction with the Town's basic financial statements that follow this section. Wherever possible, reference to the financial statements is provided.

**FINANCIAL HIGHLIGHTS**

On a government-wide basis the Town's assets of \$16,729,512 exceeded its liabilities at June 30, 2023 resulting in a total net position of \$14,818,627. Unrestricted net position was \$6,181,362 and is available to meet ongoing government obligations. Of that amount \$6,181,362 is related to governmental activities, which include the General Fund.

The Town's governmental funds, reported on a current financial resource's basis, combined ending fund balance of \$4,698,616, an increase of \$320,472 for the year. The General Fund operating surplus for the year was \$430,928 compared to an anticipated deficit of \$150,000. The General Fund balance was \$2,573,497 of which \$150,000 was assigned to the 2023/24 budget and \$38,826 was assigned to the board of education lapsing fund.

The unassigned undesignated fund balance was \$2,384,671, or 27.8% of the subsequent years total General Fund budgeted expenditures and transfers.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplementary information.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The statement of net position and the statement of activities, which are the government-wide statements, report information about Town finances as a whole and about its activities in a way that helps the reader determine whether the Town is better off or worse off as a result of a year's activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes and earned, but unused vacation leave).

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

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

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

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain and control accountability over resources that have been segregated for specific activities or objectives. Traditional readers of government financial statements will find the fund financial statement presentation more familiar. Norfolk, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Town's funds can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, that is the Town's most basic services. Unlike the government-wide financial statements, however, the funds focus on (1) cash and other financial resources that can be readily converted to cash flow in and out and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a near or short-term view of the Town's finances that may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital reserve fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget.

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



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

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

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

**Notes to the Financial Statements**

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

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$14,818,627 at the close of the most recent fiscal year.

By far the largest portion of the Town's assets is its investment in capital assets (e.g., land, buildings, machinery, and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's net position increased by \$2,815,710 during the current fiscal year.

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

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

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

**Governmental Activities**

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

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

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

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

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

**FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources for spending at the end of a fiscal year.

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$2,573,497, of which \$150,000 was assigned to the 2023/24 budget and \$38,826 was assigned to the board of education lapsing fund. The remaining balance of \$2,384,671 is unassigned.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2023 amounted to \$10,726,168. This investment in capital assets included land, buildings and system improvements, machinery and equipment and vehicles.

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

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

**Long-Term Debt**

At the end of the current fiscal year, the Town had total outstanding debt of \$2,088,903. All of the debt is backed by the full faith and credit of the Town. The Town's total debt had a net increase of \$531,312 during the current fiscal year, see Note 11 for details. State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year tax collections. The current statutory debt limitation for the Town is \$50,965,943, which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 11.

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

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

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

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

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

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

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

**Requests for Information**

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

TOWN OF NORFOLK  
STATEMENT OF NET POSITION  
JUNE 30, 2023

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

The accompanying notes are an integral part of these financial statements

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

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

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

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

The accompanying notes are an integral part of these financial statements



TOWN OF NORFOLK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2023

|   |              |
|---|--------------|
| <u>Total fund balances for governmental funds</u> | \$ 4,698,616 |
|---|--------------|

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

|                   |           |
|-------------------|-----------|
| Net pension asset | 1,084,189 |
|-------------------|-----------|

|                                |         |
|--------------------------------|---------|
| Deferred Outflows of Resources | 271,468 |
|--------------------------------|---------|

|   |            |
|---|------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds | 10,726,168 |
|---|------------|

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

|   |        |
|---|--------|
| Property tax and receivables greater than 60 days | 72,892 |
|---|--------|

|                                       |        |
|---------------------------------------|--------|
| Interest receivable on property taxes | 54,197 |
|---------------------------------------|--------|

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds

|                                  |             |
|----------------------------------|-------------|
| General Obligation Bonds Payable | (2,088,903) |
|----------------------------------|-------------|

|  |                             |
|--|-----------------------------|
| <u>Net position of governmental activities</u> | <u><u>\$ 14,818,627</u></u> |
|--|-----------------------------|

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

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

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
JUNE 30, 2023

|  |           |              |
|--|-----------|--------------|
| <u>Net change in fund balances for governmental funds</u>  |           | \$ 320,472   |
| Total change in net assets reported for governmental activities in the statement of activities is different because of the following:  |           |              |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation differed from capital outlays in the current period is as follows:</p> |           |              |
| Capital outlay   | 3,417,761 |              |
| Depreciation expense   | (406,472) |              |
| Net adjustment   | 3,011,289 | 3,011,289    |
| Proceeds from Long-Term Financing are reported as an other financing source in governmental funds, but the proceeds increase long-term liabilities in the statement of net assets  |           | (840,927)    |
| Principal Payments on Long-Term Financing are reported as an other financing uses in governmental funds, but the payments decrease long-term liabilities in the statement of net assets  |           | 309,615      |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds  |           |              |
| Change in Interest and Lien fees due on Property Taxes   | 13,038    |              |
| Property Taxes Accrual Change  | 24,519    |              |
|  | 37,557    | 37,557       |
| Change in Deferred Outflows of Resources related to pensions   |           | (71,906)     |
| Change in net pension asset/obligation   |           | 49,610       |
| <u>Change in net position of governmental activities</u>   |           | \$ 2,815,710 |

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS - GENERAL FUND  
For the Year Ended June 30, 2023

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

The accompanying notes are an integral part of these financial statements

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

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

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

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

The accompanying notes are an integral part of these financial statements

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

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

**Reporting Entity**

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

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

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The following related organizations, to which the Town appropriates funds annually, do not meet the above criteria and are not included in the reporting entity:

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

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

**Government-Wide and Fund Financial Statements**

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

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

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

**Fund Financial Statements**

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

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

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

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

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

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

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

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

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



TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

The Town reports the following major governmental funds:

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

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

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

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

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

The Town has no proprietary funds.

### **Accounting Estimates**

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

### **Cash Equivalents**

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

### **Investments**

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

### **Interfund Receivables, Payables, and Transactions**

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

### **Property Taxes**

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

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

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

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

**Compensated Absences**

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

**Long-Term Obligations**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

**Pension Plan Accounting**

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

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

**Fund Equity and Net Position**

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

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

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

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

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

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

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

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

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

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

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

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

**Budgets and Budgetary Accounting**

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

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

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

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

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

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

**NOTE 3 – CASH DEPOSITS**

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

As of June 30, 2023, the carrying amount of the Town’s cash deposits were as follows:

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

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**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2023, \$2,887,676 of the Town's bank balance of \$3,583,362 was exposed to custodial credit risk as follows:

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

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

**Concentrations of Credit Risk**

The Town does not have a policy that limits the amounts invested in any one issuer. At June 30, 2023, the Town had all of its cash deposits in financial institutions located in the State of Connecticut. The Town has not experienced any losses on such accounts.

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

**NOTE 4 – INVESTMENTS**

The Town has no formally adopted investment policy that would limit its investment choices due to credit risk other than the State of Connecticut General Statutes that limit investments to obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investments are stated at fair value using quoted market prices and consist of funds deposited in certificates of deposit, permanent funds and pension assets held by the pension administrator. As of June 30, 2023, the Town had the following investments:

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

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

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

**Interest Rate Risk**

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

**Custodial Credit Risk**

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

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

**Concentrations of Credit Risk**

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

**Fair Value Measurements**

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

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

The town's investments are measured on a recurring basis using level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2023.



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The town’s investments are measured on a recurring basis using level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2023.

**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2023 for individual major funds and all other funds in the aggregate, including the applicable allowance for collection losses, are as follows:

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

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

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

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

A summary of interfund transfers is presented as follows:

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

**NOTE 7 -DEFICIT FUND BALANCES**

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

**NOTE 8 - POST EMPLOYMENT AND HEALTHCARE BENEFITS**

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

**NOTE 9 - RISK MANAGEMENT AND UNCERTAINTIES**

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

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

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

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

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

**NOTE 11 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023 was as follows:

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

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

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

**NOTE 12 - GENERAL OBLIGATION DEBT**

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

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

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

| Year Ending | <u>Principal</u>    | <u>Interest</u>  | <u>Total</u>        |
|-------------|---------------------|------------------|---------------------|
| June 30     |                     |                  |                     |
| 2024        | 1,254,677           | 20,247           | 1,274,924           |
| 2025        | 173,778             | 16,633           | 190,411             |
| 2026        | 173,862             | 13,014           | 186,876             |
| 2027        | 174,016             | 9,390            | 183,406             |
| 2028        | 48,967              | 7,033            | 56,000              |
| 2029        | 50,069              | 5,931            | 56,000              |
| 2030        | 51,195              | 4,805            | 56,000              |
| 2031        | 52,347              | 3,653            | 56,000              |
| 2032        | 53,525              | 2,475            | 56,000              |
| 2033        | 56,467              | 1,270            | 57,737              |
|             | <u>\$ 2,088,903</u> | <u>\$ 84,451</u> | <u>\$ 2,173,354</u> |

**Statutory Debt Limitation**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be

TOWN OF NORFOLK  
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authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2023.

**NOTE 13 – FUND BALANCES**

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

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

**NOTE 14 - PENSION PLANS**

**Defined Benefit Plan**

**Plan Description and Significant Accounting Policies**

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

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

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

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

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

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

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

Funding Policy

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

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

Investments

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

Plan assets were allocated as follows as of June 30, 2023:

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

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

Net Pension Liability

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

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

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

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

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

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

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

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

Schedule of Employer Contributions

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

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Changes in the Net Pension Liability

|  | Increase (Decrease)               |                                       |   |
|--|-----------------------------------|---------------------------------------|---|
|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (Asset)<br>(a) - (b) |
| Balance at June 30, 2021   | \$ 666,259                        | \$ 1,700,838                          | \$ (1,034,579)                                |
| Charges for the year   |                                   |                                       |   |
| Service cost   | -                                 | -                                     | -   |
| Interest   | 22,579                            | -                                     | 22,579  |
| Differences between expected and actual experience                         | (15,704)                          | -                                     | (15,704)                                      |
| Employer contributions   | -                                 | -                                     | -   |
| Changes of assumptions   | 64,004                            | -                                     | 64,004  |
| Net investment income  | -                                 | 123,864                               | (123,864)                                     |
| Benefit payments and fees  | (42,262)                          | (45,637)                              | 3,375   |
| Net changes  | 28,617                            | 78,227                                | (49,610)                                      |
| Balance at June 30, 2022   | \$ 694,876                        | \$ 1,779,065                          | \$ (1,084,189)                                |
| Plan fiduciary net position as a percentage of the total pension liability |                                   |                                       | 256.03%                                       |
| Covered-employee payroll   |                                   |                                       | \$ -  |
| Net pension liability as a percentage of covered-employee payroll          |                                   |                                       | N/A   |

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

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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



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

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

**Defined Contribution Plan**

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

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

The Town will contribute an amount equal to an annually determined percentage of each eligible employee's annual compensation. The plan operates on a calendar year basis. For the fiscal year ended June 30, 2023, actual contributions by the Town were \$43,085. As of June 30, 2023, there were no securities of the Town or other related parties held in the plan. Due to the nature of the plan there is no unfunded liability.

**DEFINED CONTRIBUTION PLAN**

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

All eligible employees who have completed one year of service with a minimum of 1,000 hours during the year and who have reached age 21 are eligible for inclusion in the plan. The plan provides that benefits are 100% vested at all times with respect to all of the amounts allocated to employees' accounts. The Town contributes an amount equal to 7% of each eligible employee's base compensation. During the year, the Town's contributions totaled \$29,271 and the Board of Education's contributions totaled \$12,144.

As of June 30, 2023, there were no securities of the Town or other related parties held in the plan. Due to the nature of the plan there is no unfunded liability.

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**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

Plan Description

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

Benefit Provisions

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

*Normal Retirement*

Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989 and voluntary contributions are payable.

*Early Retirement*

Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service.

*Minimum Benefit*

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

Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

*Disability Retirement*

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for nonservice related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the System, but not less than 15%, nor more than 50%. In addition, disability benefits under this System (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed average annual salary.

*Pre-Retirement Death Benefit*

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

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Contributions

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

*Employer*

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

For the year ended June 30, 2023 the amount of "on-behalf" contributions made by the state was \$386,371 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

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

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

|   |        |                             |
|---|--------|-----------------------------|
| Town's proportional share of the net pension liability                            | \$     | -                           |
| State's proportionate share of the net pension liability associated with the Town |        | 3,278,139                   |
| <br>Total   | <br>\$ | <br><u><u>3,278,139</u></u> |

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

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

Actuarial Assumptions

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

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

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

#### Cost of Living Allowance

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

#### Discount Rate

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

#### Long-Term Rate of Return

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

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

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

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

Other Information

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

**NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

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

Plan Description

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

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

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Benefit Provisions

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

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

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

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

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

Survivor Health Care Coverage

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

Eligibility

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

Credited Service

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

Normal Retirement

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

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Early Retirement

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

Pro-ratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

Contributions

*State of Connecticut*

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

*Employer (School Districts)*

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$3,656 and is recognized in the General Fund as intergovernmental revenues and education expenditures. In the government-wide financial statements, the Town recognized \$17,305 for OPEB expense and revenue for on-behalf amounts for the benefits provided by the State.

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

As of June 30, 2023, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

|  |    |                |
|--|----|----------------|
| Town's proportional share of the net OPEB liability                            | \$ | -              |
| State's proportionate share of the net OPEB liability associated with the Town |    | 287,090        |
| Total  | \$ | <u>287,090</u> |

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

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Actuarial Assumptions

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

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

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

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

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

Long-Term Rate of Return

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

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

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



TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019. The changes in the assumptions since the prior year are as follows:

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

TOWN OF NORFOLK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

for future plan members.

- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund. Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

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

OPEB Fiduciary Net Position

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

Other Information

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

**NOTE 16 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**

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

- **GASB Statement No. 99**, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This statement addresses a variety of topics with the requirements related to financial guarantees and the classification and reporting of derivative instruments effective for the Town's reporting periods beginning July 1, 2023.
- **GASB Statement No. 100**, *Accounting Changes and Error Corrections—**an amendment of GASB Statement No. 62***. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2023.
- **GASB Statement No. 101**, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.

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

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

**Note to Schedule**

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

TOWN OF NORFOLK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN FISCAL YEARS

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

**Notes to Schedule**

Valuation date July 1, 2022  
Measurement Date June 30, 2022

The plan benefits were frozen as of December 31, 2011

**Methods and assumptions used to determine the contribution rates:**

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

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

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

**Notes to Schedule**

|                                       |  |
|---------------------------------------|--|
| Changes in benefit terms              | Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019. |
| Changes of assumptions                | None   |
| Actuarial cost method                 | Entry age  |
| Amortization method                   | Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation  |
| Single Equivalent amortization period | 27.8 years   |
| Asset valuation method                | 4-year smoothed fair value   |
| Inflation                             | 2.50%  |
| Salary increases                      | 3.00%-6.50%, including inflation   |
| Investment rate of return             | 6.90%, net of investment related expense   |

Notes:

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

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

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

**Notes to Schedule**

Changes in benefit terms  
Changes of assumptions

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

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.

The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;

Long-term health care cost trend rates were updated; and

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry Age                                     |
| Amortization method           | Level percent of payroll over an open period  |
| Remaining amortization period | 30 years                                      |
| Asset valuation method        | Market value of assets                        |
| Investment rate of return     | 3.00%, net of pension plan investment expense |
| Inflation                     | 2.50%   |

Notes:

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

TOWN OF NORFOLK  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

|   | Budgeted Amounts    |                     | Actual              | Variance With<br>Final Budget<br>Over (Under) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| <u>REVENUE RECEIPTS:</u>                |                     |                     |                     |   |
| <u>Property Taxes</u>                   |                     |                     |                     |   |
| Property Taxes                          | \$ 7,565,908        | \$ 7,565,908        | \$ 7,583,398        | \$ 17,490                                     |
| Interest and Liens                      | 22,000              | 22,000              | 35,585              | 13,585  |
| <u>Total Property Taxes</u>             | <u>7,587,908</u>    | <u>7,587,908</u>    | <u>7,618,983</u>    | <u>31,075</u>                                 |
| <u>State and Federal Grants</u>         |                     |                     |                     |   |
| General Education                       | 29,866              | 29,866              | 34,609              | 4,743   |
| Adult Education                         | 199                 | 199                 | 311                 | 112   |
| LOCIP                                   | 31,743              | 31,743              | -                   | (31,743)                                      |
| Municipal Stabilization Grant           | 9,911               | 9,911               | 9,911               | -   |
| Town Aid Roads                          | 243,078             | 243,078             | 242,898             | (180)   |
| Tiered PILOT                            | 74,770              | 74,770              | 77,447              | 2,677   |
| Municipal Purposes                      | 7,207               | 7,207               | 7,207               | -   |
| Mashantucket Pequot Fund                | 8,899               | 8,899               | 8,899               | -   |
| Other Grants                            | -                   | -                   | 52,275              | 52,275  |
| <u>Total State and Federal Grants</u>   | <u>405,673</u>      | <u>405,673</u>      | <u>433,557</u>      | <u>27,884</u>                                 |
| <u>Other:</u>                           |                     |                     |                     |   |
| Real Estate Conveyance Tax              | 45,000              | 45,000              | 51,247              | 6,247   |
| Copier Fees                             | 4,200               | 4,200               | 5,627               | 1,427   |
| Building Permits                        | 55,000              | 55,000              | 130,933             | 75,933  |
| Dog License Fees                        | 2,000               | 2,000               | 2,250               | 250   |
| PZC Permits                             | 4,200               | 4,200               | 6,440               | 2,240   |
| Miscellaneous Permits & Fees            | 2,900               | 2,900               | 3,323               | 423   |
| Investment Income                       | 7,000               | 7,000               | 34,517              | 27,517  |
| Tobey Pond and Recreation               | 8,600               | 8,600               | 19,672              | 11,072  |
| Town Clerk Fees                         | 31,575              | 31,575              | 39,745              | 8,170   |
| Telephone Access                        | 6,200               | 6,200               | 6,467               | 267   |
| Bulky Waste                             | 30,000              | 30,000              | 34,560              | 4,560   |
| Tower Rental                            | 12,000              | 12,000              | 24,413              | 12,413  |
| Miscellaneous                           | 1,500               | 1,500               | 61,469              | 59,969  |
| Transfer Station                        | 45,000              | 45,000              | 61,267              | 16,267  |
| <u>Total Other</u>                      | <u>255,175</u>      | <u>255,175</u>      | <u>481,930</u>      | <u>226,755</u>                                |
| <u>OTHER FINANCING SOURCES</u>          |                     |                     |                     |   |
| Operating Transfers In                  | 5,000               | 5,000               | 7,053               | 2,053   |
| <u>TOTAL OTHER FINANCING SOURCES</u>    | <u>5,000</u>        | <u>5,000</u>        | <u>7,053</u>        | <u>2,053</u>                                  |
| <u>TOTAL REVENUES AND OTHER SOURCES</u> | <u>\$ 8,253,756</u> | <u>\$ 8,253,756</u> | <u>\$ 8,541,523</u> | <u>\$ 287,767</u>                             |

TOWN OF NORFOLK  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

|  | Budgeted Amounts         |                          | Actual                   | Variance With<br>Final Budget<br>Over (Under) |
|--|--------------------------|--------------------------|--------------------------|---|
|  | Original                 | Final                    |                          |   |
| <b><u>GENERAL GOVERNMENT</u></b>       |                          |                          |                          |   |
| <b><u>General Government:</u></b>      |                          |                          |                          |   |
| Board Of Selectmen                     | \$ 151,382               | \$ 151,382               | \$ 147,525               | \$ (3,857)                                    |
| Probate Office                         | 2,012                    | 2,012                    | 2,012                    | -   |
| Election Office                        | 38,780                   | 38,780                   | 31,289                   | (7,491)                                       |
| Board Of Finance                       | 2,650                    | 2,650                    | 2,250                    | (400)   |
| Audit Expense                          | 13,000                   | 13,000                   | 13,500                   | 500   |
| Board Of Assessors                     | 59,510                   | 59,510                   | 51,082                   | (8,428)                                       |
| Board of Tax Review                    | 500                      | 500                      | -                        | (500)   |
| Tax Collector                          | 35,934                   | 35,934                   | 32,841                   | (3,093)                                       |
| Treasurer                              | 25,822                   | 25,822                   | 24,602                   | (1,220)                                       |
| Legal Services                         | 26,800                   | 26,800                   | 27,105                   | 305   |
| Town Clerk                             | 82,343                   | 82,343                   | 80,536                   | (1,807)                                       |
| Planning and Zoning                    | 6,800                    | 6,800                    | 5,744                    | (1,056)                                       |
| Zoning Board of Appeals                | 100                      | 100                      | 90                       | (10)  |
| Inland/Wetland Agency                  | 2,750                    | 2,750                    | 2,358                    | (392)   |
| Conservation Commission                | 4,550                    | 4,550                    | 5,161                    | 611   |
| Enforcement Office                     | 24,995                   | 24,995                   | 24,551                   | (444)   |
| Town Hall                              | 83,720                   | 83,720                   | 80,212                   | (3,508)                                       |
| Engineering Services                   | 90,000                   | 90,000                   | 70,553                   | (19,447)                                      |
| Fire House Architect Service           | 125,000                  | 125,000                  | 28,684                   | (96,316)                                      |
| Insurance & Bonds                      | 150,000                  | 150,000                  | 126,568                  | (23,432)                                      |
| Telephone                              | 10,800                   | 10,800                   | 9,769                    | (1,031)                                       |
| EDC Miscellaneous                      | 8,000                    | 8,000                    | 8,132                    | 132   |
| Postage/Meter                          | 8,400                    | 8,400                    | 8,270                    | (130)   |
| <b><u>Total General Government</u></b> | <b><u>953,848</u></b>    | <b><u>953,848</u></b>    | <b><u>782,834</u></b>    | <b><u>(171,014)</u></b>                       |
| <b><u>Public Safety:</u></b>           |                          |                          |                          |   |
| Fire Department                        | 106,435                  | 106,435                  | 109,099                  | 2,664   |
| Hydrants                               | 83,511                   | 83,511                   | 84,365                   | 854   |
| EMS Facility                           | 19,502                   | 19,502                   | 18,847                   | (655)   |
| Emergency Management                   | 2,000                    | 2,000                    | 161,758                  | 159,758                                       |
| Building Inspector                     | 17,434                   | 17,434                   | 16,588                   | (846)   |
| Fire Marshal                           | 18,300                   | 18,300                   | 21,072                   | 2,772   |
| Canine Control                         | 11,288                   | 11,288                   | 11,957                   | 669   |
| Dispatch Service                       | 19,565                   | 19,565                   | 18,544                   | (1,021)                                       |
| <b><u>Total Public Safety</u></b>      | <b><u>\$ 278,035</u></b> | <b><u>\$ 278,035</u></b> | <b><u>\$ 442,230</u></b> | <b><u>\$ 164,195</u></b>                      |



TOWN OF NORFOLK  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

|  | Budgeted Amounts         |                          | Actual                   | Variance With<br>Final Budget<br>Over (Under) |
|--|--------------------------|--------------------------|--------------------------|---|
|  | Original                 | Final                    |                          |   |
| <b><u>Public Works:</u></b>            |                          |                          |                          |   |
| Roads                                  | \$ 591,220               | \$ 591,220               | \$ 564,391               | \$ (26,829)                                   |
| Winter Maintenance                     | 225,000                  | 225,000                  | 228,080                  | 3,080   |
| Equipment Maintenance                  | 170,000                  | 170,000                  | 170,372                  | 372   |
| Town Garage                            | 30,411                   | 30,411                   | 34,904                   | 4,493   |
| Street Lights                          | 27,825                   | 27,825                   | 23,011                   | (4,814)                                       |
| Transfer Station                       | 264,112                  | 264,112                  | 209,468                  | (54,644)                                      |
| LOCIP                                  | 31,743                   | 31,743                   | 3,868                    | (27,875)                                      |
| Road Repair Program                    | 400,000                  | 400,000                  | 362,690                  | (37,310)                                      |
| Town Building Maintenance              | 2,000                    | 2,000                    | 1,636                    | (364)   |
| <b><u>Total Public Works</u></b>       | <b><u>1,742,311</u></b>  | <b><u>1,742,311</u></b>  | <b><u>1,598,420</u></b>  | <b><u>(143,891)</u></b>                       |
| <b><u>Health and Welfare:</u></b>      |                          |                          |                          |   |
| Torrington Area Health                 | 8,686                    | 8,686                    | 8,686                    | -   |
| Public Health                          | 13,052                   | 13,052                   | 13,052                   | -   |
| Vital Statistics                       | 50                       | 50                       | -                        | (50)  |
| NW CTR Family Services                 | 4,000                    | 4,000                    | 4,000                    | -   |
| Northwest Mental Health                | 200                      | 200                      | -                        | (200)   |
| Town Ambulance                         | 18,700                   | 18,700                   | 18,680                   | (20)  |
| Social Services                        | 10,460                   | 10,460                   | 9,572                    | (888)   |
| Geer                                   | 3,500                    | 3,500                    | 3,500                    | -   |
| Greenwoods Counseling                  | 5,000                    | 5,000                    | 5,000                    | -   |
| Shelter Diversion                      | 500                      | 500                      | -                        | (500)   |
| FISH                                   | 500                      | 500                      | 500                      | -   |
| Norfolk Community Van                  | 24,500                   | 24,500                   | 21,070                   | (3,430)                                       |
| <b><u>Total Health and Welfare</u></b> | <b><u>89,148</u></b>     | <b><u>89,148</u></b>     | <b><u>84,060</u></b>     | <b><u>(5,088)</u></b>                         |
| <b><u>Recreation:</u></b>              |                          |                          |                          |   |
| Recreation Committee                   | 30,120                   | 30,120                   | 17,198                   | (12,922)                                      |
| Parks                                  | 29,900                   | 29,900                   | 35,841                   | 5,941   |
| Ball fields                            | 996                      | 996                      | 857                      | (139)   |
| Tobey Pond                             | 48,189                   | 48,189                   | 46,698                   | (1,491)                                       |
| <b><u>Total Recreation</u></b>         | <b><u>109,205</u></b>    | <b><u>109,205</u></b>    | <b><u>100,594</u></b>    | <b><u>(8,611)</u></b>                         |
| <b><u>Debt Service:</u></b>            |                          |                          |                          |   |
| Principal                              | 219,615                  | 219,615                  | 219,615                  | -   |
| Interest                               | 14,096                   | 14,096                   | 13,345                   | (751)   |
| Short Term Borrowing                   | 113,000                  | 113,000                  | 26,180                   | (86,820)                                      |
| <b><u>Total Debt Services</u></b>      | <b><u>\$ 346,711</u></b> | <b><u>\$ 346,711</u></b> | <b><u>\$ 259,140</u></b> | <b><u>\$ (87,571)</u></b>                     |

TOWN OF NORFOLK  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

|   | Budgeted Amounts           |                            | Actual                     | Variance With<br>Final Budget<br>Over (Under) |
|---|----------------------------|----------------------------|----------------------------|---|
|   | Original                   | Final                      |                            |   |
| <b><u>Miscellaneous:</u></b>              |                            |                            |                            |   |
| Cemeteries                                | \$ 8,610                   | \$ 8,610                   | \$ 7,181                   | \$ (1,429)                                    |
| Nutrition Program                         | 840                        | 840                        | 836                        | (4)   |
| Norfolk Community Association             | 100                        | 100                        | 100                        | -   |
| Holiday Observance                        | 5,500                      | 5,500                      | 4,894                      | (606)   |
| Norfolk Library                           | 2,500                      | 2,500                      | 2,500                      | -   |
| Susan B. Anthony Project                  | 1,000                      | 1,000                      | 1,000                      | -   |
| Northwest Chore                           | 4,000                      | 4,000                      | 4,000                      | -   |
| Youth Services Bureau                     | 6,124                      | 6,124                      | 6,124                      | -   |
| Farmington Valley Watershed               | 200                        | 200                        | 200                        | -   |
| Rural Transit                             | 892                        | 892                        | 1,342                      | 450   |
| Municipal Agent For the Aged              | 500                        | 500                        | -                          | (500)   |
| Sewer Usage Fee                           | 4,500                      | 4,500                      | 3,188                      | (1,312)                                       |
| NW Conservation Dist                      | 600                        | 600                        | 600                        | -   |
| Housatonic Valley Water                   | 250                        | 250                        | 250                        | -   |
| Housatonic Valley Substance Abuse         | 250                        | 250                        | -                          | (250)   |
| NW Regional Housing                       | 100                        | 100                        | 100                        | -   |
| <b><u>Total Miscellaneous</u></b>         | <b><u>35,966</u></b>       | <b><u>35,966</u></b>       | <b><u>32,315</u></b>       | <b><u>(3,651)</u></b>                         |
| <b><u>Fixed Charges:</u></b>              |                            |                            |                            |   |
| Pension                                   | 40,000                     | 40,000                     | 29,271                     | (10,729)                                      |
| Social Security/Medicare                  | 68,396                     | 68,396                     | 67,805                     | (591)   |
| Unemployment Compensation                 | 1,500                      | 1,500                      | -                          | (1,500)                                       |
| Health Insurance                          | 209,088                    | 209,088                    | 201,317                    | (7,771)                                       |
| EMS Incentive Program                     | 36,750                     | 36,750                     | 36,750                     | -   |
| <b><u>Total Fixed Charges</u></b>         | <b><u>355,734</u></b>      | <b><u>355,734</u></b>      | <b><u>335,143</u></b>      | <b><u>(20,591)</u></b>                        |
| <b><u>Other Financing Uses:</u></b>       |                            |                            |                            |   |
| <b><u>Operating Transfers Out To:</u></b> |                            |                            |                            |   |
| Capital Reserve                           | 380,000                    | 380,000                    | 380,000                    | -   |
| Loss Retention                            | 1,500                      | 1,500                      | 1,500                      | -   |
| <b><u>Total Other Financing Uses</u></b>  | <b><u>381,500</u></b>      | <b><u>381,500</u></b>      | <b><u>381,500</u></b>      | <b><u>-</u></b>                               |
| <b><u>Total General Government</u></b>    | <b><u>\$ 4,292,458</u></b> | <b><u>\$ 4,292,458</u></b> | <b><u>\$ 4,016,236</u></b> | <b><u>\$ (276,222)</u></b>                    |

TOWN OF NORFOLK  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
BOARD OF EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2023

|  | Budgeted Amounts      |                       | Actual<br>Expenditures | Variance With<br>Final Budget<br>Over (Under) |
|--|-----------------------|-----------------------|------------------------|---|
|  | Original<br>Budget    | Final<br>Budget       |                        |   |
| <b><u>Regular Education</u></b>          |                       |                       |                        |   |
| Teachers                                 | \$ 395,582            | \$ 390,025            | \$ 390,025             | \$ -  |
| Substitutes                              | 6,000                 | 6,000                 | 6,000                  | -   |
| Sub Sec & Aides                          | 1,000                 | 619                   | 619                    | -   |
| Tests & Scoring                          | 2,500                 | 2,239                 | 2,239                  | -   |
| Repair Equip Instruction                 | 1,000                 | 576                   | 576                    | -   |
| Travel Staff                             | 500                   | 89                    | 89                     | -   |
| Cultural Programs                        | 3,000                 | 1,430                 | 1,430                  | -   |
| Environmental Education                  | 2,500                 | 2,095                 | 2,095                  | -   |
| Teaching Supplies                        | 16,000                | 17,604                | 17,604                 | -   |
| Textbooks                                | 11,500                | 22,889                | 22,889                 | -   |
| Curriculum Support                       | 182,344               | 182,344               | 182,344                | -   |
| Course Reimbursement                     | 6,000                 | 2,016                 | 2,016                  | -   |
| Dues Fees                                | 1,592                 | 1,592                 | 1,592                  | -   |
| <b><u>Total Regular Education</u></b>    | <b><u>629,518</u></b> | <b><u>629,518</u></b> | <b><u>629,518</u></b>  | <b><u>-</u></b>                               |
| <b><u>Special Education</u></b>          |                       |                       |                        |   |
| Special Education Teacher                | 77,547                | 77,547                | 77,547                 | -   |
| Special Education Aide                   | 30,199                | 31,583                | 31,583                 | -   |
| Student Services- Testing                | 1,500                 | 2,750                 | 2,750                  | -   |
| Therapists                               | 24,477                | 24,477                | 18,796                 | (5,681)                                       |
| Shared Services                          | 207,960               | 205,326               | 201,232                | (4,094)                                       |
| Special Education - Support Services     | 140,453               | 140,453               | 140,453                | -   |
| Teaching Supplies - Special Education    | 500                   | 500                   | 500                    | -   |
| <b><u>Total Special Education</u></b>    | <b><u>482,636</u></b> | <b><u>482,636</u></b> | <b><u>472,861</u></b>  | <b><u>(9,775)</u></b>                         |
| <b><u>Other Education</u></b>            |                       |                       |                        |   |
| Adult Education                          | 2,500                 | 2,500                 | 1,953                  | (547)   |
| Health Supportive Services               | 45,100                | 45,100                | 43,023                 | (2,077)                                       |
| Improvement of Instruction               | 33,800                | 33,800                | 33,800                 | -   |
| Library/Media & Computer Services        | 97,425                | 97,425                | 96,610                 | (815)   |
| Board of Education                       | 31,719                | 31,719                | 28,719                 | (3,000)                                       |
| Superintendent's Office                  | 165,790               | 165,790               | 160,558                | (5,232)                                       |
| Support Services - School Administration | 201,299               | 201,299               | 201,049                | (250)   |
| Student Transportation                   | 148,800               | 148,800               | 175,923                | 27,123  |
| Field Trip Transportation                | 3,500                 | 3,500                 | 2,213                  | (1,287)                                       |
| <b><u>Total Other Education</u></b>      | <b><u>729,933</u></b> | <b><u>729,933</u></b> | <b><u>743,848</u></b>  | <b><u>13,915</u></b>                          |

TOWN OF NORFOLK  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
BOARD OF EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2023

|  | Budgeted Amounts           |                            | Actual                     | Variance With<br>Final Budget<br>Over (Under) |
|--|----------------------------|----------------------------|----------------------------|---|
|  | Original                   | Final                      |                            |   |
| <b><u>Operations &amp; Maintenance of Facilities</u></b>                           |                            |                            |                            |   |
| Custodial  | 87,811                     | 87,811                     | 90,574                     | 2,763   |
| Rubbish Removal/recycling  | 2,200                      | 2,200                      | 2,671                      | 471   |
| Grounds/Lawn Maintenance   | 1,000                      | 1,000                      | 1,000                      | -   |
| Sewer User fee   | 2,500                      | 2,500                      | 1,973                      | (527)   |
| Building repairs   | 21,000                     | 24,164                     | 24,164                     | -   |
| Repair Equip - Non Instructional   | 1,700                      | 1,700                      | 1,700                      | -   |
| Service Contracts  | 22,000                     | 22,000                     | 23,898                     | 1,898   |
| Lease- Copier  | 4,500                      | 4,500                      | 4,500                      | -   |
| Telephone  | 3,226                      | 3,226                      | 2,912                      | (314)   |
| Custodial Supplies   | 9,500                      | 9,500                      | 9,840                      | 340   |
| Water  | 3,255                      | 3,255                      | 2,645                      | (610)   |
| Electricity  | 31,000                     | 31,000                     | 31,185                     | 185   |
| Oil for Heating  | 54,000                     | 70,920                     | 70,920                     | -   |
| Fees Building Maint  | 250                        | 250                        | 250                        | -   |
| Safety and Security  | 10,000                     | 10,000                     | 13,637                     | 3,637   |
| Food Services Operations   | 27,800                     | 27,800                     | 28,485                     | 685   |
| New Non Instructional  | 11,450                     | 11,450                     | 13,525                     | 2,075   |
| <b><u>Total Operations &amp; Maintenance of Facilities</u></b>                     | <b><u>293,192</u></b>      | <b><u>313,276</u></b>      | <b><u>323,879</u></b>      | <b><u>10,603</u></b>                          |
| <b><u>Employer Provided Benefits</u></b>   |                            |                            |                            |   |
| Social Security  | 20,592                     | 23,041                     | 23,041                     | -   |
| Medicare   | 17,333                     | 17,137                     | 17,137                     | -   |
| Life Insurance   | 1,900                      | 1,174                      | 1,174                      | -   |
| Disability   | 997                        | 997                        | 997                        | -   |
| Health & Dental Insurance  | 205,129                    | 182,241                    | 144,759                    | (37,482)                                      |
| Non-Certified Retirement Plan  | 14,470                     | 12,144                     | 12,144                     | -   |
| Unemployment Benefits  | 1,000                      | 4,603                      | 4,603                      | -   |
| <b><u>Employer Provided Benefits</u></b>   | <b><u>261,421</u></b>      | <b><u>241,337</u></b>      | <b><u>203,855</u></b>      | <b><u>(37,482)</u></b>                        |
| <b><u>TOTAL BOTELLE SCHOOL</u></b>   | <b><u>2,396,700</u></b>    | <b><u>2,396,700</u></b>    | <b><u>2,373,961</u></b>    | <b><u>(22,739)</u></b>                        |
| <b><u>NW Regional # 7</u></b>  | <b><u>1,714,598</u></b>    | <b><u>1,714,598</u></b>    | <b><u>1,714,598</u></b>    | <b><u>-</u></b>                               |
| <b><u>TOTAL EDUCATION</u></b>  | <b><u>4,111,298</u></b>    | <b><u>4,111,298</u></b>    | <b><u>4,088,559</u></b>    | <b><u>(22,739)</u></b>                        |
| <b><u>TOTAL GENERAL GOVERNMENT,<br/>EDUCATION AND OTHER<br/>FINANCING USES</u></b> | <b><u>\$ 8,403,756</u></b> | <b><u>\$ 8,403,756</u></b> | <b><u>\$ 8,104,795</u></b> | <b><u>\$ (298,961)</u></b>                    |

TOWN OF NORFOLK  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

SPECIAL REVENUE

|  | Moore<br>Bailey  | Botelle<br>Fuel Tank | Loss<br>Retention | Land<br>Protection<br>PA-05-228 | Botelle<br>School<br>Services | Historical<br>Records | Town<br>Trust<br>Funds | A.F.<br>Wooster<br>Memorial | Weekend<br>In<br>Norfolk | Rails<br>to<br>Trails | Farmers<br>Market |
|--|------------------|----------------------|-------------------|---------------------------------|-------------------------------|-----------------------|------------------------|-----------------------------|--------------------------|-----------------------|-------------------|
| <b>ASSETS</b>                              |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Cash and cash equivalents                  | \$ 53,777        | \$ 99,390            | \$ 21,176         | \$ 18,134                       | \$ 6,291                      | \$ 9,105              | \$ -                   | \$ -                        | \$ 11,909                | \$ 38,153             | \$ 9,808          |
| Investments                                | -                | -                    | -                 | -                               | -                             | -                     | 110,967                | 10,068                      | -                        | -                     | -                 |
| Inventory                                  | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| Accounts Receivable                        | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| Due From Other Funds                       | -                | -                    | 3,000             | -                               | -                             | 7,714                 | -                      | -                           | -                        | -                     | -                 |
| Due From Other Governments                 | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| <b>TOTAL ASSETS</b>                        | <b>\$ 53,777</b> | <b>\$ 99,390</b>     | <b>\$ 24,176</b>  | <b>\$ 18,134</b>                | <b>\$ 6,291</b>               | <b>\$ 16,819</b>      | <b>\$ 110,967</b>      | <b>\$ 10,068</b>            | <b>\$ 11,909</b>         | <b>\$ 38,153</b>      | <b>\$ 9,808</b>   |
| <b>LIABILITIES AND FUND BALANCES</b>       |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| <b>Liabilities:</b>                        |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Accounts Payable                           | \$ -             | \$ -                 | \$ -              | \$ -                            | \$ -                          | \$ -                  | \$ -                   | \$ -                        | \$ -                     | \$ -                  | \$ -              |
| Due to Other Funds                         | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| Due to State                               | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| <b>Total Liabilities</b>                   | <b>-</b>         | <b>-</b>             | <b>-</b>          | <b>-</b>                        | <b>-</b>                      | <b>-</b>              | <b>-</b>               | <b>-</b>                    | <b>-</b>                 | <b>-</b>              | <b>-</b>          |
| <b>Fund Balances:</b>                      |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Nonspendable                               | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| Restricted                                 | -                | 99,390               | -                 | 18,134                          | 6,291                         | 16,819                | -                      | -                           | -                        | -                     | -                 |
| Committed                                  | 53,777           | -                    | 24,176            | -                               | -                             | -                     | 110,967                | 10,068                      | 11,909                   | 38,153                | 9,808             |
| Assigned                                   | -                | -                    | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| <b>Total Fund Balances</b>                 | <b>53,777</b>    | <b>99,390</b>        | <b>24,176</b>     | <b>18,134</b>                   | <b>6,291</b>                  | <b>16,819</b>         | <b>110,967</b>         | <b>10,068</b>               | <b>11,909</b>            | <b>38,153</b>         | <b>9,808</b>      |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 53,777</b> | <b>\$ 99,390</b>     | <b>\$ 24,176</b>  | <b>\$ 18,134</b>                | <b>\$ 6,291</b>               | <b>\$ 16,819</b>      | <b>\$ 110,967</b>      | <b>\$ 10,068</b>            | <b>\$ 11,909</b>         | <b>\$ 38,153</b>      | <b>\$ 9,808</b>   |

TOWN OF NORFOLK  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

|  | SPECIAL REVENUE                   |                          |                    |                    |                        |                              |                      | PERMANENT FUNDS              |                    |                          |                        |                           |                       | Total |
|--|-----------------------------------|--------------------------|--------------------|--------------------|------------------------|------------------------------|----------------------|------------------------------|--------------------|--------------------------|------------------------|---------------------------|-----------------------|-------|
|  | Adele F. Winn<br>Service<br>Award | Dot Casey<br>Delov Award | EDC<br>Map<br>Fund | NVFD<br>Fire Truck | EV Charging<br>Station | Selectman's<br>Discretionary | WIN Bucks<br>Account | South<br>Norfolk<br>Cemetery | Center<br>Cemetery | Pond<br>Town<br>Cemetery | Grantville<br>Cemetery | St.<br>Mary's<br>Cemetery | General<br>Cemeteries |       |
| <b>ASSETS</b>                              |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |       |
| Cash and cash equivalents                  | \$ 50                             | \$ 19                    | \$ 11,730          | \$ -               | \$ 250                 | \$ 40,838                    | \$ 359               | \$ -                         | \$ -               | \$ -                     | \$ -                   | \$ 2,128                  | \$ 323,117            |       |
| Investments                                | 1,779                             | 1,692                    | -                  | -                  | -                      | -                            | -                    | 35,075                       | 9,518              | 19,578                   | 5,118                  | 139,564                   | 334,919               |       |
| Inventory                                  | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     |       |
| Due From Other Funds                       | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | 10,714                |       |
| Due From Other Governments                 | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     |       |
| <b>TOTAL ASSETS</b>                        | <b>\$ 1,829</b>                   | <b>\$ 1,711</b>          | <b>\$ 11,730</b>   | <b>\$ -</b>        | <b>\$ 250</b>          | <b>\$ 40,838</b>             | <b>\$ 359</b>        | <b>\$ 35,075</b>             | <b>\$ 9,518</b>    | <b>\$ 19,578</b>         | <b>\$ 5,118</b>        | <b>\$ 141,692</b>         | <b>\$ 668,750</b>     |       |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |       |
| <b>Liabilities:</b>                        |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |       |
| Accounts Payable                           | \$ -                              | \$ -                     | \$ -               | \$ -               | \$ -                   | \$ -                         | \$ -                 | \$ -                         | \$ -               | \$ -                     | \$ -                   | \$ -                      | \$ -                  |       |
| Due to Other Funds                         | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     |       |
| Due to State                               | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     |       |
| <b>Total Liabilities</b>                   | <b>-</b>                          | <b>-</b>                 | <b>-</b>           | <b>-</b>           | <b>-</b>               | <b>-</b>                     | <b>-</b>             | <b>-</b>                     | <b>-</b>           | <b>-</b>                 | <b>-</b>               | <b>-</b>                  | <b>-</b>              |       |
| <b>Fund Balances:</b>                      |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |       |
| Nonspendable                               | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | 35,075                       | 9,518              | 19,578                   | 5,118                  | 141,692                   | 212,541               |       |
| Restricted                                 | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | 140,634               |       |
| Committed                                  | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | 258,858               |       |
| Assigned                                   | 1,829                             | 1,711                    | 11,730             | -                  | 250                    | 40,838                       | 359                  | -                            | -                  | -                        | -                      | -                         | 56,717                |       |
| <b>Total Fund Balances</b>                 | <b>1,829</b>                      | <b>1,711</b>             | <b>11,730</b>      | <b>-</b>           | <b>250</b>             | <b>40,838</b>                | <b>359</b>           | <b>35,075</b>                | <b>9,518</b>       | <b>19,578</b>            | <b>5,118</b>           | <b>141,692</b>            | <b>668,750</b>        |       |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 1,829</b>                   | <b>\$ 1,711</b>          | <b>\$ 11,730</b>   | <b>\$ -</b>        | <b>\$ 250</b>          | <b>\$ 40,838</b>             | <b>\$ 359</b>        | <b>\$ 35,075</b>             | <b>\$ 9,518</b>    | <b>\$ 19,578</b>         | <b>\$ 5,118</b>        | <b>\$ 141,692</b>         | <b>\$ 668,750</b>     |       |

TOWN OF NORFOLK  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|  | SPECIAL REVENUE  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
|--|------------------|----------------------|-------------------|---------------------------------|-------------------------------|-----------------------|------------------------|-----------------------------|--------------------------|-----------------------|-------------------|
|  | Moore<br>Bailey  | Botelle<br>Fuel Tank | Loss<br>Retention | Land<br>Protection<br>PA-05-228 | Botelle<br>School<br>Services | Historical<br>Records | Town<br>Trust<br>Funds | A.F.<br>Wooster<br>Memorial | Weekend<br>In<br>Norfolk | Rails<br>to<br>Trails | Farmers<br>Market |
| <u>Revenues:</u>   |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Intergovernmental  | \$ -             | \$ -                 | \$ -              | \$ -                            | \$ -                          | \$ 5,500              | \$ -                   | \$ -                        | \$ -                     | \$ -                  | \$ -              |
| Charges for Services   | -                | -                    | -                 | -                               | 467                           | -                     | -                      | -                           | -                        | -                     | -                 |
| Investment Income  | 11               | -                    | 4                 | 4                               | -                             | 2                     | (11,473)               | 19                          | -                        | -                     | -                 |
| Miscellaneous  | 10,539           | -                    | -                 | 696                             | -                             | 1,157                 | -                      | -                           | 4,099                    | 7,175                 | 18,602            |
| <u>Total Revenues</u>  | <u>10,550</u>    | <u>-</u>             | <u>4</u>          | <u>700</u>                      | <u>467</u>                    | <u>6,659</u>          | <u>(11,473)</u>        | <u>19</u>                   | <u>4,099</u>             | <u>7,175</u>          | <u>18,602</u>     |
| <u>Expenditures:</u>   |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Education  | -                | -                    | -                 | -                               | 1,464                         | -                     | -                      | -                           | -                        | -                     | -                 |
| Miscellaneous  | 8,923            | -                    | -                 | -                               | -                             | 6,286                 | -                      | -                           | 5,715                    | 3,473                 | 23,513            |
| Capital Outlay   | -                | 80,610               | -                 | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| <u>Total Expenditures</u>  | <u>8,923</u>     | <u>80,610</u>        | <u>-</u>          | <u>-</u>                        | <u>1,464</u>                  | <u>6,286</u>          | <u>-</u>               | <u>-</u>                    | <u>5,715</u>             | <u>3,473</u>          | <u>23,513</u>     |
| Excess of Revenues Over (Under)  |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Expenditures   | 1,627            | (80,610)             | 4                 | 700                             | (997)                         | 373                   | (11,473)               | 19                          | (1,616)                  | 3,702                 | (4,911)           |
| <u>Other Financing Sources (Uses):</u>   |                  |                      |                   |                                 |                               |                       |                        |                             |                          |                       |                   |
| Operating Transfers In   | -                | 180,000              | 1,500             | -                               | -                             | -                     | -                      | -                           | -                        | -                     | -                 |
| Operating Transfers Out  | -                | -                    | -                 | -                               | -                             | -                     | (2,312)                | (19)                        | -                        | -                     | -                 |
| <u>Total Other Financing Sources (Uses)</u>  | <u>-</u>         | <u>180,000</u>       | <u>1,500</u>      | <u>-</u>                        | <u>-</u>                      | <u>-</u>              | <u>(2,312)</u>         | <u>(19)</u>                 | <u>-</u>                 | <u>-</u>              | <u>-</u>          |
| <u>Excess of Revenues and Other Sources<br/>Over (Under) Expenditures and Other<br/>Uses</u> | <u>1,627</u>     | <u>99,390</u>        | <u>1,504</u>      | <u>700</u>                      | <u>(997)</u>                  | <u>373</u>            | <u>(13,785)</u>        | <u>-</u>                    | <u>(1,616)</u>           | <u>3,702</u>          | <u>(4,911)</u>    |
| <u>Fund Balances, July 1,</u>  | <u>52,150</u>    | <u>-</u>             | <u>22,672</u>     | <u>17,434</u>                   | <u>7,288</u>                  | <u>16,446</u>         | <u>124,752</u>         | <u>10,068</u>               | <u>13,525</u>            | <u>34,451</u>         | <u>14,719</u>     |
| <u>Fund Balances, June 30,</u>   | <u>\$ 53,777</u> | <u>\$ 99,390</u>     | <u>\$ 24,176</u>  | <u>\$ 18,134</u>                | <u>\$ 6,291</u>               | <u>\$ 16,819</u>      | <u>\$ 110,967</u>      | <u>\$ 10,068</u>            | <u>\$ 11,909</u>         | <u>\$ 38,153</u>      | <u>\$ 9,808</u>   |

TOWN OF NORFOLK  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|  | SPECIAL REVENUE                   |                          |                    |                    |                        |                              |                      | PERMANENT FUNDS              |                    |                          |                        |                           |                       | Total             |
|--|-----------------------------------|--------------------------|--------------------|--------------------|------------------------|------------------------------|----------------------|------------------------------|--------------------|--------------------------|------------------------|---------------------------|-----------------------|-------------------|
|  | Adele F. Winn<br>Service<br>Award | Dot Casey<br>DeJoy Award | EDC<br>Map<br>Fund | NVFD<br>Fire Truck | EV Charging<br>Station | Selectman's<br>Discretionary | WIN Bucks<br>Account | South<br>Norfolk<br>Cemetery | Center<br>Cemetery | Pond<br>Town<br>Cemetery | Grantville<br>Cemetery | St.<br>Mary's<br>Cemetery | General<br>Cemeteries |                   |
| <b>Revenues:</b>   |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |                   |
| Intergovernmental  | \$ -                              | \$ -                     | \$ -               | \$ -               | \$ -                   | \$ -                         | \$ -                 | \$ -                         | \$ -               | \$ -                     | \$ -                   | \$ -                      | \$ -                  | \$ 5,500          |
| Charges for Services   | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     | 467               |
| Investment Income  | 4                                 | 3                        | -                  | -                  | -                      | -                            | -                    | 96                           | 26                 | 53                       | 7                      | 1                         | 32,270                | 21,027            |
| Miscellaneous  | -                                 | -                        | -                  | 906                | -                      | 35,000                       | -                    | 500                          | -                  | 1,700                    | 1,585                  | -                         | -                     | 81,959            |
| <b>Total Revenues</b>  | <b>4</b>                          | <b>3</b>                 | <b>-</b>           | <b>906</b>         | <b>-</b>               | <b>35,000</b>                | <b>-</b>             | <b>596</b>                   | <b>26</b>          | <b>1,753</b>             | <b>1,592</b>           | <b>1</b>                  | <b>32,270</b>         | <b>108,953</b>    |
| <b>Expenditures:</b>   |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |                   |
| Education  | 25                                | 25                       | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     | 1,514             |
| Miscellaneous  | -                                 | -                        | -                  | -                  | -                      | 9,425                        | -                    | -                            | -                  | -                        | -                      | -                         | -                     | 57,335            |
| Capital Outlay   | -                                 | -                        | -                  | 317,368            | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     | 397,978           |
| <b>Total Expenditures</b>  | <b>25</b>                         | <b>25</b>                | <b>-</b>           | <b>317,368</b>     | <b>-</b>               | <b>9,425</b>                 | <b>-</b>             | <b>-</b>                     | <b>-</b>           | <b>-</b>                 | <b>-</b>               | <b>-</b>                  | <b>-</b>              | <b>456,827</b>    |
| Excess of Revenues Over (Under)<br>Expenditures  | (21)                              | (22)                     | -                  | (316,462)          | -                      | 25,575                       | -                    | 596                          | 26                 | 1,753                    | 1,592                  | 1                         | 32,270                | (347,874)         |
| <b>Other Financing Sources (Uses):</b>   |                                   |                          |                    |                    |                        |                              |                      |                              |                    |                          |                        |                           |                       |                   |
| Operating Transfers In   | -                                 | -                        | -                  | 268,069            | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | -                     | 449,569           |
| Operating Transfers Out  | -                                 | -                        | -                  | -                  | -                      | -                            | -                    | -                            | -                  | -                        | -                      | -                         | (4,722)               | (7,053)           |
| <b>Total Other Financing Sources (Uses)</b>  | <b>-</b>                          | <b>-</b>                 | <b>-</b>           | <b>268,069</b>     | <b>-</b>               | <b>-</b>                     | <b>-</b>             | <b>-</b>                     | <b>-</b>           | <b>-</b>                 | <b>-</b>               | <b>-</b>                  | <b>(4,722)</b>        | <b>442,516</b>    |
| <b>Excess of Revenues and Other Sources<br/>Over (Under) Expenditures and Other<br/>Uses</b> | <b>(21)</b>                       | <b>(22)</b>              | <b>-</b>           | <b>(48,393)</b>    | <b>-</b>               | <b>25,575</b>                | <b>-</b>             | <b>596</b>                   | <b>26</b>          | <b>1,753</b>             | <b>1,592</b>           | <b>1</b>                  | <b>27,548</b>         | <b>94,642</b>     |
| <b>Fund Balances, July 1,</b>  | <b>1,850</b>                      | <b>1,733</b>             | <b>11,730</b>      | <b>48,393</b>      | <b>250</b>             | <b>15,263</b>                | <b>359</b>           | <b>34,479</b>                | <b>9,492</b>       | <b>17,825</b>            | <b>3,526</b>           | <b>1,559</b>              | <b>114,144</b>        | <b>574,108</b>    |
| <b>Fund Balances, June 30,</b>   | <b>\$ 1,829</b>                   | <b>\$ 1,711</b>          | <b>\$ 11,730</b>   | <b>\$ -</b>        | <b>\$ 250</b>          | <b>\$ 40,838</b>             | <b>\$ 359</b>        | <b>\$ 35,075</b>             | <b>\$ 9,518</b>    | <b>\$ 19,578</b>         | <b>\$ 5,118</b>        | <b>\$ 1,560</b>           | <b>\$ 141,692</b>     | <b>\$ 668,750</b> |



TOWN OF NORFOLK  
SCHEDULE OF DEBT LIMITATION  
JUNE 30, 2023

Total tax collection including interest and lien fees  
for prior fiscal year \$ 7,279,748

Reimbursement for revenue loss on  
Tax relief for elderly for prior fiscal year 1,101

Base \$ 7,280,849

|                       | GENERAL<br>PURPOSE | SCHOOLS           | SEWERS            | URBAN<br>RENEWAL  |
|-----------------------|--------------------|-------------------|-------------------|-------------------|
| Debt limitation:      |                    |                   |                   |                   |
| 2-1/4 times base      | \$ 16,381,910      | \$ -              | \$ -              | \$ -              |
| 4-1/2 times base      | -                  | 32,763,821        | -                 | -                 |
| 3-3/4 times base      | -                  | -                 | 27,303,184        | -                 |
| 3-1/4 times base      | -                  | -                 | -                 | 23,662,759        |
| Total debt limitation | <u>16,381,910</u>  | <u>32,763,821</u> | <u>27,303,184</u> | <u>23,662,759</u> |

|                              |                  |          |          |          |
|------------------------------|------------------|----------|----------|----------|
| Indebtedness:                |                  |          |          |          |
| Bonds and notes payable      | 2,088,903        | -        | -        | -        |
| Regional School District #7  | -                | -        | -        | -        |
| Authorized and unissued debt | <u>4,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total indebtedness           | <u>6,088,903</u> | <u>-</u> | <u>-</u> | <u>-</u> |

|   |                             |                             |                             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt limitation in excess of<br>outstanding and authorized debt | <u><u>\$ 10,293,007</u></u> | <u><u>\$ 32,763,821</u></u> | <u><u>\$ 27,303,184</u></u> | <u><u>\$ 23,662,759</u></u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|

Total capacity of borrowing (7 times base) \$ 50,965,943

Total present indebtedness 6,088,903

Margin for additional borrowing \$ 44,877,040

TOWN OF NORFOLK  
SCHEDULE OF TAXES, LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2023

|               | Balances      | Current          | Lawful Corrections |               | Collectable      | Collections      |               |            |                  | Transfers To | Balances      |
|---------------|---------------|------------------|--------------------|---------------|------------------|------------------|---------------|------------|------------------|--------------|---------------|
|               | 6/30/2022     |                  | Levy               | Additions     |                  | Deductions       | Taxes         | Interest   | Liens            |              |               |
| List Of: 2021 | -             | 7,635,249        | 4,342              | 37,743        | 7,601,848        | 7,548,679        | 28,312        | 600        | 7,577,591        | -            | 53,169        |
| 2020          | 24,470        | -                | 11,358             | -             | 35,828           | 26,261           | 5,019         | 270        | 31,550           | -            | 9,567         |
| 2019          | 4,853         | -                | -                  | 1,308         | 3,545            | 949              | 388           | 10         | 1,347            | -            | 2,596         |
| 2018          | 3,117         | -                | -                  | 1,787         | 1,330            | 641              | 148           | 4          | 793              | -            | 689           |
| 2017          | 2,591         | -                | -                  | 1,934         | 657              | 657              | 531           | 4          | 1,192            | -            | -             |
| 2016          | 1,807         | -                | -                  | 1,807         | -                | -                | -             | -          | -                | -            | -             |
| 2015          | 1,088         | -                | -                  | 1,001         | 87               | 87               | 101           | -          | 188              | -            | -             |
| 2014          | 605           | -                | -                  | 516           | 89               | 89               | 111           | 2          | 202              | -            | -             |
| 2013          | 119           | -                | -                  | 119           | -                | -                | -             | -          | -                | -            | -             |
| 2012          | 253           | -                | -                  | -             | 253              | -                | -             | -          | -                | -            | 253           |
| 2011          | 260           | -                | -                  | -             | 260              | 37               | 69            | 16         | 122              | -            | 223           |
| 2010          | 706           | -                | 36                 | -             | 742              | -                | -             | -          | -                | -            | 742           |
| 2009          | 1,645         | -                | -                  | -             | 1,645            | -                | -             | -          | -                | -            | 1,645         |
| 2008          | 2,556         | -                | -                  | -             | 2,556            | -                | -             | -          | -                | -            | 2,556         |
| 2007          | 5,000         | -                | -                  | -             | 5,000            | -                | -             | -          | -                | -            | 5,000         |
| 2006          | 384           | -                | 171                | -             | 555              | -                | -             | -          | -                | -            | 555           |
| 2005          | 1,396         | -                | -                  | -             | 1,396            | -                | -             | -          | -                | 1,396        | -             |
| <b>Totals</b> | <b>50,850</b> | <b>7,635,249</b> | <b>15,907</b>      | <b>46,215</b> | <b>7,655,791</b> | <b>7,577,400</b> | <b>34,679</b> | <b>906</b> | <b>7,612,985</b> | <b>1,396</b> | <b>76,995</b> |



Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Norfolk, Connecticut's basic financial statements, and have issued our report thereon dated March 29, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Norfolk, Connecticut's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Norfolk, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Norfolk, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Norfolk, Connecticut's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Norfolk, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of Norfolk, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Norfolk, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sinnamon & Associates, LLC  
Certified Public Accountants

March 29, 2024  
Canaan Connecticut



Independent Auditors' Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of State Financial Assistance Required by the State Single Audit Act

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

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Town of Norfolk, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Norfolk, Connecticut's major state programs for the year ended June 30, 2023. The Town of Norfolk, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Norfolk, Connecticut, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Norfolk, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Norfolk, Connecticut's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Norfolk, Connecticut's state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Norfolk, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Norfolk, Connecticut's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Norfolk, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Norfolk, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town of Norfolk, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility

that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Norfolk, Connecticut and the related notes to the financial statements, which collectively comprise the Town of Norfolk, Connecticut's basic financial statements as of and for the year ended June 30, 2023, and have issued our report thereon dated March 29, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



Sinnamon & Associates, LLC  
Certified Public Accountants

March 29, 2024  
Canaan Connecticut

TOWN OF NORFOLK  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2023

| <u>State Grantor/Pass Through<br/>Grantor/Program Title</u>   | <u>State Grant Program<br/>CORE-CT Number</u> | <u>Passed Through to<br/>Subrecipients</u> | <u>Expenditures</u> |
|---|---|--|---------------------|
| <u>Department of Transportation:</u>  |   |  |                     |
| Town aid road grants transportation fund  | 12052-DOT57131-43455                          | \$ -                                       | \$ 121,449          |
| Town aid road grants transportation fund - STO  | 13033-DOT57131-43459                          | -  | 121,449             |
| Local Bridge Program Transportation Fund - Project<br>Number 9097-9001 Mountain Road over Norfolk Brook | 13033-DOT57000-43456                          | -  | 383,738             |
|   |   | -  | 626,636             |
| <u>Connecticut Stater Library</u>   |   |  |                     |
| Historic Document Preservation  | 12060-CSL66094-35150                          | -  | 5,500               |
| CT Education Network  | 12052-CSL66011-43649                          | -  | 4,571               |
|   |   | -  | 10,071              |
| <u>State Department of Education:</u>   |   |  |                     |
| Adult Education   | 11000-SDE64000-17030                          | -  | 311                 |
|   |   | -  | 311                 |
| <u>Office of Policy and Management:</u>   |   |  |                     |
| Property Tax Relief for Elderly and Totally Disabled  | 11000-OPM20600-17011                          | -  | 275                 |
| Property Tax Relief for Veterans  | 11000-OPM20600-17024                          | -  | 1,002               |
| Municipal Grant in Aid  | 12052-OPM20600-43587                          | -  | 7,207               |
| Tiered PILOT  | 11000-OPM20600-17111                          | -  | 60,971              |
| MRSA Tiered PILOT   | 11000-OPM20600-35691                          | -  | 16,476              |
| Municipal Revenue Sharing - Tiered Payment in Lieu of Taxes (PILOT)                                     | 12060-OPM20600-35458                          | -  | 32,422              |
|   |   | -  | 118,353             |
| <u>Judicial Branch</u>  |   |  |                     |
| Judicial fines and fees   | 34001-JUD95162-40001                          | -  | 385                 |
| <u>Total State Financial Assistance Before Exempt Programs</u>  |   |  |                     |
|   |   | -  | 755,756             |
| <u>EXEMPT PROGRAMS</u>  |   |  |                     |
| <u>Department of Education:</u>   |   |  |                     |
| Education Cost Sharing  | 11000-SDE64000-17041                          | -  | 34,609              |
|   |   | -  | 34,609              |
| <u>Office of Policy and Management</u>  |   |  |                     |
| Mashantucket Pequot Funds   | 12009-OPM20600-17005                          | -  | 8,899               |
| Municipal Stabilization Grant   | 11000-OPM20600-17104                          | -  | 9,911               |
|   |   | -  | 18,810              |
| <u>Total Exempt Programs</u>  |   |  |                     |
|   |   | -  | 53,419              |
| <u>Total State Financial Assistance</u>   |   |  |                     |
|   |   | \$ -                                       | \$ 809,175          |

The accompanying note is an integral part of this schedule.



TOWN OF NORFOLK  
NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2023

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Norfolk under programs of the State of Connecticut for the fiscal year ended June 30, 2023. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Norfolk through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including road repair and maintenance, capital improvements, tax relief, general assistance and education.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Norfolk conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

**Basis of Accounting**

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

TOWN OF NORFOLK  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2023

**I. SUMMARY OF AUDIT RESULTS**

Financial Statements

|   |                   |                       |
|---|-------------------|-----------------------|
| Type of auditor's report issued:                      | <u>Unmodified</u> |                       |
| Internal control over financial reporting:            |                   |                       |
| Material weakness(es) identified?                     | ___ Yes           | ___x___ No            |
| Significant deficiency(s) identified                  | ___ Yes           | ___x___ None Reported |
| Noncompliance material to financial statements noted? | ___ Yes           | ___x___ No            |

State Financial Assistance

|   |                   |                       |
|---|-------------------|-----------------------|
| Internal control over major programs:   |                   |                       |
| Material weakness(es) identified?   | ___ Yes           | ___x___ No            |
| Significant deficiency(s) identified  | ___ Yes           | ___x___ None Reported |
| Type of auditor's report issued on compliance for major programs:   | <u>Unmodified</u> |                       |
| Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State | ___ Yes           | ___x___ No            |

The following schedule reflects the major programs included in the audit:

| <u>State Grantor and Program</u>  | <u>State CORE-CT<br/>Number</u> | <u>Expenditures</u> |
|---|---------------------------------|---------------------|
| <u>Department of Transportation:</u>  |                                 |                     |
| Town aid road grants transportation fund  | 12052-DOT57131-43455            | \$ 121,449          |
| Town aid road grants transportation fund - STO  | 13033-DOT57131-43459            | 121,449             |
| Local Bridge Program Transportation Fund - Project<br>Number 9097-9001 Mountain Road over Norfolk Brook | 13033-DOT57000-43456            | 383,738             |

Dollar threshold used to distinguish between type A and type B programs: \$100,000

**II - FINANCIAL STATEMENTS FINDINGS**

No Matters were reported

**III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No Matters were reported



Independent Auditor's Report on Compliance For Each Major  
Federal Program; Report on Internal Control Over Compliance  
And Report on The Schedule Of Expenditures of  
Federal Awards Required By The Uniform Guidance

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Town of Norfolk, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Town of Norfolk, Connecticut's major federal programs for the year ended June 30, 2023. The Town of Norfolk, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Norfolk, Connecticut complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Norfolk, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Norfolk, Connecticut's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Norfolk, Connecticut's federal programs.



## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Norfolk, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Norfolk, Connecticut's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Norfolk, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Norfolk, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Norfolk, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Norfolk, Connecticut as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Norfolk, Connecticut and have issued our report thereon dated March 29, 2024 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Sinnamon & Associates, LLC  
Certified Public Accountants

March 29, 2024  
Canaan, Connecticut

TOWN OF NORFOLK  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

| <u>Federal Grantor Pass Through Grantor/ Program or Cluster Title</u>   | <u>Federal AL<br/>Number</u> | <u>Pass-Through Entity<br/>Identifying Number</u> | <u>Amounts Paid to<br/>Subrecipients</u> | <u>Total Federal<br/>Expenditures</u> |
|---|------------------------------|---|--|---------------------------------------|
| <u>United States Department of Housing</u>  |                              |   |  |                                       |
| Passed through the Connecticut Department of Housing<br>Small Cities Community Development Block Grant Program -<br>Haystack Woods Project Contract #SC2009801E | 14.225                       | 51005-DOH0000-55070                               | -  | \$ 1,640,533                          |
| <u>Total United States Department of Housing</u>  |                              |   | \$ -                                     | <u>1,640,533</u>                      |
| <u>United States Department of Transportation</u>   |                              |   |  |                                       |
| Passed through the Connecticut Department of Transportation<br>Highway Planning and Construction  | 20.210                       | 12062-DOT57191-22108                              | -  | 958,929                               |
| <u>Total United States Department of Treasury</u>   |                              |   | -  | <u>958,929</u>                        |
| <u>United States Department of Treasury</u>   |                              |   |  |                                       |
| Passed through the Connecticut Office of Policy and Management:<br>COVID-19 ARPA Local Fiscal Recovery EXP  | 21.030                       | 12060-OPM12060-29669                              | -  | 355,853                               |
| <u>Total United States Department of Treasury</u>   |                              |   | -  | <u>355,853</u>                        |
| <u>United States Department of Education</u>  |                              |   |  |                                       |
| Passed through the Connecticut Department of Education<br>Title II - Improving Teacher Quality Grants   | 84.370                       | 12060-SDE64370-20858                              | -  | 2,087                                 |
| Direct<br>Rural Education Achievement Program   | 84.360                       | N/A   | -  | 9,313                                 |
| <u>Total United States Department of Education</u>  |                              |   | -  | <u>11,400</u>                         |
| <u>United States Election Assistance Commission</u>   |                              |   |  |                                       |
| Passed through the State of Connecticut Secretary of State<br>Help America Vote Act   | 90.400                       | 12060-SOS12500-21465                              | -  | 1,000                                 |
| <u>Total United States Department of Treasury</u>   |                              |   | -  | <u>1,000</u>                          |
| <u>Total Expenditures of Federal Awards</u>   |                              |   | <u>\$ -</u>                              | <u>\$ 2,967,715</u>                   |

See Notes to the Schedule of Expenditures of Federal Awards

TOWN OF NORFOLK, CONNECTICUT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Norfolk, Connecticut under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance)

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Contingencies

The Town receives funds under various Federal grant programs and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of a non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results if adjustments, if any, relating to such audits would have any material financial impact.

Indirect Costs

The Town has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

TOWN OF NORFOLK  
Schedule Of Federal Findings And Questioned Costs  
For the Year Ended June 30, 2023

**I. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

|   |         |  |                 |
|---|---------|--|-----------------|
| Material weakness(es) identified?       | ___ Yes |  | x No            |
| Significant deficiency(ies) identified? | ___ Yes |  | x None Reported |

Noncompliance material to financial statements noted? \_\_\_ Yes x No

Federal Awards

Internal control over major programs:

|   |         |  |                 |
|---|---------|--|-----------------|
| Material weakness(es) identified?       | ___ Yes |  | x No            |
| Significant deficiency(ies) identified? | ___ Yes |  | x None Reported |

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance? \_\_\_ Yes x No

Identification of major programs:

| Assistance Listing Number | Federal Expenditures | Name of Federal Program or Cluster                                |
|---------------------------|----------------------|---|
| 14.22                     | 1,640,533            | Block Grant Program - Haystack Woods Project Contract #SC2009801E |
| 20.21                     | 958,929              | Highway Planning and Construction                                 |
| 21.03                     | 355,853              | Recovery EXP  |

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? \_\_\_ Yes x No

**II - FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

**III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS**

No audit findings were reported in the prior year