

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 8, 2026

NEW MONEY ISSUE: Book-Entry-Only

RATINGS: S&P Global Ratings: "AA / SP-1+"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the City with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds and the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes. (See "Tax Matters" herein.)



City of Norwich, Connecticut
\$23,000,000
General Obligation Bonds, Issue of 2026

Dated: Date of Delivery

**Due: Serially, August 1, 2029 – 2056
as detailed on the inside cover page.**

The \$23,000,000 General Obligation Bonds, Issue of 2026 (the "Bonds") will be general obligations of the City of Norwich, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)

Interest on the Bonds will be payable on August 1, 2027 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the City to The Depository Trust Company ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

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

Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (Eastern Time) on Tuesday, September 15, 2026, as described in the Notice of Sale. (See Appendix D-1 attached hereto).

\$25,000,000
General Obligation Bond Anticipation Notes

Dated: September 30, 2026

Due: September 29, 2027

The \$25,000,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and the interest on the Notes when due. (See "Security and Remedies" herein.) Interest on the Notes will be payable at maturity.

The Notes will be issued in book-entry-only form and will be registered in the name of Cede & Co., as note owner and nominee for DTC. Ownership of the Notes may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.) The Notes are not subject to redemption prior to maturity.

Electronic bids via PARITY for the Notes will be received until 11:00 A.M. (Eastern Time) on Tuesday, September 15, 2026, as described in the Notice of Sale. (See Appendix D-2 attached hereto).

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

The Bonds and Notes are offered for delivery when, as and if issued, subject to the approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and Notes in book-entry-only form will be made to DTC on or about September 30, 2026.

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

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

City of Norwich, Connecticut
\$23,000,000
General Obligation Bonds, Issue of 2026

Dated: Date of Delivery

Due: Serially, August 1, 2029 – 2056
as detailed below:

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2029	600,000	_. _ %	_. _ %	669402__	2043	900,000	_. _ %	_. _ %	669402__
2030	600,000	_. _ %	_. _ %	669402__	2044	900,000	_. _ %	_. _ %	669402__
2031	600,000	_. _ %	_. _ %	669402__	2045	900,000	_. _ %	_. _ %	669402__
2032	600,000	_. _ %	_. _ %	669402__	2046	900,000	_. _ %	_. _ %	669402__
2033	700,000	_. _ %	_. _ %	669402__	2047	900,000	_. _ %	_. _ %	669402__
2034	700,000	_. _ %	_. _ %	669402__	2048	900,000	_. _ %	_. _ %	669402__
2035	700,000	_. _ %	_. _ %	669402__	2049	900,000	_. _ %	_. _ %	669402__
2036	700,000	_. _ %	_. _ %	669402__	2050	900,000	_. _ %	_. _ %	669402__
2037	800,000	_. _ %	_. _ %	669402__	2051	900,000	_. _ %	_. _ %	669402__
2038	800,000	_. _ %	_. _ %	669402__	2052	900,000	_. _ %	_. _ %	669402__
2039	900,000	_. _ %	_. _ %	669402__	2053	900,000	_. _ %	_. _ %	669402__
2040	900,000	_. _ %	_. _ %	669402__	2054	900,000	_. _ %	_. _ %	669402__
2041	900,000	_. _ %	_. _ %	669402__	2055	900,000	_. _ %	_. _ %	669402__
2042	900,000	_. _ %	_. _ %	669402__	2056	900,000	_. _ %	_. _ %	669402__

\$25,000,000
General Obligation Bond Anticipation Notes

Dated: September 30, 2026

Rate: . _ %

Due: September 29, 2027

Yield: . _ %

CUSIP: 669402__

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

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations not contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness.

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

The Bonds and the Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds and the Notes have not been registered or qualified under the securities laws of any state. The Bonds and the Notes have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

The independent auditors for the City are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Other than as to matters expressly set forth herein as its opinions in Appendices B-1 and B-2, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

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

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Bond Issue Summary

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

Date of Sale:	Tuesday, September 15, 2026 at 11:30 A.M. (Eastern Time).
Location of Sale:	Via Parity® only. (See “Appendix D-1 – Notice of Sale – The Bonds” to this Official Statement)
Issuer:	City of Norwich, Connecticut (the “City”).
Issue:	\$23,000,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
Dated Date:	Date of delivery.
Interest Due:	Interest due August 1, 2027 and semiannually thereafter on February 1 and August 1 in each year until maturity, or earlier redemption.
Principal Due:	Principal due serially August 1, 2029 through August 1, 2056 as detailed in this official statement.
Authorization and Purpose:	The Bonds are being issued to permanently finance a general purpose and school project authorized by certain bond ordinances adopted by the City, and by the voters at referenda. See “Authorization and Purpose” and “Use of Proceeds” herein.
Redemption:	The Bonds are subject to redemption prior to maturity as herein provided. See “Optional Redemption” herein.
Security and Remedies:	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal and interest on the Bonds when due.
Credit Rating:	The City received a rating of “AA” from S&P Global Ratings (“S&P”) on the Bonds.
Bond Insurance:	The City does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided: (i) annual financial information and operating data, (ii) notices of the occurrence of certain events within ten (10) business days of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure of the City to provide the required annual financial information when due pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 30, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning the City, or this Official Statement, should be addressed to Mr. Joshua A. Pothier, Comptroller, City of Norwich, 100 Broadway, Norwich, Connecticut 06360. Telephone (860) 823-3720.

Note Issue Summary

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

Date of Sale:	Tuesday, September 15, 2026 at 11:00 A.M. (Eastern Time).
Location of Sale:	Via Parity® only. (See “Appendix D-2 – Notice of Sale – The Notes” to this Official Statement)
Issuer:	City of Norwich, Connecticut (the “City”).
Issue:	\$25,000,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	Date of delivery.
Principal Due:	At maturity: September 29, 2027.
Interest Due:	At maturity: September 29, 2027.
Authorization and Purpose:	The Notes are being issued to temporarily finance the School Building Program (2022) project authorized by a bond ordinance adopted by the City, and by the voters at referenda. See “Authorization and Purpose” and “Use of Proceeds” herein.
Redemption:	The Notes are <u>NOT</u> subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The City received a rating of “SP-1+” from S&P Global Ratings (“S&P”) on the Notes.
Note Insurance:	The City does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Notes <u>shall NOT</u> be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, notices of certain events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about September 30, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning the City, or this Official Statement, should be addressed to Mr. Joshua A. Pothier, Comptroller, City of Norwich, 100 Broadway, Norwich, Connecticut 06360. Telephone (860) 823-3720.

I. Bond and Note Information

Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Norwich, Connecticut (the “City”), in connection with the original issuance and sale of the City’s \$23,000,000 General Obligation Bonds, Issue of 2026 (the “Bonds”) and \$25,000,000 General Obligation Bond Anticipation Notes (the “Notes”).

The Bonds and the Notes are offered for sale at public bidding. Notices of Sale dated September 8, 2026 have been furnished to prospective bidders. Reference is made to the Notices of Sale, attached hereto as Appendices D-1 and D-2, for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds and the Notes. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and the Notes and such proceedings.

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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and timely notice of the occurrence of certain events with respect to the Bonds and the Notes pursuant to a Continuing Disclosure Agreement to be executed substantially in the forms set forth in Appendices C-1 and C-2 to this Official Statement.

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

Climate Change

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

To address climate risks, the City maintains a Hazard Mitigation and Climate Adaptation Plan (the “Plan”) that was developed in coordination with the Southeastern Connecticut Council of Governments and was updated as recently as 2023. The Plan identifies specific hazard concerns of the City including flooding, dam breach/failure, wind (hurricane, tornado, or severe wind event), winter weather, extreme temperatures, sea level rise, drought and wildfire, and earthquakes (the “Hazards”). The Plan includes: (i) an assessment of the risks related to each of the Hazards; (ii) a prioritization of mitigation strategies based on a set of criteria applied to each proposed strategy; and (iii) an action plan through 2028 that includes goals and objectives for each action item noted.

Amongst all the Hazards, flooding and severe weather events require the most significant hazard planning considerations for the City. The City has a variety of natural hazard mitigation capabilities, including local plans, regulations and ordinances, operational protocols and emergency response capabilities that contribute to resilience.

The City's Plan includes specific mitigation action items related to flooding, including: (i) enhancing the City's land use regulations designed to protect natural resources and restrict development in flood zones and other hazard-prone areas; (ii) make drainage and culvert improvements; (iii) reduce impervious surfaces for better absorption; (iv) conduct outreach to property owners in repetitive loss areas with recommendations on how to mitigate future flood damage;; and (v) studying and designing replacement of infrastructure in flood-prone areas. The City is in the process of executing various action items set forth in the Plan. It has applied for funding for some of the action items, which applications are pending. Many of the action items will be completed over the course of multiple years and will require the completion of other action items and the City's ongoing attention.

Cybersecurity

The City, like many public and private entities, relies heavily on technology to support its operations. As such, the City and its departments are subject to cyber threats, including hacking, malware, phishing, and other malicious attacks targeting computer networks and digital systems.

Recognizing the increasing complexity of the cyber threat landscape, the City has implemented advanced software solutions for threat detection, endpoint protection, and continuous monitoring of files and servers. In addition, the City has strengthened employee cybersecurity awareness through training programs, deployed 24/7 managed threat protection services, and invested in modern backup and recovery technologies featuring immutability safeguards.

The City also maintains cybersecurity insurance coverage through Tokio Marine, providing \$1,000,000 in limits for both first-party expenses and third-party liability claims. While these measures significantly enhance protection, no assurance can be given that they will fully prevent or mitigate all cyber incidents. A successful attack could disrupt operations, compromise systems, or result in substantial costs to restore affected services and data. There have not been any recent interruptions to the City's network resulting from cyber attacks.

Municipal Advisor

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the City in connection with the issuance of the Bonds (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Bonds

The Bonds will be dated the date of delivery, and will mature on August 1 in each of the years as set forth on the inside cover page of this Official Statement. Interest will be payable on August 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity, or earlier redemption, as set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check, mailed to the registered owner at the address as shown on the registration books of the City kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the City shall agree.

Optional Redemption

The Bonds maturing on or before August 1, 2034 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2035 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after August 1, 2034 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Prices</i>
August 1, 2034 and thereafter	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

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

Description of the Notes

The Notes will be dated September 30, 2026 and will be due and payable as to both principal and interest at maturity, September 29, 2027. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Transfer System". The Notes are not subject to redemption prior to maturity.

Authorization and Purpose

The Bonds and the Notes are authorized and are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City, certain bond ordinances adopted by the City Council, and by the voters at referenda.

Use of Proceeds

The proceeds of the Bonds and the Notes are anticipated to be used for the projects set forth below:

Project	Total	This Issue:	
	Amount of	The Notes:	
	Authorization	Due: 9/29/27	The Bonds
Infrastructure Improvement Program (2023)....	\$ 6,000,000	\$ -	\$ 1,000,000
School Building Program (2022).....	385,000,000	25,000,000	22,000,000
Totals.....	\$ 391,000,000	\$ 25,000,000	\$ 23,000,000

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds and Notes (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC.

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

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

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

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC Practices

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

Replacement Bonds or Notes

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

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Security and Remedies

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

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues of the City. The City has the power under Connecticut statutes to levy ad valorem taxes on all property subject to taxation by the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and to provisions of other statutes, if any, heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

Under the Federal Bankruptcy Code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds and the Notes.

***THE CITY OF NORWICH HAS NEVER DEFAULTED IN THE PAYMENT
OF PRINCIPAL OR INTEREST ON ITS BONDS***

Availability of Continuing Disclosure Information

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management. The City provides, and will continue to provide, to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ("EMMA") ongoing disclosure in the form of the Annual Comprehensive Financial Report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, in connection with the issuance of the Bonds, the City will agree to provide or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of certain events with respect to the Bonds, but not in excess of ten (10) business days after the occurrence of the event, and (iii) timely notice of a failure of the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C-1 to this Official Statement. With respect to the Notes, the City will agree to provide notice of the occurrence of certain events pursuant to the Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C-2.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). The City has not materially failed to meet any of its undertakings under such agreements during the past 5 years.

Ratings

The City received a Bond rating of "AA" and Note rating of "SP-1+" from S&P Global Ratings ("S&P" or "Rating Agency"). The City furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. Such rating reflect only the views of the Rating Agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. The Rating Agency should be contacted directly for its rating on the Bonds and the Notes and the explanation of such rating.

The City expects to furnish to the Rating Agency information and materials that they may request. However, the City may issue short-term or other debt for which a rating is not required. The City's Municipal Advisor, Phoenix Advisors, recommends that all bonded debt be submitted for a credit rating.

Bond and Note Insurance

The City does not expect to purchase a credit enhancement facility for the Bonds and the Notes.

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Tax Matters

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds and the Notes is excludable from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds and the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the City with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds and the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and the Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory and Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds and the Notes, the City will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond/Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds and the Notes is conditioned upon compliance by the City with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds and the Notes.

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

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

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds and the Notes may be more than their stated principal amounts payable at maturity (the "OIP Bonds/Notes"). In general, an owner who purchases an OIP Bond/Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bond/Note for federal income tax purposes. Prospective purchasers of OIP Bonds/Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds and the Notes should be aware that ownership of the Bonds and the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds and the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds and the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Accrued original issue discount on an OID Bond is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds and the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds and the Notes.

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds and the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds and the Notes will not have an adverse effect on the tax status of interest on the Bonds and the Notes or the market value or marketability of the Bonds and the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds and the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds and the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds and the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and the Notes may be adversely affected and the ability of holders to sell their Bonds and the Notes in the secondary market may be reduced. The Bonds and the Notes are not subject to special mandatory redemption, and the interest rates on the Bonds and the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and the Notes.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds and the Notes. Prospective owners of the Bonds and the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds and the Notes.

Legal Opinion

The legal opinions for the Bonds and the Notes will be rendered by Pullman & Comley, LLC in substantially the forms set forth in Appendices B-1 and B-2 to this Official Statement.

II. The Issuer



Form of Government

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

In addition to all powers granted to towns and cities under the Constitution of the State and the Connecticut General Statutes, the City Council also has specific powers to be executed through the enactment and enforcement of ordinances and bylaws which protect or promote the peace, safety, good government and welfare of the City and its inhabitants. The Council also has the power to provide for the organization, conduct, and operation of the departments, agencies and offices of the City; for the number, titles qualifications, powers, duties and compensation of all officers and employees of the City; and for making of rules and regulations necessary for the control, management and operation of all public buildings, grounds, parks, cemeteries or other property of the City.

Principal Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection / Term</i>	<i>Length of Current Service</i>	<i>Total Tenure with City</i>
<i>City Council:</i>				
Mayor	Swaranjit Singh Bhatia	Elected – 4 years	1 year	5 years
President Pro Tempore	Joseph A. DeLucia	Elected – 2 years	10 years	10 years
Council Member	Sheila Hayes	Elected – 2 years	3 years	3 years
Council Member	Zato Kadambaya	Elected – 2 years	1 year	1 year
Council Member	Bill Nash	Elected – 2 years	4 years	4 years
Council Member	Peter A. Nystrom	Elected – 2 years	1 year	22 years
Council Member	Jill Zuccardy	Elected – 2 years	1 year	1 year
City Manager	John Salomone	Appointed – Indefinite	11 years	11 years
Comptroller	Joshua A. Pothier	Appointed – Indefinite	13 years	24 years
Deputy Comptroller	Orla McKiernan	Appointed – Indefinite	4 years	4 years
Treasurer	Robert Buckley	Elected – 2 years	3 years	3 years
Collector of Taxes & Revenues	Karlene Deal	Appointed – Indefinite	11 years	11 years
Assessor	William Lee	Appointed – Indefinite	6 years	12 years
City Clerk	Roseanne Muscarella	Appointed – Indefinite	4 years	25 years
Corporation Counsel	Aimee Siefert	Appointed – Indefinite	1 year	1 year
Superintendent of Schools	Susan Lessard	Appointed – Indefinite	4 years	9 years
<i>Board of Education</i>				
Chair	John Iovino	Elected – 2 years	3 years	3 years
Board Member	Christine DiStasio	Elected – 2 years	8 years	8 years
Board Member	Heather Fowler	Elected – 2 years	4 years	4 years
Board Member	Mark Kulos	Elected – 2 years	9 years	9 years
Board Member	Christina Milton	Elected – 2 years	3 years	3 years
Board Member	Ella Myles	Elected – 2 years	3 years	3 years
Board Member	Gregory Perry	Elected – 2 years	4 years	4 years
Board Member	Kevin Saythany	Elected – 2 years	8 years	8 years
Board Member	Dennis Slopak	Elected – 2 years	1 year	1 year

Geography

The City covers an area of 27.1 square miles located 40 miles southeast of Hartford, surrounded by Montville, Preston, Lisbon, Sprague, Franklin, and Bozrah. The City is about three hours from New York City by rail or highway transportation. Providence, Rhode Island is approximately an hour from the City, and Boston is approximately two hours away. The City is served by interstate, intrastate, and local bus lines. The City is served by Interstate 395 from north to south connecting the City with I-95 and I-90 to Boston and New York. Route 2 links the City with Hartford and I-91. State Route 82 connects downtown Norwich with I-395. Rail transportation and freight service is available to major points, including New York, Boston, Providence, and Montreal. Air service is available at Groton-New London Airport to the south, Green Airport (Providence) to the east, and Bradley Airport to the north. Norwich Harbor provides a 600-foot turning basin connecting with the Thames River and Long Island Sound.

Community Profile

History

The City was founded in 1659 by settlers from Old Saybrook led by Major John Mason and Reverend James Fitch. They purchased the land that would become Norwich from the local Native American Mohegan Tribe. In 1668, a wharf was established at Yantic Cove. Settlement was primarily in the three-mile area around the Norwichtown Green. The 69 founding families soon divided up the land in the Norwichtown vicinity for farms and businesses. By 1694 the public landing built at the head of the Thames River allowed ships to offload goods at the harbor. The distance between the port and Norwichtown was serviced by the East and West Roads, which later became Washington Street and Broadway.

The City merchants were shipping goods directly from England, but the Stamp Act of 1764, forced the City to become more self-sufficient. Soon large mills and factories sprang up along the three rivers which traverse the town, the Yantic, Shetucket, and Thames Rivers. During the American Revolution, the City supported the cause for independence by supplying soldiers, ships, and munitions. One of the most infamous figures of the Revolution, Benedict Arnold, was born in the City. Other Colonial-era noteworthies include Samuel Huntington, Christopher Leffingwell, and Daniel Lathrop.

Regular steamship service between New York and Boston helped the City to prosper as a shipping center through the early part of the 19th century. During the Civil War, the City once again rallied around the cause of freedom and saw the growth of its textile, armaments, and specialty item manufacturing. This was also spurred by the building of the Norwich-Worcester Railroad in 1832, bringing goods and people both in and out of the City.

The City served as a leadership center for Connecticut during the Civil War as Governor William Buckingham was from Norwich and used his home as a de facto office during the war years. Also, State Senator Lafayette Foster later became Acting Vice President after President Abraham Lincoln was assassinated. During this period, Frances M. Caulkins composed her histories of both Norwich and New London.

Through the end of the 19th century and into the early 20th century, the City served as home to many large mills. The population grew and became more diverse with an insurgence of different ethnic groups. These new residents helped to build the City's schools, churches, and social centers.

Today, the City is a thriving city with a stable population, wide range of municipal services, a modern industrial park, its own utility company, and a positive outlook for residential and business growth.

Education

The City school system includes seven elementary schools, two middle schools, and a transition academy for special education students aged 18-22. Four of the seven elementary schools include a total of fifteen preschool classes. Both middle schools are Magnet schools. In addition, the City has three parochial schools, two Montessori schools, a charter school, and a regional adult education program. Norwich Free Academy is a privately-endowed high school and serves as one of the City's designated high schools. Also located in the City are a state regional technical high school, a middle college, and a community college.

Healthcare

Various health facilities, including the 213-bed William H. Backus Hospital (Backus), are located in the City. Backus, which is affiliated with Hartford Healthcare, also has an Outpatient Care Center on Salem Turnpike and the Family Health Center in Norwichtown Commons.

Industry

The City is also home to a modern industrial park operated by the Norwich Community Development Corporation, a private non-profit organization. The industrial park is conveniently located close to Route 2, I-395, and other major highways. The park offers commercial and industrial sites on more than 400 wooded acres currently employing over 2,000 people.

Recreation, Entertainment & Culture

The City has the 350-acre Mohegan Park in the heart of the City. Facilities at Mohegan Park include a beach, hiking trails, rose gardens, picnic areas, and two children's playgrounds. The City has several other parks, playgrounds, and recreation fields, as well as several fishing locations. The City also offers an eighteen-hole public golf course and a public ice skating rink.

The City has a number of historical and cultural attractions, including: Dodd Stadium - home of the Norwich Sea Unicorns baseball team, the Leffingwell House Museum, the Chestnut Street Playhouse, the Norwich Arts Council/ Donald Oat Theater, and the Slater Memorial Museum at Norwich Free Academy.

Municipal Services

Police

Police protection is provided to the City by a full-service, municipal police agency with 106 employees. The department is responsible for patrolling 223 miles of roads in nearly a 30 square mile area and operating a combined 911 communications center for dispatching police, fire, and EMS services. The department is particularly proud of its community policing efforts, which actively includes the public in solving crime and quality of life problems. The department presently administers several federal and state grants. These grants provide funding to enhance police operations in the areas of drug education and enforcement, safe neighborhood patrols, DUI and traffic enforcement, and technological improvements.

Fire

Fire protection in the City Consolidation District (CCD) is provided by a 60-employee full-time fire department. The outlying areas of the City are not part of the CCD and are protected by five volunteer fire companies.

Utilities

The City owns and operates natural gas, electric, water, and wastewater systems through its Norwich Department of Public Utilities (NPU), which was established in 1904. NPU is governed by Chapter 12 of the City Charter that establishes a five-member Board of Public Utilities' Commissioners who are appointed by the City Council. The General Manager, who is appointed by the Commissioners, is responsible for NPU's management and operations. NPU has 157 employees and serves approximately 21,000 electric customers, 9,600 gas customers, 11,000 water customers, and 7,700 wastewater customers. NPU supports general City activities by contributing 10% of its gross revenues (excluding sewer revenues) to the City. Contributions in fiscal year 2027 are expected to be \$9.46 million, the equivalent of 4.4 mills of taxes. NPU's budget is approved by the Commissioners and is then presented to the City Council for adoption.

Water Division

NPU is in the midst of a multi-year effort to invest more than \$13 million across its water system to modernize its infrastructure, including tank improvement projects as well as plant and distribution system improvements to ensure high-quality water continues to be provided to customers every day.

Electric Infrastructure

NPU is among 118 of the nation's more than 2,000 public power utilities that have earned the Reliable Public Power Provider designation from the American Public Power Association (APPA) for providing reliable and safe electrical service. The designation, which is for three years, was most recently awarded to NPU in 2024. This significant achievement recognizes public power utilities that demonstrate proficiency in four disciplines: reliability, safety, workforce development, and system improvements.

NPU has secured approximately \$800,000 from the State of Connecticut for a study to evaluate options for either relocating or strengthening the Bean Hill Substation to prevent the flooding of the facility in the future. NPU's preliminary design for the new substation is complete and has been submitted to the CT Siting Council.

NPU was proud to be the first utility in Connecticut to offer a low-income discount rate for its electric customers. Qualified customers are provided with a 10% discount on their electric portion of their bills each month. In its first two years, NPU's Community Assistance Rate (CAR) has saved more than 2,100 customers over \$680,000.

Wastewater

In November 2023, NPU broke ground on the large-scale upgrade of its wastewater treatment plant. The project, which has a budget of approximately \$200 million, will be the largest construction project in the history of Norwich, and bring critically important infrastructure upgrades to Norwich and the region. NPU has secured more than \$74 million in grant funding from the State of Connecticut for this project. Substantial progress was made in 2026, and the project is approximately 70% complete.

Working with Senators Blumenthal and Murphy, NPU secured \$1.6 million to support the re-lining of older sewer mains in the Greenville section of Norwich. The funding, a federal appropriation through the Environmental Protection Agency (EPA), will allow this critical work to continue and improve water quality in the Shetucket and Thames Rivers and well as Long Island Sound. This work is currently out to bid and NPU anticipates construction to get underway in 2026.

Natural Gas

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

Work funded by the first grant – installing more than 2.5 miles of new gas main - has been completed with additional service connection and paving work to be completed in the summer of 2026; work funded by the second grant will begin in 2027.

CMEEC and Member Power Sales Contracts

The City, through NPU, is a member of the Connecticut Municipal Electric Energy Cooperative (CMEEC), a public corporation organized under Connecticut Public Act 75-634, subsequently enacted as Title 7-233, Chapter 101a, of the Connecticut General Statutes, as amended (the "Statutes"). CMEEC is empowered to undertake the planning, financing, acquisition, construction, and operation of facilities for the generation and transmission of electric power and energy for its members and others. The Statutes permit any Connecticut municipality that has an electric utility department to become a CMEEC member. The City is one of seven municipalities that own an electric utility in Connecticut. The City of Norwich, City of Groton, Town of Bozrah, Borough of Jewett City, Second Taxing District of the City of Norwalk, Third Taxing District of the City of Norwalk, and Town of Wallingford are the only Connecticut communities which have municipally-owned electric utilities, all of which, except the Town of Wallingford, are members. CMEEC, on behalf of its members, acts as a single integrated participant to New England Power Pool ("NEPOOL") and the NEPOOL Agreement.

CMEEC has entered into a power supply contract with each of its Members, including the City ("MPSC"). The MPSCs are all-requirements contracts under which each member is obligated to purchase substantially all of its power requirements from CMEEC. Under terms of the MPSCs, each system has been allocated a certain percentage of CMEEC's fixed costs consisting primarily of debt service, on a take or pay basis. These costs are required to be paid annually whether or not the City takes any power under the contract. Pursuant to the MPSC, the City has covenanted to maintain electric rates, which, together with other sources of revenue, will provide sufficient revenues to meet its payment obligation to CMEEC.

All payments due to CMEEC under the MPSC that are agreed to constitute operating expenses of the electric operations and may not be subordinated to any other obligation of the City. In addition, the City has agreed not to execute or adopt any instrument securing or issuing bonds, notes, leases or other evidences of indebtedness which are payable from and secured by liens on the revenues derived from the ownership or operations of its electric system without providing for the payment of operating expenses (including payments to be made under the MPSC) from such revenues ahead of debt service on such bonds, notes, leases or other evidence of indebtedness.

The foregoing discussion of the MPSC is intended to be a summary of such contract and is qualified in its entirety by reference to the contracts themselves, which may be obtained from the City.

The Connecticut Transmission Municipal Electric Energy Cooperative

NPU is also a member of The Connecticut Transmission Municipal Electric Energy Cooperative ("TRANSCO"), a public body corporate and politic, created pursuant to the Statutes. The members of TRANSCO include the members of CMEEC (the "Members") and the Town of Wallingford. The purpose of TRANSCO is to obtain electric transmission services and facilities at advantageous pricing and terms for its Members and contractual participants. TRANSCO has entered in a "Transmission Financing and Services Agreement" (the "TFSA") with CMEEC, among other agreements between the two entities, whereby TRANSCO provides electric transmission services to CMEEC, which CMEEC then provides to its members and contractual participants. TRANSCO has entered into an agreement with Eversource to acquire certain electric transmission facilities located in the Town of Wallingford, Connecticut (the "Transmission Acquisition"). The participants in the Transmission Acquisition include the CMEEC Members and Bozrah (the "Transmission Participants"). The Transmission Acquisition has been permanently financed by debt issued by CMEEC and TRANSCO supported by the security provisions of agreements between the Transmission Participants and CMEEC that establish the arrangements for the receipt of transmission services from CMEEC (supplied to CMEEC by TRANSCO through the TFSA), the support of the permanent financing costs of the Transmission Acquisition, the satisfaction of the other security requirements of such permanent financing and the flowing of the benefits of participation in the Transmission Acquisition back to the Project's participants, including NPU. These agreements are referred to as the General Transmission Services Agreements ("GTSA's"). The terms of the GTSA's have security provisions similar to those of the MPSCs. The GTSA's are structured to authorize the acquisition of additional transmission facilities.

The foregoing discussion of the GTSA is intended to be a summary of such contract and is qualified in its entirety by reference to the contracts themselves, which may be obtained from the City.

Solid Waste

The City has entered into the Municipal Solid Waste Management Services Contract, as amended (the "Service Contract") with the Southeastern Connecticut Regional Resources Recovery Authority (the "SCRRRA", or the "Authority") pursuant to which it participates with ten other central Connecticut municipalities (the eleven constituting the "Contracting Municipalities"), in the Southeastern Connecticut System (the "System"). The System consists of a mass-burn solid waste disposal and electric generation facility operated by American REF-FUEL Company of Southeastern Connecticut (the "Company") and located in the Town of Preston (the "Facility") and various improvements and facilities related thereto, including landfills. Under the Service Contract, the City is required to deliver or cause to be delivered to the System solid waste generated within its boundaries and to pay a uniform per ton Disposal Service Payment (the "Service Payment") for such solid waste. The current fee is \$94.10 per ton paid by user fees and property taxes. The Service Payment applicable in any contract year is calculated by estimating the Net Cost of Operation, which is the Cost of Operation less Revenues other than Service Payments, as such items are defined in the Service Contract. The sum of all Service Payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the Net Cost of Operations. Service Payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the Facility. The City's obligation to pay the Service Payment, so long as the Authority is accepting the City's solid waste, is absolute and unconditional, is not subject to any set-off, counterclaim, recoupment, defense (other than payment itself) or other rights which the City may have against the SCRRRA or any person for any reason whatsoever, and shall not be affected by any defect in title, design, fitness for use, loss or destruction of the System. The City has pledged its full faith and credit to the payment of Service Payments and has also agreed to enforce or levy and collect all taxes, cost-sharing, or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments.

Economic Development Activity

The City pursues economic and physical stabilization and revitalization. The City has maintained the quality of services to its citizens while having the 12th lowest per capita tax burdens in the State at \$2,140 for fiscal year 2023.

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

The City's economic development activities are assisted by Norwich Community Development Corporation (NCDC), a private not-for-profit corporation established in 1964 to improve the economic well-being of the City. The Mayor works closely with NCDC as an independent non-profit that is neither directly nor indirectly controlled by the City or any other governmental entity, but by Norwich City Council resolution, is the economic development arm of the City. Many activities are underway which support these objectives and will move the community toward the City's primary economic development goals.

The City along with NCDC have been awarded a Bronze Certification by the Connecticut Economic Development Association (CEDAS) for effective and efficient land use planning and economic development policies and procedures and NCDC was recognized as the CEDAS Economic Development Agency of the Year for 2025. These acknowledgements point to the growth and change manifest in the business development and infrastructure rehabilitation currently occurring in the City. Significant revitalization of infrastructure and small business assistance has boosted our local economy which (according to data published by CT DOL on September 4, 2024) has experienced the greatest post-pandemic growth in the Connecticut Town Economic Indicator of any town or city in the state with a population of over 20,000.

Commercial/ Industrial Activity

Occum Industrial Center

NCDC acquired 384 acres in the Occum section of Norwich in December 2022 for \$3.55 million to be used as a second business park, just north of the existing Stanley Israelite Business Park. The current industrial park hovers at 90% occupied. NCDC was awarded \$11.9 million in State grants in March 2023 to help build out road and utility infrastructure to enable development of the park. Since that time, an approved subdivision has been filed with the City and marketing of parcels is underway, with five current active negotiations including a 1.1 million square foot Amazon distribution facility which is currently under review by the City's Inland Wetlands, Watercourses & Conservation Commission. Additionally, the road and utility work is on track to commence by the end of 2026. NCDC estimates that at full build-out Occum Industrial Park will attract \$300 million of private investment, more than 1,000 employment opportunities, and nearly \$7 million in net public benefit from personal property taxes, real estate taxes and utility revenues to the City.

Marina

Patten Marina Holdings acquired the lease for the downtown marina in October 2023. Since the acquisition, Patten has invested nearly \$300,000 into renovations in addition to over \$1,000,000 that the City was awarded in State and Federal funding for this public-private partnership. As a result, the marina has seen: (1) a reopened on-site restaurant (which has experienced over 40% revenue growth), (2) the demolition and removal of toxic blight from vacant structures, and (3) the reinstallation of an on-site fuel solution for boaters, missing for over a decade. As a result of this progress, in their first two years, marina slip occupancy is up 200%. Over the next three years, significant public-private investment will continue to enhance this strategic municipal asset increasing downtown visitation by local and regional tourists and boaters.

Crossings at 345

Mattern Construction was selected by RFP to be the developer/owner of the former YMCA building downtown. The City was awarded a \$2 million Connecticut Community Communities Challenge Grant to assist with the redevelopment of the YMCA property from the DECD in April of 2022. The City also received grant and loan assistance from the Capital Region Council of Governments and for brownfield remediation funding. The brownfield remediation was completed in September 2024 and Mattern anticipates completing the rehabilitation and construction of the space in 2026 with the relocation of Mattern's headquarters into the former YMCA building, as well as, the creation of eight residential units and five commercial spaces.

Ponemah – South Mill

OneKey LLC plans to expand the redevelopment of the Ponemah Mills by investing \$40 million in the South Mill to add 146 more apartment units onto the existing 313 units in the other Ponemah buildings. These are expected to be completed by the end of 2026.

Water Works

In June 2025, Spectra Construction and Development purchased 101 Water Street, a former downtown bank and office building. Development is underway to convert this 52,776 square foot building on the downtown waterfront into 58 apartments by the end of 2027 at an estimated cost of \$10 million. The Connecticut Municipal Development Authority selected this project as one of the first four projects in the State to fund in May 2026; supporting this project with \$3 million.

Former Hale Mill Property

In June 2018, a New York development firm purchased the 10-acre Hale Mill property in the Yantic section of Norwich for \$826,000. The new owner is a \$34 million destination-themed, Hilton Tapestry branded 151-room hotel operation with a restaurant, banquet space, and a pool in the 1864 former textile mill. The City Council approved a tax abatement ordinance and approved up to \$400,000 in ARPA funding towards the project. The developers began construction in August 2022 and expect to complete the project by the end of 2027.

Cannabis Cultivation and Retail

The City was identified as a Disproportionately Impacted Area. Norwich became home to a “clean-lab” build out, completed by Crisp Cannabis in October 2025. This confidence in Norwich allowed for first crop production to be ready for wholesale at the end of the year. NCDC is actively engaged with two additional cultivators. As for cannabis retail sales, Zen Leaf opened its retail operation in July 2023 and Rejoice Dispensary opened in May 2025. Retail operations are subject to a 3% municipal tax on gross receipts, resulting in approximately \$140,000 a year in revenue to the City.

201 Main Street

Heritage Properties, the owners of the Wauregan Hotel, purchased the former Reid & Hughes department store property and invested approximately \$5.5 million to convert it into 17 apartments and first-floor retail space. NCDC was awarded \$550,000 in brownfield remediation grant funds through the Connecticut Community Investment Fund 2030, and the City used \$300,000 of ARPA funds to assist with this project. Heritage Properties celebrated a ribbon-cutting in July 2025.

Norwich State Hospital

NCDC is working on a planning project for the 49.65 acre portion of the former Norwich State Hospital property to determine what would be the highest and best private use would be.

Regional Activity

Electric Boat

General Dynamics Electric Boat (EB) is the region's largest employer and the nation's largest manufacturer of submarines, servicing the U.S. Navy. EB has sourced contracts that will maintain their production facilities and personnel needs for decades. A component of this work involves a new class of submarine, the Columbia class, for which a new production facility is needed. General Dynamics Electric Boat currently has a workforce of more than 19,500 employees at its three primary locations in Groton and New London, Connecticut, and Quonset Point, Rhode Island and expects to hire 8,000 employees in 2026 to meet the demands of its contracts..

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

EB secured a \$77 billion deal to construct nine Virginia-class submarines and five Columbia-class submarines and to make \$5 billion in renovations to the Groton shipyard. The additional jobs created for this work will intensify demand for housing in the area.

Wind Turbine Assembly Facility

The 184-acre New London Pier is being used as a wind turbine assembly facility. The Connecticut Port Authority worked with terminal operator, Gateway Terminal, and Ørsted and Eversource to redevelop State Pier in New London into a state-of-the-art heavy-lift capable port facility which could bring approximately 400 offshore wind-related jobs to the area. The \$310 million project was completed in 2023. The downstream impact on Norwich is demand for new industrial space. Three offshore wind projects commissioned by Connecticut, New York and Rhode Island – a total of approximately 160 turbines, with an output of 1,760 MW (enough to power over 1 million homes) – are scheduled for assembly and delivery from New London. The first of these projects, the South Fork Wind, was fully operational in March 2024. The two larger projects, Revolution Wind and Sunrise Wind, are expected to be completed in 2027.

Housing Market

The City has 18,722 housing units, including single family homes, apartments, duplexes, condominiums, townhouses and mobile homes. Norwich is the largest municipality in Southeastern Connecticut and is located in New London County. According to the Eastern Connecticut Association of Realtors, during calendar year 2025, 331 single-family homes, 116 multi-family homes, 25 mobile homes and 84 condos sold in Norwich. The median sales price for a single-family home during this period was \$305,000.

As part of the City's investment to stabilize the housing stock, Norwich has committed federal and state resources towards neighborhood preservation. The Office of Community Development uses Federal Housing & Urban Development funds to rehabilitate approximately 24 units of housing each year. In 2025, \$240,000 was allocated to the CDBG Housing Rehabilitation Program; for 2026, the allocation decreased to \$200,000. However, these funds will be leveraged on a case-by-case basis with funds from the HUD Lead Based Hazard Control/Healthy Homes, mentioned below, to maximize the value of the improvements to the properties for both Homeowners and the City. These funds address health, safety and code issues impacting properties. In addition to addressing health and safety issues, rehabilitation aids in increasing property values (approximately 13% average increase in values).

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

State of Connecticut Projects

Route 82 Redesign

The State of Connecticut Department of Transportation (CTDOT) proposed a two-phase reconstruction of Route 82 in August 2015. This project was approved by the Norwich City Council which cleared the way for CTDOT to begin preliminary design work. Field surveying and preliminary engineering has been completed. As a result of input from a June 2022 informational meeting, the preliminary design is being reviewed to explore the possibility of fewer roundabouts. Construction may start by 2027. The preliminary design includes the replacement of several traffic signals with roundabouts and the installation of a median divider. The intent of these changes is to reduce accidents and improve the flow of traffic.

Major City Initiatives

Road Improvements

The voters of the City have passed several referendum items for infrastructure improvements. Most recently, the voters approved the \$6 million infrastructure bond referendum item on the November 2023 ballot. The Public Works department uses these bond funds, in addition to State Local Capital Improvement Funds, to resurface or reconstruct between two and five miles of road annually. In addition, in December of 2023 the City and the Town of Montville secured a \$2.9 million Local Transportation Capital Improvement Program (LOTICIP) grant for the reconstruction of the southern mile of New London Turnpike; which is expected to be completed by August 2027. The City also secured a \$4.0 million LOTICIP grant in April 2026 for road improvements and utilities relocation for a 1.5-mile section of Hunters Road; which is expected to be completed by November 2029.

Fontaine Field

The City was awarded \$4.9 million in CIF 2030 funds in March 2025 to reconstruct Fontaine Field including replacing the existing field with a synthetic turf option, adding spectator stands, enlarging the parking area, and improving accessibility from the Rose City Senior Center. This project is in the design phase and construction is anticipated to be completed by Fall 2027.

Capehart Mill Remediation

NCDC was awarded \$7.8 million in CIF 2030 funds in September 2024 and the City was awarded \$4 million in State brownfield funding for the remediation and demolition of the Capehart Mill in the Greeneville section of Norwich. The site is currently being surveyed and environmental sampling is ongoing to determine levels of contamination that will require remediation.

Waterfront Improvements

The City was awarded \$2.0 million in March 2024 and \$4.6 million in September 2024 in CIF 2030 funds to add public improvements to Howard T. Brown Park, improve and extend Heritage Walk from Brown Park to Yantic Falls, have an environmental site assessment performed at 46 Main Street, and plan for the redevelopment of Marina Towers.

Dodd Stadium

The City entered into a lease with Norwich Stadium Co., LLC (NSC) in May 2026 which starts in 2027. NSC will operate a Major League Soccer Next Pro team and sublease the stadium to the Sea Unicorns to continue the tradition of baseball at Dodd Stadium. This new lease with NSC will provide more funding to the City to maintain the stadium which was built in 1994. The City is also pursuing State funding for stadium improvements.

New London Turnpike Bridge Replacement

The Public Works Department has secured an \$800,000 Congressionally Directed Spending grant to provide the design for replacement of this bridge. Design began in the fall of 2025.

School Initiatives

Programs

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

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

NPS launched the Rose City School Program in FY2025. This therapeutic initiative will be staffed by experienced providers to support students with disabilities who face social-emotional and behavioral challenges. This year, we aim to establish two elementary classrooms, with plans to expand to a middle school program next year. Students will benefit from individualized learning, counseling, and inclusive opportunities. We are also accepting out-of-district referrals for this program.

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

Employee Relations and Collective Bargaining Municipal Employees

	2027	2026	2025	2024	2023
General Government.....	294.50	291.50	299.50	305.50	305.50
Board of Education.....	713.90	727.10	717.10	791.25	845.85
Public Utilities.....	165.00	165.00	157.00	152.00	151.00
Total.....	1,173.40	1,183.60	1,173.60	1,248.75	1,302.35

Source: Comptroller's Office, City of Norwich.

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Employee Bargaining Groups

	Positions Covered	Current Contract Expiration Date
General Government Unions		
United Public Service Employees Union, Local 38.....	10.00	6/30/2028
International Association of Fire Fighters, Local 892.....	57.00	6/30/2028
Norwich City Hall Employees Association, Inc., Connecticut Independent Labor Union (CILU), Local #11.....	60.00	6/30/2028
United Public Service Employees Union, Connecticut Organization for Public Safety Division - Police Officers.....	90.50	6/30/2028
United Public Service Employees Union, Connecticut Organization for Public Safety Division - Public Works.....	47.00	6/30/2028
Public Works Supervisors, American Federation of State, County & Municipal Employees (AFSCME), Local 818, Council 4.....	4.00	6/30/2028
Municipal Employees Union "Independent" (MEUI)-Supervisors.....	11.00	6/30/2029
Organized.....	279.50	
Non-Union.....	15.00	
Sub-Total.....	294.50	
Public Utilities		
Supervisory Employees Association , Inc. AFSCME Local 818, Council 4.....	57.00	6/30/2029
International Brotherhood of Electrical Workers Local 457, Norwich Unit.....	103.00	6/30/2029
United Steelworkers of America AFL-CIO-CLC Local No. 9411-02.....	4.00	6/30/2029
Organized.....	164.00	
Non-Union.....	1.00	
Sub-Total.....	165.00	
Board of Education		
Norwich School Administrators Association.....	23.00	6/30/2028
MEUI Local 506, SEIU, AFL-CIO - Custodians.....	34.00	6/30/2029
MEUI Local 506, SEIU, AFL-CIO - Paraeducators.....	160.00	6/30/2027
New England Health Care Employees Union District 1199, SEIU, AFL-CIO.....	14.00	
Administrative Assistants, AFSCME Local 1303-190, Council 4.....	23.00	6/30/2028
Norwich Teachers League.....	345.30	6/30/2029
Organized.....	599.30	
Non-Union.....	114.60	
Sub-Total.....	713.90	
Total.....	1,173.40	

Source: Finance Department, City of Norwich.

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

Educational System

School Facilities

School	Grades	Date of Construction	Number of Classrooms	10/1/2025 Enrollment	Rated Capacity
John B Stanton School.....	K-5	1956	25	372	440
John M Moriarty School.....	PreK-5	1975	33	428	620
Samuel Huntington School.....	PreK-5	1928	18	361	450
Thomas W Mahan School.....	PreK-5	1968	17	232	320
Uncas School.....	K-5	1975	18	227	340
Veterans' Memorial School.....	PreK-5	1968	17	267	320
Wequonnoc School.....	K-5	1962	17	190	340
Teachers' Memorial School.....	6-8	1975	30	397	760
Kelly Middle School.....	6-8	1962/2013	47	654	800
Norwich Transition Academy.....	Ages 18-21	1975	5	34	70
Total.....			227	3,162	4,460

Source: City of Norwich, Board of Education.

Norwich voters approved a \$385 million bond ordinance by referendum in November 2022. The project includes: 1) the consolidation of the school district's seven elementary schools into four new, larger schools on the sites of the former Greenville Elementary, Stanton Elementary, Moriarty Elementary, and Uncas Elementary schools; 2) replacing Teachers' Memorial Middle School; and 3) renovating Huntington Elementary as the new home for the City's adult education program and the Board of Education administrative offices. Students moved into the new Station Elementary School in August of 2026. The targeted project occupancy dates for Greenville, Moriarty and Uncas Elementary Schools is August of 2027 and for Teachers' Memorial School and the Huntington facility is August 2028.

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School Enrollment

Norwich Students Enrolled In-District

School Year	PreK-5	6-8	Transition Academy (Ages 18-21)	Total
<u>Historical</u>				
2020-21	2,248	1,075	22	3,345
2021-22	2,149	1,045	31	3,225
2022-23	2,259	1,011	26	3,296
2023-24	2,161	1,054	37	3,252
2024-25	2,135	1,052	35	3,222
2025-26	2,077	1,051	39	3,167

Note: Norwich Free Academy (NFA) is a privately-endowed high school located in the City and serves as one of the City's designated high schools.

Source: Norwich Public Schools.

Projected

	<u>Pre K-8</u>
2026-27	3,194
2027-28	3,193
2028-29	3,189
2029-30	3,169
2030-31	3,166
2031-32	3,150
2032-33	3,167
2033-34	3,237
2034-25	3,247

Source: Norwich Public Schools.

Norwich Students Enrolled Out-of-District

School Year	PreK-8	Norwich Free Academy	Other High Schools	Total
<u>Historical</u>				
2020-21	545	1,452	424	2,421
2021-22	541	1,430	438	2,409
2022-23	504	1,418	470	2,392
2023-24	504	1,432	477	2,413
2024-25	522	1,463	476	2,461
2025-26	506	1,533	434	2,473

Note: In many cases, Norwich Public Schools (NPS) pays ancillary costs for students who attend out of district such as occupational therapy, transportation, nurses, psychologists, etc.

Source: Norwich Public Schools.

III. Economic and Demographic Information Population and Density

Year	Actual Population¹	% Increase	Density²
2024 ³	39,973	-0.4%	1,475
2020	40,125	-0.9%	1,481
2010	40,493	12.1%	1,494
2000	36,117	-3.4%	1,333
1990	37,391	-1.8%	1,380
1980	38,074	-7.9%	1,405
1970	41,333	--	1,525

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 27.1 square miles.

³ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2020-2024.

Age Distribution of the Population

Age	City of Norwich		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	2,129	5.3%	181,691	5.0%
5 to 9 years	1,622	4.1	195,164	5.4
10 to 14 years	2,720	6.8	214,972	5.9
15 to 19 years	3,076	7.7	239,710	6.6
20 to 24 years	2,752	6.9	238,387	6.6
25 to 34 years	5,902	14.8	454,892	12.6
35 to 44 years	5,537	13.9	460,916	12.7
45 to 54 years	4,485	11.2	453,917	12.5
55 to 59 years	2,345	5.9	256,068	7.1
60 to 64 years	2,631	6.6	258,234	7.1
65 to 74 years	4,389	11.0	386,232	10.7
75 to 84 years	1,665	4.2	196,373	5.4
85 years and over	720	1.8	87,952	2.4
Total.....	39,973	100.0%	3,624,508	100.0%
Median Age (Years).....	38.5		41.1	

Source: American Community Survey, 2020-2024.

Income Distribution

Income	City of Norwich		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	440	4.7%	24,004	2.6%
\$10,000 to \$14,999.....	306	3.2	12,584	1.4
\$15,000 to \$24,999.....	605	6.4	27,285	3.0
\$25,000 to \$34,999.....	473	5.0	33,429	3.6
\$35,000 to \$49,999.....	855	9.1	59,826	6.5
\$50,000 to \$74,999.....	1,675	17.7	106,611	11.6
\$75,000 to \$99,999.....	1,292	13.7	106,893	11.6
\$100,000 to \$149,999.....	2,037	21.6	182,785	19.8
\$150,000 to \$199,999.....	867	9.2	131,310	14.3
\$200,000 or more.....	893	9.5	236,661	25.7
Total.....	9,443	100.0%	921,388	100.0%

Source: American Community Survey, 2020-2024.

Income Levels

	City of Norwich	State of Connecticut
Per Capita Income, 2024.....	\$ 37,378	\$ 55,915
Median Family Income, 2024.....	\$ 83,375	\$ 122,706
Median Household Income, 2024.....	\$ 65,024	\$ 95,781

Source: American Community Survey, 2020-2024.

Educational Attainment Persons 25 Years and Older

	City of Norwich		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	1,537	5.6%	101,458	4.0%
9th to 12th grade.....	1,930	7.0	114,887	4.5
High School graduate.....	9,721	35.1	647,192	25.3
Some college, no degree.....	5,781	20.9	410,903	16.1
Associate's degree	2,300	8.3	195,081	7.6
Bachelor's degree.....	3,634	13.1	595,631	23.3
Graduate or professional degree.....	2,771	10.0	489,432	19.2
Total.....	27,674	100.0%	2,554,584	100.0%
Total high school graduate or higher (%)...	87.5%		91.5%	
Total bachelor's degree or higher (%).....	23.1%		42.5%	

Source: American Community Survey, 2020-2024.

Employment by Industry

	City of Norwich		State of Connecticut	
Sector	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting & mining ..	91	0.5%	7,132	0.4%
Construction	1,239	6.5	113,006	6.1
Manufacturing	2,493	13.0	198,526	10.7
Wholesale trade	95	0.5	35,592	1.9
Retail trade	1,924	10.0	192,698	10.4
Transportation and warehousing, and utilities	1,110	5.8	87,076	4.7
Information	210	1.1	37,488	2.0
Finance, insurance, real estate, rental & leasing ..	477	2.5	161,226	8.7
Professional, scientific, management, administrative, and waste mgmt services	1,692	8.8	228,229	12.3
Education, health and social services	4,299	22.4	496,559	26.8
Arts, entertainment, recreation, accommodation and food services	4,229	22.0	143,851	7.8
Other services (except public administration)	812	4.2	80,617	4.4
Public Administration	529	2.8	67,864	3.7
Total Labor Force, Employed	19,200	100.0%	1,849,864	100.0%

Source: American Community Survey, 2020-2024.

**Employment Data
By Place of Residence**

Period	Percentage Unemployed				
	City of Norwich		Norwich -		
	Employed	Unemployed	City of Norwich	New London Labor Market	State of Connecticut
August 2026	18,507	998	5.1	4.7	4.9
Annual Average					
2025	19,426	877	4.3	3.8	3.9
2024	18,846	795	4.1	3.5	3.5
2023	18,744	832	4.3	3.6	3.7
2022	18,297	968	5.0	4.4	4.1
2021	16,920	1,751	9.4	7.2	6.6
2020	17,782	2,573	6.3	9.2	7.3
2019	19,513	826	4.1	3.6	3.7
2018	19,415	913	4.5	4.0	4.1
2017	19,039	1,288	6.3	5.4	5.3
2016	18,889	1,472	7.2	5.9	5.6

Note: Not seasonally adjusted.

Source: State of Connecticut, Department of Labor.

Major Employers

Name	Business	Number of Employees
William W. Backus Hospital.....	Medical Center	1,400
City of Norwich (incl. NPU & BOE).....	Municipality	1,173
State of Connecticut.....	All State Agencies	919
United Community & Family Services.....	Healthcare & Community Services	383
Norwich Free Academy.....	Quasi-Private High School	302
U.S. Food Service.....	Food Distribution	250
Nordson EFD.....	Plastics Products Manufacturing	243
Bob's Discount Furniture.....	Distribution Center	220
Wal Mart.....	Department Store	196
Stop & Shop.....	Grocery Store	160

Source: July 2026 Survey conducted by the Norwich Community Development Corporation (NCDC) and Mayor's Office. Not all companies responded with updated information.

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Building Permits

Calendar Year Ended	Residential		Commercial		Industrial		Municipal/ Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2026 ¹	1,407	\$ 40,164,216	191	\$ 18,511,325	-	\$ -	38	\$ 136,757,312	1,636	\$ 195,432,853
2025	2,061	29,780,868	353	38,214,853	10	1,428,459	41	110,410,222	2,465	179,834,402
2024	1,990	32,007,786	382	42,248,397	8	2,809,408	41	9,283,945	2,421	86,349,536
2023	1,895	23,985,461	344	22,035,430	9	387,572	16	49,185,949	2,264	95,594,412
2022	1,752	35,555,029	286	42,883,341	9	2,240,765	23	1,446,368	2,070	82,125,503
2021	1,430	22,253,070	259	38,844,304	7	318,695	25	540,421	1,721	61,956,490
2020	1,261	18,463,298	220	18,348,498	4	305,000	32	911,547	1,517	38,028,343
2019	1,376	15,635,636	280	11,615,593	1	1,500	22	2,665,098	1,679	29,917,827
2018	1,143	30,510,842	223	7,430,740	-	-	17	2,714,393	1,383	40,655,975
2017	1,160	29,829,229	232	10,004,902	1	25,922	-	-	1,393	39,860,053

¹ As of August 31, 2026.

Source: Building Official, City of Norwich.

Age Distribution of Housing

Year Built	City of Norwich		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	7,239	38.0%	311,584	20.2%
1940 to 1969.....	4,302	22.6	514,365	33.4
1970 to 1979.....	2,304	12.1	210,797	13.7
1980 to 1989.....	1,698	8.9	199,083	12.9
1990 to 1999.....	1,126	5.9	115,803	7.5
2000 or 2009.....	1,592	8.4	109,783	7.1
2010 or later.....	798	4.2	80,407	5.2
Total Housing Units.....	19,059	100.0%	1,541,822	100.0%

Percent Owner Occupied 53.8%

66.5%

Source: American Community Survey, 2020-2024.

Housing Inventory

Type	City of Norwich		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	8,222	43.1%	902,771	58.6%
1-unit, attached.....	1,294	6.8	99,493	6.5
2 units.....	2,058	10.8	115,211	7.5
3 or 4 units.....	2,562	13.4	125,486	8.1
5 to 9 units.....	1,567	8.2	76,014	4.9
10 to 19 units.....	953	5.0	54,675	3.5
20 or more units.....	1,919	10.1	156,730	10.2
Mobile home.....	484	2.5	10,890	0.7
Boat, RV, van, etc.....	-	-	552	0.0
Total Inventory.....	19,059	100.0%	1,541,822	100.0%

Source: American Community Survey, 2020-2024.

Owner-Occupied Housing Values

<i>Specified Owner-Occupied Units</i>	<i>City of Norwich</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than \$50,000.....	486	5.3%	23,262	2.4%
\$50,000 to \$99,999.....	301	3.3	14,209	1.5
\$100,000 to \$149,999.....	647	7.0	31,134	3.3
\$150,000 to \$199,999.....	1,668	18.1	65,851	6.9
\$200,000 to \$299,999.....	3,749	40.8	205,349	21.5
\$300,000 to \$499,999.....	1,903	20.7	350,277	36.8
\$500,000 to \$999,999.....	363	3.9	197,853	20.8
\$1,000,000 or more.....	79	0.9	65,054	6.8
<i>Total.....</i>	9,196	100.0%	952,989	100.0%
<i>Median Sales Price.....</i>	\$242,300		\$366,900	

Source: American Community Survey, 2020-2024.

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IV. Tax Base Data

Property Tax Assessments

The City revalued all real property as of October 1, 2023 and will revalue all real property every five years thereafter. The maintenance of an accurate tax base and the location and appraisal of all real and personal property within the City for inclusion in the Grand List are the responsibilities of the Assessor. The Grand List represents the total of assessed value for all taxable real property, motor vehicles and personal property located within the City as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last completed revaluation (Grand List 10/1/23). The next revaluation is expected to take place for the October 1, 2028 Grand List.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management ("OPM"). Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the Connecticut General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. The City's mill rate for motor vehicles for the assessment year commencing October 1, 2025 (the Fiscal Year June 30, 2027) is 32.46 mills. Section 4-661 of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The City has approved the use of this abatement provision.

Comparative Assessed Valuations

Grand List of 10/1	Commercial/ Residential	Industrial	Personal	Motor	Gross	Less	Net	Percent
	Real Property (%)	Real Property (%)	Property (%)	Vehicle (%)	Taxable Grand List		Taxable Grand List	
2025 ²	15.1	66.8	10.3	7.8	\$ 3,055,378,107	\$ 96,242,542	\$ 2,959,135,565	1.48
2024	16.6	65.5	10.1	7.8	3,017,331,038	101,410,453	2,915,920,585	0.15
2023 ¹	66.1	16.5	10.4	7.0	3,003,035,206	91,384,785	2,911,650,421	34.08
2022	56.0	19.9	9.7	14.4	2,257,250,606	85,607,239	2,171,643,367	2.09
2021	56.9	20.0	9.4	13.7	2,214,442,184	87,243,992	2,127,198,192	2.25
2020	57.4	20.7	10.0	11.9	2,154,617,561	74,137,706	2,080,479,855	1.68
2019	58.1	21.0	9.9	11.0	2,120,703,696	74,657,458	2,046,046,238	0.94
2018 ¹	58.1	21.1	9.9	10.9	2,103,314,513	76,226,356	2,027,088,157	6.49
2017	58.8	19.2	10.5	11.5	1,987,348,631	83,784,876	1,903,563,755	2.32
2016	60.9	18.7	8.4	12.0	1,898,351,937	37,976,340	1,860,375,597	0.77

¹ Revaluation.

² Estimated supplemental motor vehicles and exemptions.

Source: City of Norwich Assessor's Office

Property Tax Levies and Collections

Collected within the Fiscal Year of the Levy								Total Collections to Date ²	
Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Adjusted Tax Levy for Fiscal Year	Mill Rate ¹	Amount	Percentage	Collected in Subsequent Years	Amount	Percentage
<u>General Fund</u>									
2024	2026	\$ 2,915,920,585	\$ 99,477,830	34.51 / 32.16	\$ 96,913,245	97.4%	\$ 437,711	\$ 97,350,956	97.9%
2023 ¹	2025	2,911,650,421	95,298,306	32.99 / 32.20	92,907,605	97.5%	1,328,299	94,235,905	98.9%
2022	2024	2,171,643,367	87,073,457	41.85 / 32.09	84,638,940	97.2%	1,891,439	86,530,379	99.4%
2021	2023	2,127,198,192	85,361,319	41.83 / 32.46	82,943,467	97.2%	2,399,411	85,342,878	100.0%
2020	2022	2,080,479,855	86,329,381	41.98	83,698,370	97.0%	2,617,725	86,316,095	100.0%
<u>City Consolidation District (CCD) Fire Tax</u>									
2024	2026	\$ 1,022,660,136	\$ 5,465,801	5.96 / 0.30	\$ 5,392,211	98.7%	\$ 21,303	\$ 5,413,514	99.0%
2023 ¹	2025	1,019,222,564	4,731,265	5.21 / 0.26	4,666,380	98.6%	40,889	4,707,269	99.5%
2022	2024	727,156,168	4,153,278	6.79 / 0.37	4,074,087	98.1%	75,314	4,149,401	99.9%
2021	2023	704,747,210	3,938,430	6.65 / 0.00	3,848,066	97.7%	89,568	3,937,634	100.0%
2020	2022	678,498,247	4,163,347	6.66 / 3.02	4,006,565	96.2%	155,983	4,162,548	100.0%
<u>Town Consolidation District (TCD) Volunteer Fire Relief Tax</u>									
2024	2026	\$ 1,889,155,539	\$ 566,773	0.30	\$ 554,725	97.9%	\$ (40,239)	\$ 514,486	90.8%
2023 ¹	2025	1,892,427,857	491,561	0.26	482,141	98.1%	(14,576)	467,564	95.1%
2022	2024	1,444,487,199	532,370	0.37	520,575	97.8%	7,918	528,493	99.3%
2021	2023	1,422,857,738	432,141	0.35 / 0.00	426,420	98.7%	4,925	431,345	99.8%
2020	2022	1,401,981,608	514,514	0.37	512,026	99.5%	1,688	513,715	99.8%

¹ Revaluation.

² As of June 30, 2026.

³ The higher mill rate is for real estate and commercial personal property and the lower mill rate is for motor vehicles.

Sources: City of Norwich Tax Office

Property Tax Receivable

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2026 ¹	\$4,432,000	\$2,565,000
2025	4,042,000	2,391,000
2024	4,517,000	2,435,000
2023	4,886,000	2,418,000
2022	4,739,000	2,631,011
2021	4,331,000	2,328,000
2020	4,283,000	2,381,000
2019	3,521,000	2,274,000
2018	4,168,000	2,350,000
2017	3,526,000	2,256,000

¹ Subject to audit.

Source: Tax Collector's Report, City's Annual Audited Financial
Statements, 2017-2025. 2026 from Finance Department

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Nordson EFD LLC.....	Plastic Products Manufacturing	\$ 30,897,640	1.04%
Computer Science Corporation.....	Computer Products & Services	21,342,590	0.72%
NorwichTown Commons.....	Shopping Center	18,126,780	0.61%
Connecticut Light & Power.....	Energy	16,844,600	0.57%
Bob's Discount Furniture.....	Distribution Center	16,096,680	0.54%
Hills LLC.....	Apartment Complex	14,568,210	0.49%
US Foods.....	Food Distribution	13,746,280	0.46%
Elk Thamesview LLC.....	Apartment Complex	12,953,390	0.44%
Norwich Realty Associates, LLC.....	Real Estate	11,244,260	0.38%
Plaza Enterprises.....	Shopping Center	11,156,110	0.38%
Total.....		\$ 166,976,540	5.64%

¹ Based on the October 1, 2025 Net Taxable Grand List of \$2,959,135,565.

Source: City of Norwich Assessor's Office

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V. Debt Summary
Principal Amount of Bonded Indebtedness ¹
(Pro-Forma)

Date	Purpose	Rate %	Amount of Original Issue	Outstanding	Fiscal Year of Final Maturity
<u>Long-Term GO Debt (as of June 30, 2025)</u>					
03/03/15	General Purpose, Series A.....	3.00 - 4.00	\$ 5,600,000	\$ 2,250,000	2034
03/01/16	General Purpose, Series A.....	2.00 - 3.00	6,300,000	2,675,000	2035
03/10/17	General Purpose, Series A.....	3.00 - 4.00	7,275,000	4,680,000	2037
03/10/17	Taxable Bonds, Series B.....	1.00 - 3.90	1,000,000	550,000	2037
12/06/18	General Purpose.....	3.00 - 5.00	7,425,000	5,070,000	2039
12/06/18	Urban Renewal.....	3.00 - 5.00	545,000	390,000	2039
12/05/19	General Purpose.....	2.00 - 5.00	3,430,000	2,540,000	2040
12/05/19	Urban Renewal.....	2.00 - 5.00	145,000	110,000	2040
10/28/20	General Purpose, Series A.....	2.00 - 3.00	740,000	555,000	2041
10/28/20	Urban Renewal, Series A.....	2.00 - 3.00	465,000	345,000	2041
10/28/20	Refunding Bonds, Series C.....	0.39 - 2.17	15,920,000	8,145,000	2034
02/25/22	Pension Bonds.....	1.348 - 3.641	145,000,000	127,735,000	2047
12/29/22	General Purpose.....	4.00 - 5.00	9,200,000	7,820,000	2043
12/14/23	General Purpose.....	4.00	5,000,000	4,500,000	2044
12/17/24	General Purpose.....	3.125 - 4.00	10,600,000	10,170,000	2050
12/17/25	General Purpose.....	4.00 - 5.00	19,000,000	19,000,000	2056
	Sub-Total.....		\$ 237,645,000	\$ 196,535,000	
<u>This Issue</u>					
09/30/26	General Purpose.....	<i>tbd</i>	\$ 23,000,000	\$ 23,000,000	2057
	Sub-Total.....		23,000,000	23,000,000	
	Total G.O. Bonds.....		\$ 260,645,000	\$ 219,535,000	
<u>Sewer - Revenue Secured Only (as of June 30, 2025)</u>					
12/31/12	CWF 625-D (Treatment Plant Design).....	2.00	\$ 1,864,518	\$ 583,570	2032
07/01/13	CWF 495-C (Digester).....	2.00	5,747,554	1,952,855	2032
05/30/15	CWF 625-D-1 (Treatment Plant Design).....	2.00	2,510,422	880,011	2031
02/26/21	CWF 707-PD.....	2.00	1,655,000	1,206,771	2041
10/31/23	CWF 743-D.....	2.00	2,060,549	1,751,467	2043
03/31/25	CWF 743-C.....	2.00	29,223,951	27,397,454	2045
03/31/25	CWF 743-C.....	2.00	29,667,547	29,296,702	2045
	Sub-Total.....		\$ 72,729,540	\$ 63,068,830	
<u>Water - Revenue Secured Only (as of June 30, 2025)</u>					
06/30/09	Clean Water Act 200801-C - Water.....	2.27	\$ 450,000	\$ 65,625	2029
12/31/10	DWSRF 2010-8005.....	2.06	144,728	25,328	2030
12/31/10	DWSRF 2010-8006.....	2.06	326,250	65,249	2030
04/30/14	Deep River Reservoir Pump / Drive DWSRF 2011-7005.....	2.00	160,284	54,872	2032
04/30/14	Deep River Reservoir Transmission Line / DWSRF 2011-7006.....	2.00	147,989	47,960	2032
06/30/15	DWSRF 2014-7027 Replacement of Stony Brook Contact Clarifier, Mohegan Park Tank, and North and South Transmission Mains.....	2.00	505,762	214,949	2034
05/31/16	DWSRF 2014-7036 Deep River Reservoir Pump, Drive, Tank, Transmission Line.....	2.00	4,051,579	1,907,618	2035
10/12/16	DWSRF 2015-7037 Royal Oaks and Plain Hill Water and Gas System.....	2.00	1,528,016	700,340	2034
02/28/19	DWSRF 2017-7056 Mohegan Park Tank Const.....	2.00	2,695,094	1,639,516	2034
02/26/21	DWSRF 2019-7069-2 Occum Water Storage Tank.....	2.00	2,477,090	1,733,963	2040
08/30/19	DWSRF 2019-7072 AMI Water Meter Replacement...	2.00	1,582,335	1,002,145	2039
11/30/20	DWSRF 2019-7081 Sprague Emergency Interconnection & Stony Brook Transmission Main Rehab Project.....	2.00	2,413,669	1,689,568	2040
09/30/22	DWSRF 2019-7077-2 Stony Brook DAF.....	2.00	5,824,202	4,560,980	2042
03/31/23	DWSRF 2022-7104 Countryside Drive Association Water System Consolidation.....	2.00	130,976	106,418	2043
05/30/25	DWSRF 2024-7130 Caribou Drive and Lawler Lane water main replacement.....	2.00	676,702	623,130	2045
	Sub-Total.....		\$ 23,114,676	\$ 14,437,661	
	Total Revenue Bonds.....		\$ 95,844,217	\$ 77,506,491	

¹ Excludes outstanding Notes, long-term capital leases, and Refunded Bonds.

**Short-Term Debt
As of September 30, 2026
(Pro-Forma)**

Project	Total	
	Amount of	The Notes:
	Authorization	Due: 9/29/27
School Building Program (2022).....	385,000,000	25,000,000
Totals.....	\$ 385,000,000	\$ 25,000,000

**Annual Bonded Debt Maturity Schedule ¹
As of September 30, 2026
(Pro-Forma)**

Fiscal Year Ended	Principal	Interest	Total	This Issue:			Total	Cumulative Principal Retired
				Gen. Purpose	Schools	Total		
2027	\$ 9,490,000	\$ 6,645,101	\$ 16,135,101	\$ -	\$ -	\$ -	\$ 9,490,000	4.3%
2028	9,565,000	6,268,463	15,833,463	-	-	-	9,565,000	8.7%
2029	9,660,000	5,985,053	15,645,053	-	-	-	9,660,000	13.1%
2030	9,765,000	5,698,668	15,463,668	55,000	545,000	600,000	10,365,000	17.8%
2031	9,310,000	5,414,139	14,724,139	55,000	545,000	600,000	9,910,000	22.3%
2032	9,400,000	5,126,963	14,526,963	55,000	545,000	600,000	10,000,000	26.9%
2033	9,025,000	4,834,208	13,859,208	55,000	545,000	600,000	9,625,000	31.3%
2034	9,170,000	4,540,015	13,710,015	55,000	645,000	700,000	9,870,000	35.8%
2035	8,735,000	4,244,421	12,979,421	55,000	645,000	700,000	9,435,000	40.0%
2036	8,660,000	3,946,743	12,606,743	55,000	645,000	700,000	9,360,000	44.3%
2037	8,595,000	3,649,664	12,244,664	55,000	645,000	700,000	9,295,000	48.5%
2038	8,525,000	3,349,178	11,874,178	55,000	745,000	800,000	9,325,000	52.8%
2039	8,745,000	3,037,908	11,782,908	55,000	745,000	800,000	9,545,000	57.1%
2040	8,555,000	2,725,166	11,280,166	55,000	845,000	900,000	9,455,000	61.4%
2041	8,600,000	2,414,419	11,014,419	55,000	845,000	900,000	9,500,000	65.8%
2042	8,785,000	2,098,161	10,883,161	55,000	845,000	900,000	9,685,000	70.2%
2043	9,040,000	1,770,399	10,810,399	55,000	845,000	900,000	9,940,000	74.7%
2044	8,850,000	1,439,129	10,289,129	55,000	845,000	900,000	9,750,000	79.2%
2045	8,880,000	1,112,584	9,992,584	55,000	845,000	900,000	9,780,000	83.6%
2046	9,135,000	781,353	9,916,353	60,000	840,000	900,000	10,035,000	88.2%
2047	9,400,000	440,243	9,840,243	60,000	840,000	900,000	10,300,000	92.9%
2048	1,005,000	247,213	1,252,213	-	900,000	900,000	1,905,000	93.7%
2049	1,005,000	207,013	1,212,013	-	900,000	900,000	1,905,000	94.6%
2050	1,005,000	166,813	1,171,813	-	900,000	900,000	1,905,000	95.5%
2051	605,000	134,613	739,613	-	900,000	900,000	1,505,000	96.2%
2052	605,000	110,413	715,413	-	900,000	900,000	1,505,000	96.8%
2053	605,000	86,213	691,213	-	900,000	900,000	1,505,000	97.5%
2054	605,000	62,013	667,013	-	900,000	900,000	1,505,000	98.2%
2055	605,000	37,434	642,434	-	900,000	900,000	1,505,000	98.9%
2056	605,000	12,478	617,478	-	900,000	900,000	1,505,000	99.6%
2057	-	-	-	-	900,000	900,000	900,000	100.0%
Total.....	\$ 196,535,000	\$ 76,586,180	\$ 273,121,180	\$ 1,000,000	\$ 22,000,000	\$ 23,000,000	\$ 219,535,000	

¹ As of June 30, 2026 and excludes outstanding Notes, long-term capital leases, revenue secured clean and drinking water fund debt and bonds previously refunded.

Overlapping/Underlying Debt

As of September 30, 2026, the City does not have any overlapping or underlying debt.

Debt Statement
As of September 30, 2026
(Pro-Forma)

Long-Term G.O. Debt Outstanding: ¹

General Purpose (Includes This issue).....	\$	20,299,225
Schools (Includes This issue).....		60,716,328
Sewers		1,153,029
Pension		127,735,000
Urban Renewal		845,000
Gas ²		8,786,418
Total Long-Term Debt		233,972,661
Total Short-Term Debt (Includes This Issue: Notes Due 9/29/27).....		89,586,743
Total Overall Debt		323,559,404
Less: Self-Supporting Debt ³		(55,503,614)
Total Overall Net Debt	\$	268,055,789

¹ Excludes capital leases and refunded bonds. Also excludes revenue secured Sewer debt in the amount of \$63,068,830 and Water debt in the amount of \$14,271,459. Outstanding long term bonds are as of June 30, 2026.

² While debt issued for gas line purposes is secured by the general obligation of the City, NPU has agreed to pay the City annually an amount equal to the debt service.

³ Includes Gas Bonds paid by the NPU along with NPU's allocation of the Pension Obligation Bonds.

Current Debt Ratios
As of September 30, 2026
(Pro-Forma)

Population (2024)	39,973
Net Taxable Grand List (10/1/24)	\$ 2,959,135,565
Estimated Full Value	\$ 4,227,336,521
Equalized Grand List (10/1/24) ²	\$ 4,884,268,902
Money Income per Capita (2024) ¹	\$ 37,378

	Total Overall Debt	Total Overall Net Debt
	\$ 323,559,404	\$ 268,055,789
Per Capita.....	\$8,094.45	\$6,705.92
Ratio to Net Taxable Grand List.....	10.93%	9.06%
Ratio to Estimated Full Value.....	7.65%	6.34%
Ratio to Equalized Grand List.....	6.62%	5.49%
Debt per Capita to Money Income per Capita.....	21.66%	17.94%

¹ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2020-2024.

² Office of Policy and Management, State of Connecticut.

Bond Authorization

The City has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes subject to statutory debt limitations and the procedural requirements of the City Charter. The issuance of bonds and notes is authorized by the City Council and referenda if the proposed issuance for the project exceeds \$800,000. Revenue secured obligations may be authorized by vote of the City Council. For a detailed description of how the Bonds were authorized, see “Authorization and Purpose” herein.

Maturities

General obligation bonds (serial and term), with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The first installment of any series of bonds shall mature not later than three years from the date of the issue of such series. Pursuant to state law, all bonds issued on or after July 1, 2017, shall be due not later than thirty years from the date of their issuance.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing no later than two years after the original date of issue (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third and each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for certain sewer and school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer and school projects, by the amount of time temporary financing has been outstanding.

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

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

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Clean Water Fund and Drinking Water State Revolving Programs

The City of Norwich is a participant in the State of Connecticut's Clean Water Fund and Drinking Water State Revolving Fund Programs (General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan).

Loans to a participating municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Municipalities must permanently finance draws under the Interim Funding Obligations ("IFO") through the issuance of a Project Loan Obligation ("PLO").

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after execution of the PLO, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the PLO, and thereafter in monthly installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

As of September 30, 2026, the City has the following outstanding IFO's:

<i>Project</i>	<i>Amount</i>
DWSRF 2024-5002 - Planning of Lead Copper Service Line Rep. Prog. Project..	\$ 989,133
CWF 758-CSL - South Thames Street Pump Station Force Main Project.....	4,143,873
CWF 743-C-2 - Wastewater Treatment Facility Construction Project.....	59,453,737
DWSRF 2026-7155 - Yantic Water Storage Tank Project.....	2,039,408
DWSRF 2026-7156 - Richard Brown Drive Tank Mixing/Aeration System.....	771,978
<i>Total.....</i>	<i>\$ 64,586,743</i>

Limitation of Indebtedness

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

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

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

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

Statement of Statutory Debt Limitation
As of September 30, 2026
(Pro Forma)

Total Tax Collections (including interest and lien fees for General Fund and Fire Districts)

Received by the Treasurer for the year ended June 30, 2026 (unaudited) \$ 106,069,056

Base for Debt Limitation Computation..... \$ 106,069,056

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 238,655,376	-	-	-	-
4 1/2 times base.....	-	\$ 477,310,752	-	-	-
3 3/4 times base.....	-	-	\$ 397,758,960	-	-
3 1/4 times base.....	-	-	-	\$ 344,724,432	-
3 times base.....	-	-	-	-	\$ 318,207,168
Total Debt Limitation	<u>\$ 238,655,376</u>	<u>\$ 477,310,752</u>	<u>\$ 397,758,960</u>	<u>\$ 344,724,432</u>	<u>\$ 318,207,168</u>

Indebtedness: ^{1,2}

Bonds Outstanding.....	\$ 19,299,225	\$ 38,716,328	\$ 64,221,859	\$ 845,000	\$ 127,735,000
Bonds – This Issue.....	1,000,000	22,000,000	-	-	-
Notes – This Issue.....	-	25,000,000	-	-	-
Short Term Debt	-	-	63,597,610	-	-
Capital Leases.....	-	-	-	-	-
Debt Authorized But Unissued.....	5,145,122	41,150,000	-	-	-
Total Indebtedness	<u>25,444,347</u>	<u>126,866,328</u>	<u>127,819,469</u>	<u>845,000</u>	<u>127,735,000</u>

Less:

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

Total Net Indebtedness..... 25,444,347 126,866,328 127,819,469 845,000 127,735,000

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS..... \$ 213,211,029 \$ 350,444,424 \$ 269,939,491 \$ 343,879,432 \$ 190,472,168

¹ Gas Line extension bonds outstanding in the amount of \$8,786,418.

² Excludes \$14,437,661 of long-term and \$3,800,519 of short-term self-supporting water debt.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$742,483,392.

**THE CITY OF NORWICH HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL
OR INTEREST ON ITS BONDS.**

**Authorized but Unissued Debt
As of September 30, 2026
(Pro Forma)**

Project	Total Amount of Authorization²	Bonds Previously Issued	Est. Grants/ Other Sources	The Notes: Due: 9/29/27	This Issue: The Bonds	Authorized but Unissued
Dodd Stadium Capital Improvements (2018).....	\$ 800,000	\$ 450,000	\$ -	\$ -	\$ -	\$ 350,000
Infrastructure Improvement Program (2023).....	6,000,000	204,878	-	-	1,000,000	4,795,122
School Building Program (2022).....	385,000,000	38,200,000	258,650,000 ¹	25,000,000	22,000,000	41,150,000
Totals.....	\$ 391,800,000	\$ 38,854,878	\$ 258,650,000	\$ 25,000,000	\$ 23,000,000	\$ 46,295,122

¹ Estimated full amount. As of August 19, 2026, the City has received \$48,283,362.

² On August 17, 2026, the City Council approved a \$55 million bond ordinance to finance the construction of a new police headquarters, which is scheduled for referendum vote on November 3, 2026.

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

Long-Term Debt	2026²	2025	2024	2023	2022
Government-Type Bonds.....	\$ 196,535,000	\$ 186,625,000	\$ 184,750,000	\$ 188,205,000	\$ 187,270,000
Business-Type Bonds ¹	77,506,491	51,602,630	23,934,417	26,108,000	25,816,000
Sub-Total.....	274,041,491	238,227,630	208,684,417	214,313,000	213,086,000
Short-Term Debt					
Bond Anticipation Notes.....	-	-	-	-	-
Grand Total.....	\$ 274,041,491	\$ 238,227,630	\$ 208,684,417	\$ 214,313,000	\$ 213,086,000

¹ Includes golf course bonds, clean water fund loans, and drinking water state revolving fund loans.

² Subject to audit.

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Net Estimated Full Value¹ (000s)	Net Long-Term Debt² (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population³	Ratio of Net Long-Term Debt per Capita to Income⁴ (%)
2026 ⁵	\$ 2,915,921	\$ 4,165,601	\$ 196,535	6.74%	4.72%	39,973	\$ 4,916.69
2025	2,911,650	4,159,501	186,625	6.41%	4.49%	39,973	4,668.78
2024	2,171,643	3,102,348	184,750	8.51%	5.96%	39,973	4,621.87
2023	2,127,198	3,038,855	188,205	8.85%	6.19%	39,973	4,708.30
2022	2,080,480	2,972,114	187,270	9.00%	6.30%	39,973	4,684.91

¹ Assessment Ratio, 70%.

² Reflects deductions for contractual state school building construction grants receivable over the life of the respective issues. Includes long-term notes payable; does not include outstanding BANs, or authorized but unissued debt.

³ U.S. Department of Commerce, Bureau of Census, ACS 2020-2024 Estimates.

⁴ Money Income per Capita: ACS 2020-2024 Estimates: \$37,378 used for all calculations.

⁵ Subject to audit.

Note: Excludes capital leases.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
To Total General Fund Expenditures**
(in thousands)

Fiscal Year Ended 6/30	General Fund Debt Service			General Fund Expenditures ¹	Ratio of General Fund Debt Service to Total General Fund Expenditures (%)
	Non-POB	POB	Total		
2026	\$ 5,230	\$ 4,396	\$ 9,626	\$ 164,368	5.86%
2025	4,584	4,402	8,986	165,663	5.42%
2024	4,297	4,395	8,692	172,537	5.04%
2023	3,494	4,397	7,891	160,915	4.90%
2022	3,908	-	3,908	144,748	2.70%
2021	4,062	-	4,062	140,535	2.89%
2020	4,384	-	4,384	137,695	3.18%
2019	4,263	-	4,263	131,761	3.24%
2018	4,469	-	4,469	135,485	3.30%
2017	4,373	-	4,373	131,915	3.32%

¹ GAAP basis of accounting. Includes Transfers out.

Source: Annual Audited Financial Statements: 2017-2025

City of Norwich Finance Department: 2026.

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VI. Financial Administration

Fiscal Year

The City's fiscal year begins July 1 and ends June 30.

Basis of Accounting and Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Please refer to APPENDIX A - FINANCIAL STATEMENTS herein for compliance and implementation details.

Budget Procedure

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

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

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

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in Fiscal Year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more of the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, nonrecurring grants, capital expenditures or payments on unfunded pension liabilities.

Annual Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut Office of Policy and Management ("OPM"), and a copy of said audit report must be filed with OPM. The City is in compliance with said provisions.

For the fiscal year ended June 30, 2025, the financial statements of the various funds of the City were audited by Clifton Larsen Allen LLP, Certified Public Accountants, West Hartford, Connecticut. The financial statement audit for the fiscal year ended June 30, 2026 is currently underway.

Risk Management

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

It is the policy of the City to self-insure for employee health insurance programs. To this end, the City created an internal service fund to which the various City funds "pay premiums" and from which employee medical claims are paid. Claims are accrued as incurred. The City also purchased "stop loss" insurance to limit its losses to \$175,000 per person in Fiscal Year 2027 for hospitalization with a maximum aggregate for all claims of approximately \$25,776,255.

The City self-insures for workers' compensation benefits. The City purchases commercial insurance for claims in excess of coverage provided by the workers' compensation account with an individual claim maximums of \$750,000 for police and firefighters and \$600,000 for all other employees.

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

For more information, see "Risk Management" in Appendix A herein.

Capital Improvement Plan

Uses	Fiscal Year						Total
	2026	2027	2028	2029	2030	2031	
School Construction.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police.....	-	55,000,000	-	-	-	-	55,000,000
Fire.....	643,148	-	2,277,000	964,103	286,881	2,137,835	6,308,967
Public Works.....	957,814	1,979,814	957,814	6,957,814	957,814	957,814	12,768,884
Parks & Recreation.....	-	-	-	-	-	-	-
Parks.....	-	-	-	-	-	-	-
Total.....	\$ 1,600,962	\$ 56,979,814	\$ 3,234,814	\$ 7,921,917	\$ 1,244,695	\$ 3,095,649	\$ 74,077,851
Sources							
Bonds.....	\$ -	\$ 55,000,000	\$ 2,277,000	\$ 6,964,103	\$ 286,881	\$ 2,137,835	\$ 66,665,819
CT School Construction Grants.....	-	-	-	-	-	-	-
Capital Budget.....	1,083,148	1,462,000	440,000	440,000	440,000	440,000	4,305,148
Federal American Rescue Plan Act..	-	-	-	-	-	-	-
CT Local Capital Impr. Program.....	517,814	517,814	517,814	517,814	517,814	517,814	3,106,884
Other Grants / Private Fundraising...	-	-	-	-	-	-	-
Total.....	\$ 1,600,962	\$ 56,979,814	\$ 3,234,814	\$ 7,921,917	\$ 1,244,695	\$ 3,095,649	\$ 74,077,851

Pension Programs

City Retirement System

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

The contribution requirements of plan members and the City are established and may be amended by the City Council. Benefits and contributions are established by the City and may be amended only by the City Charter and union negotiation. City and Police employees are required to contribute 8.5%. Firefighter participants are required to contribute 9.5%. The City's funding policy provides for periodic employer contributions at actuarially determined rates. In connection with the pension obligation bond initiative and in consultation with the City's investment advisors and actuary, the City reduced the assumed rate of return to 6.25% and changed the amortization to a closed 25-year period with its July 1, 2021 actuarial valuation.

The table below shows the City's contributions compared to the actuarially determined contribution (in thousands).

Fiscal Year Ended	Actuarially Determined Contribution (000's)	Actual Contribution (000's)	% of ADC Contributed
6/30/2027 ^{1, 2}	\$ 6,267	\$ 6,267	100.0%
6/30/2026 ²	6,223	6,300	101.2%
6/30/2025	5,933	6,007	101.2%
6/30/2024	5,254	5,275	100.4%
6/30/2023	4,411	4,411	100.0%
6/30/2022 ³	13,684	144,718	1057.6%
6/30/2021	12,759	12,774	100.1%
6/30/2020	12,073	12,073	100.0%
6/30/2019	12,010	11,432	95.2%
6/30/2018	10,820	10,103	93.4%

¹ Budgeted amounts.

² Subject to audit.

³ The increase in actual contribution is due to pension obligation bonds issued by the City in February 2022.

The Pension Plan's actuarial valuation report as of July 1, 2025 was completed in January 2026. As of July 1, 2025, the Pension Plan had an unfunded actuarial accrued liability of \$25,034,915 which amount reflects an interest rate assumption of 6.25%.

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Volunteer Firefighters' Relief Plan

The City is also the administrator of a Volunteer Firefighters' Relief Plan which was established to provide pension benefits to volunteers. The Relief Plan is part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue a stand-alone report. The City is committed to funding 100% of the ADC for the Relief Plan.

The table below shows the City's contributions compared to the actuarially determined contribution (in thousands).

Fiscal Year Ended	Actuarially Determined Contribution (000's)	Actual Contribution (000's)	% of ADC Contributed
6/30/2027 ^{1, 2}	\$ 393	\$ 393	100.0%
6/30/2026 ²	354	372	105.1%
6/30/2025	333	333	100.0%
6/30/2024	329	329	100.0%
6/30/2023	310	310	100.0%
6/30/2022	357	357	100.0%
6/30/2021	335	335	100.0%
6/30/2020	365	365	100.0%
6/30/2019	365	365	100.0%
6/30/2018	373	373	100.0%

¹ Budgeted amounts.

² Subject to audit.

The Relief Plan's actuarial valuation report as of January 1, 2026 was completed in April 2026. As of January 1, 2026, the Relief Plan had an unfunded actuarial accrued liability of \$3,410,776 which amount reflects an interest rate assumption of 6.25%.

Teachers' Retirement Board

Teachers within the City's school system participate in a retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. The State of Connecticut makes the employer contribution into the plan. The City does not contribute to the plan.

Total Net Pension Liabilities

The following presents the net pension liability of the City as of June 30, 2026.

	City	Volunteer Firefighters'
Total Pension Liability	\$ 410,676,595	\$8,028,634
Plan Fiduciary Net Position	446,068,641	4,711,806
Total Net Pension Liability (Asset)	<u>\$ (35,392,046)</u>	<u>\$ 3,316,828</u>
Plan Fiduciary Net Position as a		
Percentage of the Total Pension Liability ...	108.62%	58.69%

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

The following presents the net pension liability of the City as of June 30, 2026, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
	(5.25%)	Discount Rate	(7.25%)
		(6.25%)	
City Net Pension Liability (Asset).....	\$ 15,134,669	\$ (35,392,046)	\$ (77,407,228)

	1% Decrease	Current	1% Increase
	(5.25%)	Discount Rate	(7.25%)
		(6.25%)	
Volunteer Firefighters' Net Pension Liability	\$ 4,181,815	\$ 3,314,205	\$ 2,595,622

For further details on the plans, please refer to APPENDIX A - FINANCIAL STATEMENTS herein.

Other Post Employment Benefits (OPEB)

The City and the Board of Education provide post-employment benefits for retirees who meet certain requirements regarding age and years of service. This benefit is provided based on union agreements and is fully funded by the City. The City is required to provide health, medical and life insurance to 468 retired City and Board of Education employees. An OPEB Trust account was established by the City in 2008.

The City reduced the assumed rate of return to 6.25% and changed the amortization to a closed 26-year period with its July 1, 2021 actuarial valuation.

The table below shows the City's contributions compared to the actuarially determined contribution (in thousands).

Total Net OPEB Liability

Total OPEB Liability	\$ 82,503,149
Plan Fiduciary Net Position	51,719,496
Total Net OPEB Liability	<u>\$ 30,783,653</u>
Plan Fiduciary Net Position as a	
Percentage of the Total OPEB Liability	62.69%

Schedule of Contributions

	Actuarially	Actual	
	Determined	Contribution	
Fiscal Year	Contribution	Contribution	% of ARC
Ended	(000's)	(000's)	Contributed
6/30/2027 ^{1, 2}	\$ 4,078	\$ 1,539	37.7%
6/30/2026 ¹	4,032	3,829	95.0%
6/30/2025	3,796	3,644	96.0%
6/30/2024	3,441	3,441	100.0%
6/30/2023	3,239	3,239	100.0%
6/30/2022	4,684	4,684	100.0%
6/30/2021	4,367	4,367	100.0%
6/30/2020	5,522	5,339	96.7%
6/30/2019	5,485	5,240	95.5%
6/30/2018	5,542	5,548	100.1%

¹ Subject to Audit.

² Budgeted amounts.

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

The following presents the net OPEB liability of the City as of June 30, 2026 at the current discount rate, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.25%)	(6.25%)	(7.25%)
Net OPEB Liability	\$ 37,546,734	\$ 30,768,109	\$ 24,821,992

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City as of June 30, 2026 at the current healthcare trend rate, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates ¹	1% Increase
Net OPEB Liability	\$ 23,895,207	\$ 30,768,109	\$ 38,720,866

¹ Pre-Medicare Retirees: 6.20% - 4.10% over 54 years; Post-Medicare Retirees: 4.20% - 4.10% over 54 years

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General Fund Unassigned Fund Balance Policy

The City Council adopted by ordinance a formal General Fund Unassigned Fund Balance (“UFB”) policy in December 2014. This policy identifies a target fund balance range of 12% to 17% of annual General Fund expenditures and operating transfers. As of June 30, 2026, the UFB ratio is 15.2%.

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

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

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

Investment Practices

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

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

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

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General Fund Balance Sheet
Four Year Summary of Actual Assets, Liabilities, and General Fund Equity
And Estimated Actual
(in thousands)

	<i>Estimated</i>				
	<i>Actual</i> ¹	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Assets:	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022
Cash and Cash Equivalents	\$ 59,205	\$ 58,366	\$ 13,360	\$ 25,032	\$ 36,982
Investments	20,000	19,901	57,208	51,214	40,467
Receivables, net.....	4,047	3,997	4,793	7,587	7,250
Lease Receivable.....	4,673	4,795	1,163	-	1,723
Due from Other Funds	1,223	1,243	5,421	6,430	4,799
Other	-	-	-	-	-
Total Assets	89,148	88,302	81,945	90,263	91,221
Liabilities, Equity, & Other Credits:					
<u>Current Liabilities</u>					
Accounts and Other Payables	8,145	7,410	9,511	8,933	6,901
Deferred Revenues	-	-	-	-	-
Due to Other Funds	49,705	50,252	47,239	53,579	58,529
Unearned Revenues	-	-	151	176	306
Total Liabilities	57,850	57,662	56,901	62,688	65,736
<u>Deferred Inflow of Resources</u>					
Unavailable Revenue - Property Taxes	2,938	2,548	2,859	3,678	3,490
Unavailable Revenue - Leases	4,512	4,805	1,178	1,163	1,723
Unavailable Revenue - Loans Receivable	117	246	-	800	-
Unavailable Revenue - Special Assessments	558	684	799	966	1,157
Total Deferred Inflow of Resources	8,125	8,283	4,836	6,607	6,370
<u>Equity & Other Credits</u>					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	100	67	136	231	-
Unassigned.....	23,073	22,290	20,072	20,737	17,392
Total Equity & Other Credits	23,173	22,357	20,208	20,968	17,392
Total Liabilities, Equity & Other Credits ...	\$ 89,148	\$ 88,302	\$ 81,945	\$ 90,263	\$ 89,498

¹ Subject to audit.

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General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and
Estimated Actual and Adopted Budget (Budgetary Basis)
(in thousands)

	Adopted Budget ¹ 6/30/2027	Estimated Actual ¹ 6/30/2026	Actual 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022
Revenues:						
Property Taxes	\$ 100,387	\$ 99,999	\$ 96,980	\$ 88,311	\$ 86,579	\$ 86,156
Intergovernmental Revenue	44,633	40,379	55,622	57,191	54,128	48,907
Charges for services	2,409	2,220	3,640	3,173	3,395	3,226
Licenses, permits and fees	1,265	1,278	1,224	1,128	1,183	886
Investment income	2,100	2,176	2,857	2,779	1,699	159
Other	841	1,174	308	380	299	287
Total.....	\$ 151,635	\$ 147,226	\$ 160,631	\$ 152,962	\$ 147,283	\$ 139,621
Expenditures:						
General Government	\$ 8,539	\$ 7,151	\$ 5,994	\$ 5,603	\$ 6,578	\$ 6,110
Public Safety	23,002	22,732	20,284	19,570	18,890	21,053
Social Services	2,046	1,958	2,243	1,968	1,894	2,187
Public Works	13,917	13,174	13,129	12,699	12,153	11,279
Education	96,638	96,638	108,423	106,406	97,747	93,157
Other	4,023	2,921	2,987	2,966	2,857	2,738
Capital Outlay	-	-	283	-	-	-
Debt Service.....	-	-	-	-	-	-
Total.....	\$ 148,165	\$ 144,574	\$ 153,343	\$ 149,212	\$ 140,119	\$ 136,524
Excess (Deficiency) of Revenues Over Expenditures.....						
	\$ 3,470	\$ 2,652	\$ 7,288	\$ 3,750	\$ 7,164	\$ 3,097
Other Financing Sources (Uses):						
Operating transfers in.....	6,717	6,467	7,181	7,324	5,717	5,501
Operating transfers out.....	(10,187)	(8,303)	(12,320)	(11,834)	(9,305)	(8,222)
Issuance of Refunding Bonds	-	-	-	-	-	-
Payment to Refunding Bonds Escrow Agent...	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net Other Financing Sources (Uses).....	\$ (3,470)	\$ (1,836)	\$ (5,139)	\$ (4,510)	\$ (3,588)	\$ (2,721)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....						
	-	816	2,149	(760)	3,576	376
Fund Equity, Beginning of Year.....	N/A	22,357	20,208	20,968	17,392	17,016
Residual Equity Transfer.....	-	-	-	-	-	-
Fund Equity, End of Year.....	N/A	N/A	\$ 22,357	\$ 20,208	\$ 20,968	\$ 17,392

¹ Budgetary basis of accounting; subject to audit.

Analysis of General Fund Equity

	Adopted Budget ¹ 6/30/2027	Estimated Actual ¹ 6/30/2026	Actual 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022
Nonspendable.....	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	100	67	136	-	-
Unassigned.....	N/A	23,073	22,290	20,072	21,044	17,392
Total Fund Equity.....	N/A	\$ 23,173	\$ 22,357	\$ 20,208	\$ 21,044	\$ 17,392

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

VII. Legal and Other Information

Legal Matters

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and the Notes and will render its opinions in substantially the forms attached hereto as Appendices B-1 and B-2.

Litigation

The City, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. It is the Corporation Counsel's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the City which would have a material adverse effect on the City's financial position.

Transcript and Closing Documents

Upon delivery of the Bonds and the Notes, the winning purchasers will be furnished the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery, no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them.
2. A certificate on behalf of the City, signed by the City Manager and the Comptroller, which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, at the time bids were accepted on the Bonds and the Notes, the description and statements in the Preliminary Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Preliminary Official Statement.
3. Receipts for the purchase price of the Bonds and the Notes.
4. The Approving Opinions of Pullman & Comley, LLC, Bond Counsel in substantially the form attached hereto as Appendices B-1 and B-2.
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes, substantially the forms attached hereto as Appendices C-1 and C-2.

The City of Norwich has prepared this Official Statement for the Bonds and the Notes, which is dated September __, 2026. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The City will make available to the winning purchaser of the Bonds and to each winning purchaser of the Notes a reasonable number of the final Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the City's Municipal Advisor, Phoenix Advisors, is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Bonds and the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, and the name of the managing underwriter. The winning purchasers shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning purchasers. Additional copies of the Official Statement may be obtained by the winning purchasers at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the City with respect to the Bonds and the Notes will be kept on file at the offices of U.S. Bank Trust Company, National Association and will be available for examination upon reasonable notice.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Any questions concerning this Official Statement should be directed to Mr. Joshua A. Pothier, Comptroller, City of Norwich, 100 Broadway, Norwich, Connecticut 06360, telephone number (860) 823-3720. This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

CITY OF NORWICH, CONNECTICUT

By: _____
John L. Salomone, *City Manager*

By: _____
Joshua A. Pothier, *Comptroller*

Dated as of September __, 2026

Appendix A

2025 General Purpose Financial Statements

The following includes excerpts from the Annual Comprehensive Financial Report of the City of Norwich, Connecticut for the fiscal year ended June 30, 2025. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, Connecticut 06460. Telephone (203) 878-4945.



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Norwich, Connecticut's basic financial statements. The combining and individual fund statements and schedules and the supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

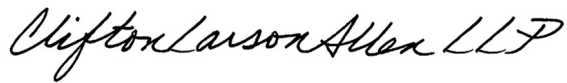
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the City of Norwich, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Norwich, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Norwich, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 4, 2025

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This discussion and analysis of the City of Norwich, Connecticut's (the City) financial performance is offered by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2025. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets and deferred outflows of resources (\$613.2 million) of the City exceeded its liabilities and deferred inflows of resources (\$396.8 million), resulting in total net position at the close of the fiscal year of \$216.4 million. Total net position for governmental activities at fiscal year-end was \$46.6 million, and total net position for business-type activities was \$169.7 million. Total unrestricted net *deficit* at June 30, 2025 was \$58.2 million.
- On a government-wide basis, during the year, the City's net position increased by \$35.9 million from \$180.5 million to \$216.4 million. Governmental activities net position increased by \$11.4 million and net position increased by \$24.5 million for business-type activities. Governmental activities expenses were \$216.2 million, while total revenues including transfers were \$217.1 million.
- At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$120.1 million, an increase of \$1.9 million from the prior fiscal year. Of the total fund balance as of June 30, 2025, \$114.1 million represents the combined unrestricted fund balance in the General, Special Revenue, Debt Service and Capital Projects funds.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$22.4 million, an increase of \$2.1 million from the prior fiscal year. As of June 30, 2025, \$22.3 of the \$22.4 million fund balance is unassigned, representing 14.6% of total General Fund actual expenditures and operating transfers on a budgetary basis.
- The City's governmental activities total bonded debt increased by \$2.2 million during the current fiscal year because of the issuance of \$10.6 million in new bonds and the paydown of \$8.4 million on existing bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

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

Governmental Activities - Most of the City's basic services are reported here, including education, public safety, sanitation, social services, public works and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.

Business-Type Activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Department of Public Utilities ("DPU"), Golf Course Authority, Stadium Authority and Ice Rink Authority are reported here.

Fund Financial Statements

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

Governmental Funds (Exhibits III and IV) - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.

Proprietary Funds (Exhibits V, VI and VII) - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary Funds (Exhibits VIII and IX) - The City is the trustee, or fiduciary, for its employees' pension and other benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position increased from a year ago from \$180.5 million to \$216.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	\$ 159,976	\$ 158,819	\$ 33,895	\$ 25,647	\$ 193,871	\$ 184,466
Capital Assets	152,807	140,405	248,163	195,277	400,970	335,682
Total Assets	312,783	299,224	282,058	220,924	594,841	520,148
Deferred Outflows of Resources	13,602	22,301	4,725	9,022	18,327	31,323
Liabilities:						
Long-Term Debt Outstanding	227,230	244,323	80,358	57,746	307,588	302,069
Unearned Revenue	3,323	9,886	396	349	3,719	10,235
Other Liabilities	17,733	15,229	21,990	21,437	39,723	36,666
Total Liabilities	248,286	269,438	102,744	79,532	351,030	348,970
Deferred Inflows of Resources	31,469	16,825	14,319	5,199	45,788	22,024
Net Position:						
Net Investment in Capital Assets	92,051	89,257	175,743	151,169	267,794	240,426
Restricted	6,056	5,989	826	251	6,882	6,240
Unrestricted	(51,477)	(59,984)	(6,849)	(6,205)	(58,326)	(66,189)
Total Net Position	\$ 46,630	\$ 35,262	\$ 169,720	\$ 145,215	\$ 216,350	\$ 180,477

Net position of the City's governmental activities increased by \$11.4 million to \$46.6 million. The capital assets for the Sherman Street Bridge and construction-in-process for the multiple school construction projects account for most of this increase, as most of their funding is from State and Federal grants. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased from (\$60.0) million at June 30, 2024 to (\$51.4) million at the end of this year. The unrestricted net position of business-type activities decreased from (\$6.2) million compared to (\$6.8) million in 2025.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,921	\$ 6,195	\$ 107,848	\$ 104,360	\$ 114,769	\$ 110,555
Operating Grants and Contributions	85,351	78,188	-	-	85,351	78,188
Capital Grants and Contributions	8,592	15,487	23,456	11,525	32,048	27,012
General Revenues:						
Property Taxes	101,964	92,190	-	-	101,964	92,190
Grants and Contributions not Restricted to Specific Purposes	9,208	10,296	-	-	9,208	10,296
Unrestricted Investment Earnings	3,753	3,794	-	-	3,753	3,794
Other General Revenues	1,299	2,637	2,122	1,441	3,421	4,078
Total Revenues	217,088	208,787	133,426	117,326	350,514	326,113
Program Expenses:						
General Government	11,052	9,534	-	-	11,052	9,534
Public Safety	32,046	42,142	-	-	32,046	42,142
Social Services	4,340	4,738	-	-	4,340	4,738
Public Works	18,944	18,330	-	-	18,944	18,330
Education	142,017	140,232	-	-	142,017	140,232
Interest on Long-Term Debt	7,760	6,103	-	-	7,760	6,103
Department of Public Utilities	-	-	96,592	93,113	96,592	93,113
Other Enterprise Funds	-	-	1,890	1,924	1,890	1,924
Total Program Expenses	216,159	221,079	98,482	95,037	314,641	316,116
Excess (Deficiency) Before Transfers	929	(12,292)	34,944	22,289	35,873	9,997
Transfers	10,439	9,138	(10,439)	(9,138)	-	-
Increase (Decrease) In Net Position	11,368	(3,154)	24,505	13,151	35,873	9,997
Net Position - Beginning of Year	35,262	38,416	145,215	132,064	180,477	170,480
Net Position - End of Year	<u>\$ 46,630</u>	<u>\$ 35,262</u>	<u>\$ 169,720</u>	<u>\$ 145,215</u>	<u>\$ 216,350</u>	<u>\$ 180,477</u>

The City's total revenues were \$350.5 million. The total cost of all programs and services was \$314.6 million. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

Governmental activities increased the City's net position by \$11.4 million during the year. Total revenues of \$217.1 million and \$10.4 million in transfers from the City's business-type activities provided funding for the City's \$216.2 million of governmental program expenses incurred during the year.

The City's revenues increased \$8.3 million (\$217.1 million compared to \$208.8 million) which was primarily caused by the increase in property taxes, building permits, conveyance taxes and interest.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Total program expenses were \$216.2 million as compared with \$221.1 million reported last year. The large decrease is primarily attributable to public safety expenses.

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

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

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General Government	\$ 11,052	\$ 9,534	\$ 3,208	\$ 1,520
Public Safety	32,046	42,142	24,588	31,151
Social Services	4,340	4,738	2,574	2,794
Public Works	18,944	18,330	14,989	10,987
Education	142,017	140,232	62,176	68,654
All Others	7,760	6,103	7,760	6,103
Totals	<u>\$ 216,159</u>	<u>\$ 221,079</u>	<u>\$ 115,295</u>	<u>\$ 121,209</u>

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) increased by \$16.1 million during the year (\$133.4 million in 2025 compared to \$117.3 million in 2024) and expenses increased by \$3.4 million. Overall net position increased \$24.5 million in 2025. For the DPU, revenues in 2025 increased primarily because of capital grants for the Wastewater Treatment Plan project and rate increases for all four divisions. DPU expenses in 2025 increased with the increase in costs of purchasing electricity and gas.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$120.1 million, which is an increase of \$1.9 million from last year's total of \$118.2 million. Included in this year's total change in fund balance is an increase of \$2.1 million in the City's General Fund. The primary reasons for the General Fund's increase are higher than anticipated property tax, conveyance tax, building permit and interest income and savings from positions being vacant for a portion of the year. Please see the general fund activities analysis in RSI-1 and RSI-2 for further detail.

The Debt Service Fund reported a fund balance of \$58.2 million at June 30, 2025. The fund balance decreased by \$2.7 million during the year due to paydown of a long-term interfund receivable from DPU for its portion of the Gas Line Extension Bonds and Pension Obligation Bond debt.

The Education Grants Fund's fund balance \$0.3 million was essentially unchanged from the previous year.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The General Government Grants & Programs fund, in which the City records activity for the American Rescue Plan Act grant in addition to other grants, had a fund deficit of (\$96), a \$241 increase from the prior year. The increase is largely due to the improvement of collections of grant reimbursements within 60 days after fiscal year-end.

The other nonmajor governmental funds have a total fund balance of \$39.4 million - a \$2.0 million increase from last year.

Proprietary Funds

Net position of the DPU was \$162.1 million, as compared to \$137.6 million in the prior year, and City's other nonmajor enterprise funds' net position decreased by \$0.1 million to \$7.6 million.

Unrestricted net deficit of the DPU was (\$5.1) million, and a deficit of (\$1.8) million for the other nonmajor enterprise funds. The DPU had operating revenues of \$106.1 million from user fees, and other enterprise funds had \$1.8 million. The total increase in net position for the fiscal year ended June 30, 2025 was \$24.6 million. The change in the DPU net position is largely attributable to the capital grants for the Wastewater Treatment Plan project.

General Fund Budgetary Highlights

During the year, actual revenues and other financing sources on a budgetary basis were \$154.5 million, which was \$0.8 million higher than budgetary estimates. The variance was caused primarily by higher than anticipated delinquent property tax collections, conveyance taxes, interest income and building permit revenues. Please see the general fund activities analysis in RSI-1 for further detail.

Actual expenditures on a budgetary basis and other financing uses totaled \$152.3 million, which were lower than actual revenues and other financing sources on a budgetary basis by \$2.1 million and lower than the original appropriation by \$1.3 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the City had \$401.0 million invested in a broad range of capital assets, including land, building and system improvements, machinery and equipment, park facilities, roads, software, sewers and bridges - Table 4. This amount represents a net increase (including additions, deductions and depreciation) of \$65.3 million, or 19.5%, compared to last year. The largest causes of the increase was the construction in progress for the Wastewater Treatment Plant and the Stanton and Greeneville schools.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 27,391	\$ 28,508	\$ 3,365	\$ 3,365	\$ 30,756	\$ 31,873
Buildings and Improvements	49,007	50,702	31,652	32,815	80,659	83,517
Vehicles, Machinery, Equipment, Pumping and Distributions Systems	12,218	12,327	119,642	116,989	131,860	129,316
Technology Upgrade and Road Infrastructure	26,537	25,570	-	-	26,537	25,570
Construction in Progress	37,401	23,038	92,952	41,380	130,353	64,418
Right-To-Use Lease Assets	253	260	360	374	613	634
SBITA Assets	-	-	192	354	192	354
Totals	<u>\$ 152,807</u>	<u>\$ 140,405</u>	<u>\$ 248,163</u>	<u>\$ 195,277</u>	<u>\$ 400,970</u>	<u>\$ 335,682</u>

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

NPU Fleet Vehicles	\$ 1,001
NPU State of CT - DOT - Utility Relocations	552
NPU Gas Service Installations	654
NPU Electric Transformers & Distribution Devices	1,184
NPU Electric Distribution Line & Service Installations	598
NPU Primary Electric Distribution Circuit Upgrades	1,438
NPU DWSRF - Caribou/Nemczuk Water Distribution System	1,587
NPU Wastewater Collection Main Installations	672
NPU Greenville CIPP Phase II Wastewater Main Replacement	753
NPU Wastewater Treatment Plant Construction	48,810
Stanton School Construction	4,440
Greenville School Construction	3,702
Moriarty School Construction	1,692
Uncas School Construction	1,706
Sherman Street Bridge	1,666
Total	<u>\$ 70,455</u>

The City's fiscal-year 2026 capital budget calls for spending \$3.1 million for road overlays, public works vehicles, information technology equipment, police vehicles, fire equipment and other projects. More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

Long-Term Debt

At June 30, 2025, the City had total bonds, notes, leases, and subscription-based information technology arrangements (SBITA) outstanding of \$253.7 million. The general obligation bond debt is backed by the full faith and credit of the City. The City's outstanding long-term debt had a net increase of \$2.2 million during fiscal 2025 primarily because of the new Clean Water Fund notes issued for the Wastewater Treatment Plan project and bonds issued for the school construction projects.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 189,375	\$ 187,151	\$ -	\$ -	\$ 189,375	\$ 187,151
Notes Payable	-	-	-	67	-	67
Serial Notes Payable	-	-	63,669	34,334	63,669	34,334
Lease Liability	245	260	374	406	619	666
SBITA Liability	-	-	47	127	47	127
Total	<u>\$ 189,620</u>	<u>\$ 187,411</u>	<u>\$ 64,090</u>	<u>\$ 34,934</u>	<u>\$ 253,710</u>	<u>\$ 222,345</u>

In November 2024, Standard & Poor's assigned an AA rating on Norwich's \$10.6 million general obligation bond issue and affirmed this rating on the rest of Norwich's debt outstanding as of that date. In February 2025, Moody's affirmed Norwich's rating of Aa3.

State statutes limit the amount of general obligation debt a governmental entity may issue up to seven times its annual receipts from taxation. The current debt limitation for the City of Norwich is \$651.1 million. The City's outstanding general obligation debt is at 47.54% of this limitation. Table 9 presents more detailed information about the debt limitation.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As of August 2025, the unemployment rate for Norwich was 4.1%, up from 2.9% in the prior year. Connecticut's overall unemployment rate stood at 3.8%, compared with 2.5% for the same time last year. Until recently the State of Connecticut's education and non-education formula grants had not kept pace with inflation for many years. State legislators have been working on increasing non-property tax revenue streams to municipalities like Norwich; such as increases to the City's Mashantucket-Pequot/Mohegan and PILOT grants as well as local shares of cannabis sales tax. The City has not lost sight of controlling costs as it continues to negotiate lower cost long-term employee benefits and seek efficiencies. As an example, the City sold \$145 million of pension obligation bonds in February 2022 which could potentially save City taxpayers and NPU ratepayers several millions of dollars over the next 25 years. Other initiatives are noted in the transmittal letter. Additionally, voters approved a \$385 million bond referendum in November 2022 to consolidate its seven elementary schools into four new buildings, renovate-as-new or replace Teachers' Memorial Middle School, and repurpose a school as the home of Norwich Public Schools' administrative offices. The conservative estimated net cost of these projects of \$153 million compares favorably to the estimated cost of \$225 million to repair all the existing schools.

The fiscal year 2026 General Fund budget calls for \$154.4 million in revenues and expenditures, a 0.51% increase over fiscal year 2025. Non-education expenditures decreased by 0.64% and education expenditures increased by 1.00%. On the revenue side, because of loss of some State grant funds, the fiscal year 2026 General Fund mill rate increased 1.52 mills, or 4.61%, from 32.99 to 34.51. No unassigned fund balance was used to balance the budget.

**CITY OF NORWICH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

In the City's business-type activities, the Norwich Public Utilities projects an 8.76% increase in revenues from fiscal year 2026 to 2026 from \$108.7 million to \$118.2 million. This increase is based on projected normalized sales and includes Board approved rate increases in the gas, water, sewer, and electric divisions. Norwich Public Utilities budgeted \$94.9 million in capital improvements including \$82.3 million towards the wastewater treatment plant improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF NORWICH, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2025
(IN THOUSANDS)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 60,484	\$ 63,354	\$ 123,838
Investments	22,199	-	22,199
Receivables, Net	18,399	24,814	43,213
Internal Balances	58,894	(58,894)	-
Supplies	-	2,990	2,990
Other Assets	-	1,631	1,631
Capital Assets:			
Assets Not Being Depreciated	64,792	96,317	161,109
Assets Being Depreciated, Net	88,015	151,846	239,861
Total Assets	<u>312,783</u>	<u>282,058</u>	<u>594,841</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	6,335	3,035	9,370
Deferred Outflows - OPEB	6,478	1,690	8,168
Deferred Charge on Refunding	789	-	789
Total Deferred Outflows of Resources	<u>13,602</u>	<u>4,725</u>	<u>18,327</u>
LIABILITIES			
Accounts and Other Payables	17,733	21,990	39,723
Unearned Revenue	3,323	396	3,719
Noncurrent Liabilities:			
Due Within One Year	13,985	6,687	20,672
Due in More Than One Year	213,245	73,671	286,916
Total Liabilities	<u>248,286</u>	<u>102,744</u>	<u>351,030</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	5,086	3,907	8,993
Deferred Inflows - Pensions	17,497	8,968	26,465
Deferred Inflows - OPEB	8,886	1,444	10,330
Total Deferred Inflows of Resources	<u>31,469</u>	<u>14,319</u>	<u>45,788</u>
NET POSITION			
Net Investment in Capital Assets	92,051	175,743	267,794
Restricted for:			
Permanent Trust Purposes - Expendable	2,354	-	2,354
Permanent Trust Purposes - Nonexpendable	33	-	33
Capital Improvements	2,803	-	2,803
Other	866	-	866
Energy Conservation	-	826	826
Unrestricted	(51,477)	(6,849)	(58,326)
Total Net Position	<u>\$ 46,630</u>	<u>\$ 169,720</u>	<u>\$ 216,350</u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 11,052	\$ 3,033	\$ 3,718	\$ 1,093,000	\$ (3,208)	\$ -	\$ (3,208)
Public Safety	32,046	311	1,567	5,580	(24,588)	-	(24,588)
Social Services	4,340	525	1,241	-	(2,574)	-	(2,574)
Public Works	18,944	2,036	-	1,919	(14,989)	-	(14,989)
Education	142,017	1,016	78,825	-	(62,176)	-	(62,176)
Interest on Long-Term Debt	7,760	-	-	-	(7,760)	-	(7,760)
Total Governmental Activities	216,159	6,921	85,351	8,592	(115,295)	-	(115,295)
BUSINESS-TYPE ACTIVITIES							
Department of Public Utilities	96,592	106,087	-	23,283	-	32,778	32,778
Nonmajor Enterprise Funds:							
Golf Course Authority	1,441	1,569	-	173	-	301	301
Stadium Authority	359	109	-	-	-	(250)	(250)
Ice Rink Authority	90	83	-	-	-	(7)	(7)
Total Business-Type Activities	98,482	107,848	-	23,456	-	32,822	32,822
Total	<u>\$ 314,641</u>	<u>\$ 114,769</u>	<u>\$ 85,351</u>	<u>\$ 32,048</u>	(115,295)	32,822	(82,473)
GENERAL REVENUES AND TRANSFERS							
Property Taxes					101,964	-	101,964
Grants and Contributions not Restricted to Specific Programs					9,208	-	9,208
Unrestricted Investment Earnings					3,753	-	3,753
Miscellaneous					1,299	2,122	3,421
Transfers					10,439	(10,439)	-
Total General Revenues and Transfers					<u>126,663</u>	<u>(8,317)</u>	<u>118,346</u>
CHANGE IN NET POSITION					11,368	24,505	35,873
Net Position - Beginning of Year					<u>35,262</u>	<u>145,215</u>	<u>180,477</u>
NET POSITION - END OF YEAR					<u>\$ 46,630</u>	<u>\$ 169,720</u>	<u>\$ 216,350</u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(IN THOUSANDS)

	General	Debt Service	Education Grants	General Government Grants and Programs	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 58,366	\$ -	\$ -	\$ -	\$ 2,117	\$ 60,483
Investments	19,901	-	-	-	2,299	22,200
Receivables, Net	8,792	-	501	504	7,946	17,743
Due from Other Funds	1,243	58,211	1,939	3,235	38,485	103,113
Total Assets	<u>\$ 88,302</u>	<u>\$ 58,211</u>	<u>\$ 2,440</u>	<u>3,739</u>	<u>\$ 50,847</u>	<u>\$ 203,539</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	\$ 7,410	\$ -	\$ 1,956	\$ 420	\$ 5,032	\$ 14,818
Due to Other Funds	50,252	-	110	-	234	50,596
Unearned Revenue	-	-	116	3,147	58	3,321
Total Liabilities	<u>57,662</u>	<u>-</u>	<u>2,182</u>	<u>3,567</u>	<u>5,324</u>	<u>68,735</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	2,548	-	-	-	74	2,622
Unavailable Revenue - Special Assessments	684	-	-	-	142	826
Unavailable Revenue - Loans Receivable	-	-	-	-	4,484	4,484
Unavailable Revenue - Grants Receivable	159	-	-	268	1,174	1,601
Unavailable Revenue - Other	87	-	-	-	12	99
Unavailable Revenue - Leases	4,805	-	-	-	280	5,085
Total Deferred Inflows of Resources	<u>8,283</u>	<u>-</u>	<u>-</u>	<u>268</u>	<u>6,166</u>	<u>14,717</u>
FUND BALANCES						
Nonspendable	-	-	-	-	33	33
Restricted	-	-	-	-	6,023	6,023
Committed	-	58,211	258	-	21,140	79,609
Assigned	67	-	-	-	12,323	12,390
Unassigned	22,290	-	-	(96)	(162)	22,032
Total Fund Balances	<u>22,357</u>	<u>58,211</u>	<u>258</u>	<u>(96)</u>	<u>39,357</u>	<u>120,087</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 88,302</u>	<u>\$ 58,211</u>	<u>\$ 2,440</u>	<u>\$ 3,739</u>	<u>\$ 50,847</u>	<u>\$ 203,539</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds	\$	120,087
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Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because of the following:

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

Governmental Capital Assets		279,186
Less: Accumulated Depreciation and Amortization		(126,379)
Net Capital Assets		152,807

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

Property Tax Receivables Greater than 60 Days		2,622
Loans Receivable		4,470
Accounts and Other Receivables		3,188
Deferred Outflows:		
Deferred Outflow of Resources Related to Pensions		6,335
Deferred Outflow of Resources Related to OPEB		6,478
Deferred Charge on Refunding		789

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

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

Bonds and Notes Payable		(186,625)
Unamortized Bond Premium		(2,750)
Interest Payable on Bonds and Notes		(2,549)
Lease Obligations		(245)
Compensated Absences		(3,718)
Landfill Closure		(129)
Net Pension Liability		(5,190)
Net OPEB Liability		(22,923)
Deferred Inflow of Resources Related to Pensions		(17,497)
Deferred Inflow of Resources Related to OPEB		(8,886)

Net Position of Governmental Activities (Exhibit I)	\$	46,630
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See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	General	Debt Service	Education Grants	General Government Grants and Programs	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes, Interest, and Liens	\$ 96,980	\$ -	\$ -	\$ -	\$ 5,361	\$ 102,341
Intergovernmental Revenues	55,622	-	24,889	6,871	11,988	99,370
Charges for Services	3,640	-	176	-	1,922	5,738
Licenses, Permits, and Fees	1,224	-	-	-	-	1,224
Investment Income	2,857	-	-	-	1,708	4,565
Other	308	1,819	28	74	738	2,967
Total Revenues	160,631	1,819	25,093	6,945	21,717	216,205
EXPENDITURES						
Current:						
General Government	5,994	-	-	1,040	572	7,606
Public Safety	20,284	-	-	1,953	8,689	30,926
Social Services	2,243	-	-	100	1,965	4,308
Public Works	13,129	-	-	638	603	14,370
Education	108,423	-	24,921	-	5,441	138,785
Other	2,987	-	-	-	-	2,987
Capital Outlay	283	-	-	3,175	18,955	22,413
Debt Service						
Principal	-	8,725	-	-	-	8,725
Interest	-	5,777	-	-	-	5,777
Total Expenditures	153,343	14,502	24,921	6,906	36,225	235,897
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,288	(12,683)	172	39	(14,508)	(19,692)
OTHER FINANCING SOURCES (USES)						
Transfers In	7,181	10,004	-	202	6,657	24,044
Transfers Out	(12,320)	-	-	-	(1,286)	(13,606)
Issuance of General Obligation Bonds	-	-	-	-	10,600	10,600
Bond Premiums	-	-	-	-	542	542
Total Other Financing Sources (Uses)	(5,139)	10,004	-	202	16,513	21,580
NET CHANGE IN FUND BALANCES	2,149	(2,679)	172	241	2,005	1,888
Fund Balances - Beginning of Year	20,208	60,890	86	(337)	37,352	118,199
FUND BALANCES - END OF YEAR	<u>\$ 22,357</u>	<u>\$ 58,211</u>	<u>\$ 258</u>	<u>\$ (96)</u>	<u>\$ 39,357</u>	<u>\$ 120,087</u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV)	\$ 1,888
Amounts reported for governmental activities in the Statement of Activities (Exhibit II) are different because:	
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:	
Capital Outlay	22,288
Depreciation and Amortization Expense	(7,848)
In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.	(2,038)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Property Tax Receivable - Accrual Basis Change	(377)
Loan Repayments	84
Accounts and Other Receivables - Accrual Basis Change	1,422
Change in Deferred Outflows:	
Deferred Outflow of Resources Related to Pensions	(6,655)
Deferred Outflow of Resources Related to OPEB	(1,941)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized and deferred in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Issuance of Bonds	(10,600)
Premium on Bonds	(542)
Bond Principal Payments	8,725
Amortization of Deferred Charge on Refunding	(103)
Amortization of Premiums	193
Capital Lease Principal Payments	15
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Compensated Absences	(454)
Accrued Interest	(2,071)
Landfill Postclosure Care	24
Change in Net Pension Liability	16,677
Change in Net OPEB Liability	2,541
Change in Deferred Inflows:	
Deferred Inflow of Resources Related to Pensions	(11,867)
Deferred Inflow of Resources Related to OPEB	815
Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	1,192
Change in Net Position of Governmental Activities (Exhibit II)	\$ 11,368

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities			Governmental
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 63,354	\$ -	\$ 63,354	\$ -
Receivables, Net	20,861	11	20,872	8
Lease Receivable	89	83	172	-
Due from Other Funds	-	108	108	6,377
Supplies	2,990	-	2,990	-
Other Assets	1,631	-	1,631	-
Total Current Assets	88,925	202	89,127	6,385
Noncurrent Assets:				
Lease Receivable	610	3,160	3,770	-
Capital Assets, Net	238,589	9,574	248,163	-
Total Noncurrent Assets	239,199	12,734	251,933	-
Total Assets	328,124	12,936	341,060	6,385
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Pensions	3,035	-	3,035	-
Deferred Outflows - OPEB	1,690	-	1,690	-
Total Deferred Outflows of Resources	4,725	-	4,725	-
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	16,658	740	17,398	360
Notes Payable	3,393	-	3,393	-
Compensated Absences	2,789	-	2,789	-
Risk Management Claims	330	-	330	2,406
Lease Liability	83	45	128	-
SBITA Liability	47	-	47	-
Cash Advances from Other Funds	2,707	-	2,707	-
Due to Other Funds	26	765	791	-
Due to Other Governments	-	3	3	-
Unearned Revenue	-	395	395	9
Total Current Liabilities	26,033	1,948	27,981	2,775
Noncurrent Liabilities:				
Customer Deposits	4,589	-	4,589	-
Notes Payable	60,276	-	60,276	-
Compensated Absences	4,117	-	4,117	-
Risk Management Claims	1,006	-	1,006	3,244
Lease Liability	76	170	246	-
Cash Advances from Other Funds	55,504	-	55,504	-
Net Pension Liability	181	-	181	-
Net OPEB Liability	7,845	-	7,845	-
Total Noncurrent Liabilities	133,594	170	133,764	3,244
Total Liabilities	159,627	2,118	161,745	6,019
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	663	3,244	3,907	-
Deferred Inflows - Pensions	8,968	-	8,968	-
Deferred Inflows - OPEB	1,444	-	1,444	-
Total Deferred Outflows of Resources	11,075	3,244	14,319	-
NET POSITION				
Net Investment in Capital Assets	166,384	9,359	175,743	-
Restricted for Energy Conservation	826	-	826	-
Unrestricted	(5,063)	(1,785)	(6,848)	366
Total Net Position	\$ 162,147	\$ 7,574	\$ 169,721	\$ 366

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities			Governmental Activities
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 104,635	\$ 1,471	\$ 106,106	\$ 24,555
Use of Property	518	-	518	-
Other Services	934	98	1,032	-
Rent	-	192	192	-
Total Operating Revenues	106,087	1,761	107,848	24,555
OPERATING EXPENSES				
Purchased Gas and Electric	32,730	-	32,730	-
Operations and Maintenance	21,704	1,437	23,141	-
General and Administrative	19,296	-	19,296	-
Depreciation and Amortization	10,327	444	10,771	-
Pension Expense	3,008	-	3,008	-
Customer Accounts	3,058	-	3,058	-
Gross Revenue and Property Taxes	2,333	-	2,333	-
OPEB Expense	982	-	982	-
Claims	-	-	-	18,660
Premiums and Administrative Charges	-	-	-	4,703
Total Operating Expenses	93,438	1,881	95,319	23,363
OPERATING INCOME (LOSS)	12,649	(120)	12,529	1,192
NONOPERATING INCOME (EXPENSE)				
Interest Income	1,815	(1)	1,814	-
Interest Expense	(3,154)	(9)	(3,163)	-
Gain on Disposal of Capital Assets	12	-	12	-
Other Nonoperating Revenue	296	-	296	-
Total Nonoperating Income (Expense)	(1,031)	(10)	(1,041)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	11,618	(130)	11,488	1,192
Capital Contributions	23,283	173	23,456	-
Transfers Out	(10,317)	(121)	(10,438)	-
CHANGE IN NET POSITION	24,584	(78)	24,506	1,192
Net Position - Beginning of Year	137,563	7,652	145,215	(826)
NET POSITION - END OF YEAR	<u>\$ 162,147</u>	<u>\$ 7,574</u>	<u>\$ 169,721</u>	<u>\$ 366</u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities			Governmental
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Charges for Services	\$ 103,369	\$ 1,878	\$ 105,247	\$ 9,499
Cash Receipts for Interfund Services Provided	-	-	-	14,024
Cash Paid to Vendors	(62,584)	(991)	(63,575)	(23,523)
Cash Paid to Employees for Services	(25,872)	(627)	(26,499)	-
Cash Received from Other Nonoperating Revenues	296	-	296	-
Net Cash Provided (Used) by Operating Activities	15,209	260	15,469	-
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers to Other Funds	(10,318)	-	(10,318)	-
Customer Deposits	257	-	257	-
Transfers from (to) Other Funds	(7)	(121)	(128)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(10,068)	(121)	(10,189)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	23,283	-	23,283	-
Purchases of Capital Assets	(54,903)	(85)	(54,988)	-
Proceeds from Sale of Capital Assets	114	-	114	-
Lease Payments Received	(309)	-	(309)	-
Proceeds from Notes Payable	31,568	-	31,568	-
Principal Payment on Notes Payable	(2,300)	-	(2,300)	-
Payments on Leases	(231)	(45)	(276)	-
Payments on SBITAs	(80)	-	(80)	-
Interest Payment on Debt	(3,154)	-	(3,154)	-
Interest Payments on Leases	-	(8)	(8)	-
Capital Advances (Repayments) from Other Funds	(2,679)	-	(2,679)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(8,691)	(138)	(8,829)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Income on Investments	1,815	(1)	1,814	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,735)	-	(1,735)	-
Cash and Cash Equivalents - Beginning of Year	65,089,000	-	65,089	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 63,354,000</u>	<u>\$ -</u>	<u>\$ 63,354</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Business-Type Activities			Governmental Activities
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 12,650	\$ (120)	\$ 12,530	\$ 1,192
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	10,327	444	10,771	-
Other Nonoperating Revenues	296	-	296	-
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:				
Change in Deferred Outflow of Resources Related to Pensions	3,615	-	3,615	-
Change in Deferred Outflow of Resources Related to OPEB	682	-	682	-
Change in Net Pension Liability	(8,064)	-	(8,064)	-
Change in Net OPEB Liability	(270)	-	(270)	-
Change in Deferred Inflow of Resources Related to Leases	299	-	299	-
Change in Deferred Inflow of Resources Related to Pensions	5,871	-	5,871	-
Change in Deferred Inflow of Resources Related to OPEB	(294)	-	(294)	-
(Increase) Decrease in Receivables	(3,017)	8	(3,009)	4
(Increase) Decrease in Inventories and Other Assets	(780)	-	(780)	-
(Increase) Decrease in Due from Other Funds	-	139	139	(1,033)
Increase (Decrease) in Due to Other Funds	-	(95)	(95)	-
Increase (Decrease) in Unearned Revenues	-	46	46	(3)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(6,106)	(162)	(6,268)	(160)
Total Adjustments	2,559	380	2,939	(1,192)
Net Cash Provided (Used) by Operating Activities	<u>\$ 15,209</u>	<u>\$ 260</u>	<u>\$ 15,469</u>	<u>\$ -</u>
NONCASH CAPITAL AND FINANCING ACTIVITIES				
Capital Asset Contributions	\$ 23,283	\$ 173	\$ -	\$ -
Leases	-	252	-	-
Total Noncash Capital and Financing Activities	<u>\$ 23,283</u>	<u>\$ 425</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 5,127
Investments:	
U.S. Government Securities	31,529
U.S. Government Agencies	16,175
Corporate Bonds	32,612
Mutual Funds	281,932
Common Stock	70,513
Real Estate	8,271
Accounts Receivable	1,238
Total Assets	<u>447,397</u>
LIABILITIES	
Accounts and Other Payables	<u>170</u>
NET POSITION	
Restricted for OPEB Benefits	43,958
Restricted for Pension Benefits	<u>403,269</u>
Total Net Position	<u><u>\$ 447,227</u></u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 9,984
Plan Members	6,119
Total Contributions	<u>16,103</u>
Investment Income:	
Net Change in Fair Value of Investments	39,440
Interest and Dividends	11,840
Total Investment Income	<u>51,280</u>
Less Investment Expense	<u>(1,130)</u>
Net Investment Income	<u>50,150</u>
Total Additions	66,253
DEDUCTIONS	
Benefits	27,542
Administration	736
Lump Sum Distributions and Withdrawals	640
Total Deductions	<u>28,918</u>
CHANGE IN NET POSITION	37,335
Net Position - Beginning of Year	<u>409,892</u>
NET POSITION - END OF YEAR	<u><u>\$ 447,227</u></u>

See accompanying Notes to Financial Statements.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Education Grants Fund

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

General Government Grants and Programs

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary fund:

Department of Public Utilities

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

Additionally, the City reports the following fund types:

Internal Service Fund

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

Pension and Other Employee Benefit Trust Funds

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

E. Receivables and Payables

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

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

F. Supplies and Prepaid Items

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

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

Right-of-use lease assets are initially measured as the sum of the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subscription-based information technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs.

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

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

Buildings	40 to 50 Years
Building Improvements	20 Years
Infrastructure, Public Doman Infrastructure, and Distribution and Collection Systems	20 to 50 Years
Machinery and Equipment	5 to 20 Years
Right-of-Use Lease Asset	2 to 10 Years
SBITA	2 to 5 Years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings or other inputs.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees).

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

I. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

J. Net Pension Liability

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net OPEB Liability

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

L. Long-Term Obligations

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

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

M. Fund Balance and Net Position

In the government-wide financial statements and in proprietary fund types, net position is classified in the following categories:

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

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance and Net Position (Continued)

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

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

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

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

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

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

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

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance and Net Position (Continued)

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

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

N. Estimates

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

O. Adoption of New Accounting Standards

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. This statement aims to achieve a unified model for recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City adopted this standard effective July 1, 2024. There was no material effect on the City's financial statements.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

The City Manager may transfer unexpended balances within a department, office, or agency; the Council may transfer unexpended balances between departments at the City Manager's request within the last three months of the fiscal year. The Comptroller oversees revenues and expenditures according to the budget established by the City Council. The Board of Education may transfer unexpended balances between accounts within its total line appropriation. Additional appropriations may be made upon the City Manager's recommendation, provided the Comptroller certifies the availability of a sufficient General Fund surplus. During 2025, additional appropriations of \$96 were made from the fund balance of the Fire District.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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

B. Deficit Fund Balance

Certain individual funds had fund balance/net position deficits at June 30, 2025 as follows:

Major Governmental Funds:		
General Government Grants and Programs	\$	96 *
Nonmajor Governmental Funds:		
Youth Services		25 *
Economic Development		3 *
Community Development Fund		5 *
Property Rehabilitation		172 *
Internal Service Funds:		
Workers' Compensation		823 *

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit will not be returned. The City has a formal investment policy. Under this policy, the Treasurer shall mitigate concentration of credit risk on deposits by spreading deposits among different financial institutions. Because the benefits of lower fees and higher rates of return often outweigh the attendant risks of carrying large balances with a few financial institutions, the Treasurer will use their judgment rather than target percentages to guide their deposit strategy. For other investments, no more than 10% of the funds covered under this policy may be invested in securities from any one federal, state, or local political subdivision or agency. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$82,999 of the City's bank balance of \$111,072 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 74,531
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the City's Name	8,468
Total Amount Subject to Custodial Credit Risk	<u>\$ 82,999</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Cash Equivalents

At June 30, 2025, the City's cash equivalents amounted to \$40,632. The following table provides a summary of the City's cash equivalents (excluding U.S. Government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAA/m

NOTE 4 INVESTMENTS

As of June 30, 2025, the City had the following investments:

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificate of Deposit	\$ 18,895	\$ 18,895	\$ -	\$ -
U.S. Government Securities	32,663	6,164	20,854	5,645
U.S. Government Agencies	16,175	-	322	15,853
Corporate Bonds	32,717	2,836	26,443	3,438
Total	100,450	<u>\$ 27,895</u>	<u>\$ 47,619</u>	<u>\$ 24,936</u>
Other Investments:				
Mutual Funds	282,168			
Common Stock	72,343			
Private Equity - Real Estate	8,271			
Total Investments	<u>\$ 463,232</u>			

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

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

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies	Certificate of Deposit
Aaa	\$ 13	\$ 32,663	\$ -	\$ -
Aa1	27	-	-	-
Aa2	74	-	-	-
Aa3	196	-	-	-
A1	3,939	-	-	-
A2	3,936	-	-	-
A3	260	-	-	-
Baa1	3,374	-	-	-
Baa2	5,729	-	-	-
Baa3	8,024	-	-	-
Ba1	4,989	-	-	-
Ba2	488	-	-	-
Ba3	593	-	-	-
B1	1,075	-	-	-
B2	-	-	-	-
Unrated	-	-	16,175	18,895
Totals	<u>\$ 32,717</u>	<u>\$ 32,663</u>	<u>\$ 16,175</u>	<u>\$ 18,895</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2025:

	June 30, 2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Securities	\$ 32,663	\$ 32,663	\$ -	\$ -
U.S. Government Agencies	16,175	16,175	-	-
Corporate Bonds	32,717	32,717	-	-
Equity Securities:				
Common Stock	72,343	72,343	-	-
Mutual Funds	282,168	282,168	-	-
Total Investments by Fair Value Level	436,066	<u>\$ 436,066</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Recorded at Amortized Cost:				
Certificate of Deposit	18,895			
Investments Recorded at Net Asset Value				
Private Equity - Real Estate	8,271			
Total Investments	<u>\$ 463,232</u>			

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk – Investments

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

Concentration of Credit Risk

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

NOTE 5 RECEIVABLES

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

	General	Education Grants	Department of Public Utilities	General Government Grants and Programs	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	Total
Receivables:							
Taxes	\$ 4,042	\$ -	\$ -	\$ -	\$ 120	\$ -	\$ 4,162
Intergovernmental	-	501	6,781	504	2,850	-	10,636
User Charges	-	-	18,392	-	-	11	18,403
Leases	4,795	-	699	-	276	3,243	9,013
Assessments	684	-	-	-	-	-	684
Loans	-	-	-	-	4,470	-	4,470
Accounts and Other	341	-	-	-	456	8	805
Gross Receivables	9,862	501	25,872	504	8,172	3,262	48,173
Less Allowance for Uncollectibles:							
Taxes	(1,070)	-	-	-	(19)	-	(1,089)
User Charges	-	-	(4,312)	-	-	-	(4,312)
Accounts and Other	-	-	-	-	(207)	-	(207)
Total Allowance	(1,070)	-	(4,312)	-	(226)	-	(5,608)
Net Total Receivables	<u>\$ 8,792</u>	<u>\$ 501</u>	<u>\$ 21,560</u>	<u>\$ 504</u>	<u>\$ 7,946</u>	<u>\$ 3,262</u>	<u>\$ 42,565</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

A summary of interfund balances as of June 30, 2025 is presented below.

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,243	\$ 50,252
Debt Service Fund	58,211	-
Education Grants	1,939	110
General Government Grants and Programs	3,235	-
Nonmajor Governmental	38,485	234
Department of Public Utilities	-	58,237
Nonmajor Enterprise	108	765
Internal Service Funds	6,377	-
Total	<u>\$ 109,598</u>	<u>\$ 109,598</u>

Included within the balances above are \$58,210 of long-term interfund advances receivable by the Debt Service Fund from the Department of Public Utilities. These advances are primarily for the construction of gas-related infrastructure and the Department's portion of the pension obligation bonds and are to be repaid over the term of the corresponding debt.

A summary of interfund transfers is presented below:

	Transfers In				
	General	Debt Service Expenditure	Grants and Programs	Nonmajor Governmental	Total
Transfers Out:					
General Fund	\$ -	\$ 8,986	\$ 74	\$ 3,260	\$ 12,320
Department of Public Utilities	7,018	-	-	3,299	10,317
Nonmajor Governmental	140	1,018	128	-	1,286
Nonmajor Enterprise	23	-	-	98	121
Total	<u>\$ 7,181</u>	<u>\$ 10,004</u>	<u>\$ 202</u>	<u>\$ 6,657</u>	<u>\$ 24,044</u>

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

CITY OF NORWICH, CONNECTICUT
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NOTE 7 LEASES

A. Lessor

The City, acting as lessor, leases various property under long-term, noncancelable lease agreements. The leases expire at various dates through 2056. During the year ended June 30, 2025, the City recognized \$179 in lease revenue pursuant to these contracts.

The Ice Rink Authority, acting as lessor, leases property under a long-term, noncancelable lease agreement. The lease expires in 2064. During the year ended June 30, 2025, the Ice Rink Authority recognized \$85 in lease revenue pursuant to these contracts.

The Department of Public Utilities, acting as lessor, leases space on and/or adjacent to two water tanks for the purpose of the tenants' transmission and reception of communications signals under long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2036, inclusive of renewal options ranging from ten to fifteen years from transition date of July 1, 2021. During the year ended June 30, 2025, the Department of Public Utilities recognized \$115 in lease revenue pursuant to these contracts.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 203	\$ 15	\$ 173	\$ 23
2027	440	54	179	23
2028	243	26	184	23
2029	241	33	190	23
2030	240	40	196	22
Thereafter	3,704	2,468	3,020	3,047
Total	<u>\$ 5,071</u>	<u>\$ 2,636</u>	<u>\$ 3,942</u>	<u>\$ 3,161</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 7 LEASES (CONTINUED)

B. Lessee

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

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

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

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 15	\$ 1	\$ 128	\$ 27
2027	13	2	116	22
2028	12	2	56	17
2029	12	3	55	14
2030	11	3	19	4
Thereafter	182	237	-	-
Total	<u>\$ 245</u>	<u>\$ 248</u>	<u>\$ 374</u>	<u>\$ 84</u>

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

Right-to-Use Lease Assets:

Land	\$ 336
Equipment	295
Less: Accumulated Amortization	(271)
Total	<u>\$ 360</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 28,508	\$ 921	\$ (2,038)	\$ -	\$ 27,391
Construction in Progress	23,038	17,000	-	(2,637)	37,401
Total Capital Assets Not Being Depreciated	51,546	17,921	(2,038)	(2,637)	64,792
Capital Assets Being Depreciated:					
Buildings and Improvements	108,989	812	-	832	110,633
Vehicles, Machinery, and Equipment	39,603	1,941	(311)	290	41,523
Technology Upgrade and Infrastructure	58,845	1,614	-	1,515	61,974
Total Capital Assets Being Depreciated	207,437	4,367	(311)	2,637	214,130
Less Accumulated Depreciation for:					
Buildings and Improvements	(58,287)	(3,339)	-	-	(61,626)
Vehicles, Machinery, and Equipment	(27,276)	(2,340)	311	-	(29,305)
Technology Upgrade and Infrastructure	(33,275)	(2,162)	-	-	(35,437)
Total Accumulated Depreciation	(118,838)	(7,841)	311	-	(126,368)
Right to Use - Lease Asset:					
Land	264	-	-	-	264
Less Accumulated Amortization:					
Land	(4)	(7)	-	-	(11)
Total Capital Assets Being Depreciated, Net	88,859	(3,481)	-	2,637	88,015
Governmental Activities Capital Assets, Net	<u>\$ 140,405</u>	<u>\$ 14,440</u>	<u>\$ (2,038)</u>	<u>\$ -</u>	<u>\$ 152,807</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 8 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 3,365	\$ -	\$ -	\$ -	\$ 3,365
Construction in Progress	41,380	63,398	-	(11,826)	92,952
Total Capital Assets Not Being Depreciated	44,745	63,398	-	(11,826)	96,317
Capital Assets Being Depreciated:					
Structures and Improvements	70,781	-	(48)	393	71,126
Intangible Plant	4,319	-	-	-	4,319
Machinery, Equipment, Pumping, and Distribution Systems	285,054	273	(2,375)	11,433	294,385
Total Capital Assets Being Depreciated	360,154	273	(2,423)	11,826	369,830
Less Accumulated Depreciation for:					
Structures and Improvements	(37,966)	(1,555)	47	-	(39,474)
Intangible Plant	(432)	(216)	-	-	(648)
Machinery, Equipment, Pumping, and Distribution Systems	(171,952)	(8,736)	2,274	-	(178,414)
Total Accumulated Depreciation	(210,350)	(10,507)	2,321	-	(218,536)
Right to Use - Lease Asset:					
Land	500	-	(164)	-	336
Equipment	256	252	(213)	-	295
Total Right to Use - Lease Asset	756	252	(377)	-	631
Less Accumulated Amortization:					
Land	(171)	(57)	-	-	(228)
Equipment	(211)	(45)	213	-	(43)
Total Accumulated Amortization	(382)	(102)	213	-	(271)
Subscription Based Information Technology Arrangement (SBITA)					
Assets:					
SBITA	561	-	-	-	561
Less Accumulated Amortization:					
SBITA	(207)	(162)	-	-	(369)
Total Capital Assets Being Depreciated, Net	150,532	(10,246)	(266)	11,826	151,846
Business-Type Activities Capital Assets, Net	<u>\$ 195,277</u>	<u>\$ 53,152</u>	<u>\$ (266)</u>	<u>\$ -</u>	<u>\$ 248,163</u>

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

NOTE 8 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 387
Public Safety	1,569
Social Services	4,054
Public Works	128
Education	1,710
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 7,848</u>

Business-Type Activities:

Department of Public Utilities	\$ 10,327
Golf Course Authority	176
Stadium Authority	186
Ice Rink Authority	82
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 10,771</u>

Construction Commitments

The City has active construction projects as of June 30, 2025. At year-end, the City's commitments with contractors on active authorizations are as follows:

Project	Cumulative Authorization	Current Expenditures	Cumulative Expenditures	Balance June 30, 2025
Radio Network Replacement *	\$ 1,400	\$ 100	\$ 100	\$ 1,300
PHMSA - Gas Distribution Replacement Phase I *	10,000	3,103	3,187	6,813
Occum Industrial Center Gas Distribution Upgrades *	1,200	11	11	1,189
Primary Electric Distribution Circuit Upgrades *	550	313	427	123
10th St Substation Breaker Bus Overhaul	500	149	149	351
DEEP Grant - Bean Hill Substation Floodproofing *	650	117	117	533
Bean Hill Substation Relocation *	50,100	79	82	50,018
Groton Water Main Interconnect *	850	181	785	65
DWSRF - Industrial Park Water Tank Upgrade *	3,000	49	52	2,948
DWSRF - Richard Brown Water Tank Upgrade *	2,000	52	55	1,945
DWSRF - Lead Service Water Line Replacement *	5,750	576	1,115	4,635
DWSRF - Norwichtown Well PFAS Treatment System *	7,500	2	30	7,470
DWSRF - Yantic Water Tank Upgrade *	5,200	106	183	5,017
DWSRF - Bozrah Utility Bridge & Water Main Replacement *	2,900	-	2	2,898
DWSRF - Route 2 Galvanized Water Main Replacement *	2,400	2	2	2,398
DWSRF - W. Town St 24" Water Main Replacement *	3,700	2	2	3,698
CWF - South Thames/Cove St Wastewater Force Main *	6,750	800	2,500	4,250
CWF - Long-Term Control Plan *	2,000	158	158	1,842
EPA - Greenville CIPP Phase III Wastewater Main Replacement *	2,100	103	105	1,995
Wastewater Treatment Plant Construction *	200,000	48,810	83,007	116,993
Sherman Street Bridge	13,126	1,666	13,126	-
Motorola CAD RMS Project	4,100	37	3,680	420
Stanton School Construction	65,281	4,440	6,019	59,262
Greenville School Construction	78,286	3,702	5,216	73,070
Moriarty School Construction	73,931	1,692	1,750	72,181
Uncas School Construction	73,931	1,706	1,751	72,180
Teachers' Memorial Construction	69,153	44	44	69,109
Total	<u>\$ 686,358</u>	<u>\$ 68,000</u>	<u>\$ 123,655</u>	<u>\$ 562,703</u>

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 9 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 184,750	\$ 10,600	\$ 8,725	\$ 186,625	\$ 9,090
Add Unamortized Premiums	2,401	542	193	2,750	190
Total Bonds Payable	<u>187,151</u>	<u>11,142</u>	<u>8,918</u>	<u>189,375</u>	<u>9,280</u>
Compensated Absences	3,264	454	-	3,718	2,262
Lease Liability	260	-	15	245	15
Landfill Closure	153	-	24	129	22
Net Pension Liability	21,867	-	16,677	5,190	-
Net OPEB Liability	25,464	-	2,541	22,923	-
Risk Management Claims	<u>6,164</u>	<u>18,660</u>	<u>19,174</u>	<u>5,650</u>	<u>2,406</u>
Total Governmental Activities Long-Term Liabilities	<u><u>\$ 244,323</u></u>	<u><u>\$ 30,256</u></u>	<u><u>\$ 47,349</u></u>	<u><u>\$ 227,230</u></u>	<u><u>\$ 13,985</u></u>
Business-Type Activities:					
Notes Payable - Direct Borrowing:					
Notes Payable	\$ 67	\$ -	\$ 67	\$ -	\$ -
State of Connecticut - Serial Notes	<u>34,334</u>	<u>31,568</u>	<u>2,233</u>	<u>63,669</u>	<u>3,393</u>
Total Notes Payable	<u>34,401</u>	<u>31,568</u>	<u>2,300</u>	<u>63,669</u>	<u>3,393</u>
Compensated Absences	5,575	3,555	2,224	6,906	2,789
Lease Liability	406	252	284	374	128
SBITA Liability	127	-	80	47	47
Workers' Compensation	878	458	-	1,336	330
Net Pension Liability	8,245	-	8,064	181	-
Net OPEB Liability	<u>8,114</u>	<u>-</u>	<u>269</u>	<u>7,845</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u><u>\$ 57,746</u></u>	<u><u>\$ 35,833</u></u>	<u><u>\$ 13,221</u></u>	<u><u>\$ 80,358</u></u>	<u><u>\$ 6,687</u></u>

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 LONG-TERM DEBT (CONTINUED)

A schedule of bonds outstanding at June 30, 2025 is presented below:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2025
Governmental Activities:					
General Purpose Bonds Payable:					
General Purpose - Series A	3/3/2015	8/1/2034	3.0-4.0	\$ 5,600	\$ 2,500
General Purpose - Series A	3/1/2016	8/1/2035	2.0-2.6	6,300	3,030
General Purpose - Series B	3/1/2016	8/1/2025	2.0-3.0	2,500	250
General Purpose - Series A	3/1/2017	8/1/2036	3.0-4.0	4,450	2,650
Refunding - (Partial 12/02/2009 Series A) Bonds - Series A	3/1/2017	8/1/2036	3.0-4.0	2,825	2,825
General Purpose - Series B	3/1/2017	8/1/2036	1.0-3.9	1,000	600
General Purpose - Series A	12/6/2018	8/1/2038	3.0-5.0	7,970	5,880
General Purpose - Series A	12/5/2019	8/1/2039	2.0-5.0	3,575	2,835
General Purpose - Series A	10/28/2020	8/1/2040	3.0-5.0	1,205	960
General Purpose - Series B	10/28/2020	8/1/2040	2.0-5.1	15,920	9,370
Pension Obligation Bonds	2/25/2022	8/1/2046	1.4-3.3	145,000	132,095
General Purpose - Series A	12/29/2022	8/1/2043	4.0-5.0	9,200	8,280
General Purpose - Series A	12/14/2023	8/1/2044	4.0	5,000	4,750
General Purpose - Series A	12/5/2024	8/1/2049	4.0	10,600	10,600
Total					<u>\$ 186,625</u>
Business-Type Activities:					
State of Connecticut Serial Notes Payable:					
Clean Water Act 625-D	12/31/2012	12/31/2031	2.00	\$ 1,865	\$ 683
Clean Water Act 495-C	5/31/2013	6/1/2032	2.00	5,748	2,231
Clean Water Act 625-D1	5/31/2015	12/31/2031	2.00	2,510	1,030
Clean Water Act 707-Pd	2/26/2021	1/31/2041	2.00	1,655	1,290
Clean Water Act 743-D	10/31/2023	9/30/2043	2.00	2,061	1,854
Clean Water Act 743-D	3/31/2025	3/31/2045	2.00	29,224	28,859
Clean Water Act 743-C	*	*	*	*	11,871
Drinking Water State Revolving Fund 200801-C	7/1/2009	7/1/2029	2.27	450	88
Drinking Water State Revolving Fund 2010-8005	3/31/2010	12/31/2029	2.06	145	33
Drinking Water State Revolving Fund 2010-8006	3/31/2010	6/30/2030	2.06	326	82
Drinking Water State Revolving Fund 2010-7005	4/30/2014	10/31/2032	2.00	160	64
Drinking Water State Revolving Fund 2010-7006	4/30/2014	4/30/2032	2.00	148	56
Drinking Water State Revolving Fund 2014-7027	6/30/2015	12/31/2034	2.27	506	240
Drinking Water State Revolving Fund 2014-7036	5/31/2016	11/30/2036	2.00	4,052	2,110
Drinking Water State Revolving Fund 2015-7037	10/12/2016	9/30/2034	2.00	1,528	785
Drinking Water State Revolving Fund 2017-7056	2/28/2019	6/30/2028	2.00	2,695	1,774
Drinking Water State Revolving Fund 2019-7069	12/31/2020	6/30/2040	2.00	2,477	1,858
Drinking Water State Revolving Fund 2019-7072	8/31/2019	2/28/2039	2.00	1,582	1,081
Drinking Water State Revolving Fund 2019-7081	11/30/2020	6/30/2040	2.00	2,414	1,810
Drinking Water State Revolving Fund 2019-7077	9/30/2022	9/30/2041	2.00	5,824	4,860
Drinking Water State Revolving Fund 2022-7104	3/31/2023	9/30/2042	2.00	131	113
Drinking Water State Revolving Fund 2024-7130	5/30/2025	11/30/2044	2.00	677	677
Drinking Water State Revolving Fund 2024-5002	*	*	*	*	220
Total					<u>\$ 63,669</u>

* Loan is not permanently financed at this time.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 LONG-TERM DEBT (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,090	\$ 6,030	\$ 15,120
2027	8,840	5,734	14,574
2028	8,915	5,491	14,406
2029	9,010	5,240	14,250
2030	9,115	4,986	14,101
2031 - 2035	42,390	21,083	63,473
2036 - 2040	39,850	14,391	54,241
2041 - 2045	40,930	7,166	48,096
2046 - 2048	18,485	806	19,291
Total	<u>\$ 186,625</u>	<u>\$ 70,926</u>	<u>\$ 257,551</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,393	\$ 1,002	\$ 4,395
2027	3,384	933	4,317
2028	3,396	866	4,262
2029	3,405	797	4,202
2030	3,393	729	4,122
2031 - 2035	14,839	2,695	17,534
2036 - 2040	11,956	1,195	13,151
2041 - 2045	7,812	538	8,350
Subtotal	<u>51,578</u>	<u>8,756</u>	<u>60,334</u>
State of Connecticut - Serial Notes not Permanently Financed as of June 30, 2025	<u>12,091</u>	<u>-</u>	<u>12,091</u>
Total	<u>\$ 63,669</u>	<u>\$ 8,756</u>	<u>\$ 72,425</u>

The City's outstanding clean water notes contains a provision that, in event of default, the State may declare, by notice to the City, that the principal of and interest accrued on any outstanding amounts are immediately due and payable in full, automatically, without further notices or demand of any kind.

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

Landfill Closure and Postclosure Care Cost – Governmental Activity

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The current estimated total cost of the landfill closure and postclosure care of \$128 is based on the amount estimated to be paid for all equipment, facilities, and services required to close, monitor, and maintain the complete landfill site as of June 30, 2025. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The Landfill Closure fund has been used to liquidate landfill closure and postclosure liabilities, but the General Fund will be used to pay for future monitoring costs.

Subscription-Based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) for various items under long-term, noncancelable SBITA agreements. The SBITAs expire at various dates through 2029 and provide for renewal options.

Total future minimum payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 83	\$ 5
2027	68	2
2028	6	-
2029	2	-
Total	<u>\$ 159</u>	<u>\$ 7</u>

SBITAs acquired through outstanding contracts are shown below.

Subscription Based Information Technology Arrangements	\$ 561
Less: Accumulated Amortization	(369)
Total	<u>\$ 192</u>

Bonds Authorized/Unissued

Bonds authorized/unissued with outstanding debt at June 30, 2025 are as follows:

<u>Description</u>	<u>Authorized</u>	<u>Bonded</u>	<u>Grants</u>	<u>Authorized Unissued</u>
Dodd Stadium Capital Improvements (2018)	\$ 800	\$ 450	\$ -	\$ 350
Infrastructure Improvement Program (2019)	5,000	4,330	-	670
School Construction Program (2022)	385,000	20,000	240,000	125,000
Infrastructure Improvement Program (2023)	6,000	-	-	6,000
Purchase of Downtown Building and Lots (2024)	800	-	-	800
Total	<u>\$ 397,600</u>	<u>\$ 24,780</u>	<u>\$ 240,000</u>	<u>\$ 132,820</u>

CITY OF NORWICH, CONNECTICUT
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JUNE 30, 2025
(IN THOUSANDS)

NOTE 9 LONG-TERM DEBT (CONTINUED)

Debt Limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 209,291	\$ 28,214	\$ 181,077
Schools	418,581	146,856	271,725
Sewers	348,818	1,351	347,467
Urban Renewal	302,309	1,030	301,279
Pension Deficit	279,054	132,095	146,959

The total of the City's net statutory indebtedness of \$309.5 million does not exceed the legal debt limitation of \$651.1 million (seven times the base for debt limitation computation).

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 10 FUND BALANCE

A. Fund Balance

The components of fund balance at June 30, 2025 are as follows:

	General Fund	Bond Expenditure Fund	Education Grants	General Government Grants and Programs	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Trust	\$ -	\$ -	\$ -	\$ -	\$ 33	\$ 33
Restricted for:						
Trust:						
Cemetery Trusts	-	-	-	-	2,334	2,334
Parks and Gardens Trusts	-	-	-	-	19	19
Fred Abbot Summer Concert	-	-	-	-	1	1
Fire Districts	-	-	-	-	348	348
Student Activities	-	-	-	-	44	44
Opioid Remediation	-	-	-	-	243	243
Cannabis	-	-	-	-	190	190
Lead Paint Abatement	-	-	-	-	41	41
Capital Improvements	-	-	-	-	2,803	2,803
Committed to:						
Public Safety:						
Police Grants and Programs	-	-	-	-	154	154
Public Works:						
Public Parking	-	-	-	-	321	321
Other	-	-	-	-	317	317
Social Services:						
Recreation	-	-	-	-	903	903
Human Services	-	-	-	-	38	38
Senior Center	-	-	-	-	74	74
General Government:						
Revolving Loan	-	-	-	-	319	319
Pension Reserve Fund	-	-	-	-	15,683	15,683
Other	-	-	-	-	1,172	1,172
Education:						
School Lunch	-	-	-	-	2,091	2,091
Adult Education	-	-	-	-	28	28
Other	-	-	258	-	40	298
Debt Service	-	58,211	-	-	-	58,211
Assigned to:						
Encumbrances:						
General Government	30	-	-	-	-	30
Public Safety	28	-	-	-	-	28
Public Works	9	-	-	-	-	9
Capital Projects	-	-	-	-	12,323	12,323
Unassigned	22,290	-	-	(96)	(162)	22,032
Total Fund Balances	<u>\$ 22,357</u>	<u>\$ 58,211</u>	<u>\$ 258</u>	<u>\$ (96)</u>	<u>\$ 39,357</u>	<u>\$ 120,087</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 FUND BALANCE (CONTINUED)

B. Department of Public Utilities – Restricted Net Position

Connecticut Municipal Electric Energy Cooperative (CMEEC) administers a Municipal Energy and Load Conservation Fund (the Fund) on behalf of its cooperative members, including the Norwich Department of Public Utilities (the Department). The Fund was established to comply with provisions of House Bill 7501, Public Act No. 05-1 requiring CMEEC to establish and administer the Fund. CMEEC includes a charge of 4.8 mills per kilowatt hour in the monthly purchase power costs of wholesale electricity sold to the Department for deposit into the Fund. Disbursements from the Fund are required to be made pursuant to a comprehensive electric conservation and load management plan. Funds held by CMEEC as of June 30, 2025 on behalf of the Department were \$826. Investment income that is earned on the Department's deposits along with the Fund's authorized expenses is recorded in the Department's statement of activities. The funds held by CMEEC on behalf of the Department are recorded as an asset on the Department's statement of net position and have been restricted.

C. Encumbrances

As discussed in Note 2. A., budgetary information, under the budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$67 within the General Fund for various reasons and \$12,323 within the Nonmajor Governmental Funds for capital projects. The encumbrances for capital projects will be satisfied with the receipt of interfund receivables and intergovernmental receivables. The interfund receivables will be funded with budgeted transfers from the general fund.

NOTE 11 TAX ABATEMENTS

As of June 30, 2025, the City provides tax abatements through multiple programs:

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 TAX ABATEMENTS (CONTINUED)

A seven-year abatement ranging from 100% to 0% (phased in over the abatement) of local property taxes on qualifying real and personal property, is subject to the property being new to the grand list of the municipality as a direct result of a business expansion or renovation project or, in the case of an existing building, having met the vacancy requirement. The property tax abatement is for a full seven-year period and takes effect with the start of the first full assessment year following the issuance of a "Certificate of Eligibility." For the fiscal year ended June 30, 2025, taxes abated through this program total \$21. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The Uniform Tax Deferral Process provides real property tax abatements on certain commercial property development in the City under Connecticut General Statutes Section 12-65c through 12-65e and the City of Norwich Ordinance 7-22. Abatements are obtained pursuant to a contract between the City and the owner of any such property. The contract shall provide the terms of such abatement, the moneys equal to the amount of such abatement and the criteria by which the property is required to be used for to receive the abatement. For the fiscal year ended June 30, 2025, taxes abated through this program total \$169. The contract includes provisions for cease and potential recapture of abatements if property is used for a purpose other than the one specified in the agreement. No other commitments have been made by the City to the abatement recipients under this program.

The Wauregan Hotel Development (WHD) tax abatement agreement was created to provide real property tax abatements for the rehabilitation of certain deteriorated property within the City pursuant of Connecticut General Statutes Section 8-215 and City of Norwich Ordinance 7-21. Under the terms of the agreement the rehabilitated property is to be used for low-income housing and abatement obtained pursuant to a contract between the City and the owner of the property. The property owner will receive an abatement of all taxes but is responsible for paying the City a payment in lieu of taxes equal to 20% of net operating income on the property. Continuation of the agreement is conditioned upon continued compliance with the provisions of the agreement and is terminated upon sale or transfer of the property for any other purpose unless the City has consented thereto. For the fiscal year ended June 30, 2025, taxes abated through this program total \$115. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The Housing Development Zone tax abatement agreements provide real property tax abatements for improvements to commercial and residential real estate in Housing Development Zones pursuant of Connecticut General Statutes Section 8-380. Under the terms of the agreements, qualifying developments in Housing Development zones provide an abatement over an eleven-year period where the assessment is increased incrementally from 0% to 100%. For the fiscal year ended June 30, 2025, taxes abated through this program total \$460. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 11 TAX ABATEMENTS (CONTINUED)

The Distressed Municipalities tax abatement program provides real and personal property tax abatements to encourage investment in manufacturing. To be eligible, 30% of new employees must be residents of the Enterprise Zone or residents of the municipality in which the plant is located and eligible under the Workforce Investment Act. The program includes five-year 80% abatement of local property taxes on all qualifying real and personal property. For the fiscal year ended June 30, 2025, taxes abated through this program total \$156. No other commitments have been made by the City to the abatement recipients under this program.

NOTE 12 RISK MANAGEMENT

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

It is the policy of the City to self-insure for employee health insurance programs. To this end, the City created an internal service fund to which the various City funds "pay premiums" and from which employee medical claims are paid. Claims are accrued as incurred. The City also purchased "stop loss" insurance to limit its losses to \$175 per person in 2025 for hospitalization and prescriptions with a maximum aggregate for all claims of approximately \$22,454.

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

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

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical:				
2024 - 2025	\$ 1,341	\$ 16,876	\$ 16,876	\$ 1,341
2023 - 2024	1,107	16,403	16,169	1,341
Workers' Compensation:				
2024 - 2025	4,823	1,784	2,298	4,309
2023 - 2024	4,559	2,172	1,908	4,823

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 RISK MANAGEMENT (CONTINUED)

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

The Department of Public Utilities accounts for the self-insured component of workers' compensation benefits for the Department's employees within the Department of Public Utilities Enterprise Fund. The Department has accrued \$1,336 for estimated unpaid accrued losses on reported claims as of June 30, 2025.

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

City of Norwich Retirement System

A. Plan Description and Benefits Provided

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

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

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

B. Union Coalition

2018 Agreement

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Retirement System (Continued)

B. Union Coalition (Continued)

2018 Agreement (Continued)

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

Employees contribute 8.5% of their wages to the plan.

C. Police

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

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

Employees contribute 8.5% of their wages to the plan.

D. Firefighters

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

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Retirement System (Continued)

E. Plan Membership

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

Retirees and Beneficiaries Currently Receiving Benefits	531
Terminated Employees Not Yet Receiving Benefits	47
Active Plan Members	<u>707</u>
Total	<u><u>1,285</u></u>

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

Basis of Accounting

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

Method Used to Value Investments

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City legislature. Benefits and contributions are established by the City and may be amended only by the City Charter and union negotiation. The City's funding policy provides for periodic employer contributions at actuarially determined rates. The City's current contribution percentage is 12.73% of covered payroll.

Administrative costs of the plan are financed through investment earnings.

G. Investments

Investment Policy

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

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

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Retirement System (Continued)

G. Investments (Continued)

Investment Policy (Continued)

The following was the Board's adopted asset allocation policy as of June 30, 2025.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Core Fixed Income	30.00 %	2.20 %
U.S. Large Cap Equity	35.00	3.78
U.S. Small & Mid Cap Equity	14.00	3.62
Foreign Developed Equity	17.00	4.79
Private Real Estate Property	4.00	4.57
Total	100.00 %	

* Long-Term Returns are geometric means.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2025 were as follows:

Total Pension Liability	\$ 401,094
Plan Fiduciary Net Position	(399,038)
Net Pension Liability	\$ 2,056

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.49%
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I. Actuarial Assumptions

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Retirement System (Continued)

I. Actuarial Assumptions (Continued)

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

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

J. Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

K. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 394,243	\$ 367,516	\$ 26,727
Changes for the Year:			
Service Cost	8,357	-	8,357
Interest on Total Pension Liability	24,436	-	24,436
Differences Between Expected and Actual Experience	(2,332)	-	(2,332)
Employer Contributions	-	6,007	(6,007)
Member Contributions	-	4,516	(4,516)
Net Investment Income	-	44,676	(44,676)
Benefit Payments, Including Refund of Employee Contributions	(23,610)	(23,609)	(1)
Administrative Expenses	-	(68)	68
Net Changes	6,851	31,522	(24,671)
Balances as of June 30, 2025	\$ 401,094	\$ 399,038	\$ 2,056

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Retirement System (Continued)

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

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

	1% Decrease in Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net Pension Liability	\$ 51,558	\$ 2,056	\$ (39,092)

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

For the year ended June 30, 2025, the City recognized pension expense of \$9,114. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities	Business-Type Activities Department of Public Utilities	Total
Deferred Outflows of Resources:			
Differences Between Expected and Actual Experience	\$ 1,637	\$ 563	\$ 2,200
Changes of Assumptions	4,598	2,472	7,070
Total	<u>\$ 6,235</u>	<u>\$ 3,035</u>	<u>\$ 9,270</u>
Deferred Inflows of Resources:			
Differences Between Expected and Actual Experience	\$ 1,445	\$ 507	\$ 1,952
Changes of Assumptions	487	307	794
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	15,187	8,154	23,341
Total	<u>\$ 17,119</u>	<u>\$ 8,968</u>	<u>\$ 26,087</u>

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

<u>Year Ended June 30,</u>	Governmental Activities	Business-Type Activities Department of Public Utilities	Total
2026	\$ 4,721	\$ 2,286	\$ 7,007
2027	(6,534)	(3,479)	(10,013)
2028	(5,877)	(3,121)	(8,998)
2029	(3,194)	(1,619)	(4,813)
Total	<u>\$ (10,884)</u>	<u>\$ (5,933)</u>	<u>\$ (16,817)</u>

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

City of Norwich Volunteer Firefighters' Relief Plan

A. Plan Description and Benefits Provided

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

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

Volunteers will begin receiving benefits when they are at least 55 years old and have at least 20 years of credited service. A plan member may purchase a year of credited service if he/she has responded to at least the lesser of 20% of all emergency calls or 150 calls as well as attending the lesser of 20% of his/her department's training sessions and drills or 20 hours of training or drills during the plan year. "Retirees" from the plan receive a monthly benefit of \$30 (not in thousands) multiplied by the years of credited service to a maximum of 40 years and a maximum monthly benefit of \$1200 (not in thousands).

The contribution requirements of plan members and the City are established and may be amended by the City Council. Members are required to contribute \$360 (not in thousands) for each calendar year of credited service.

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

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	54
Inactive Plan Members Entitled to but Not Yet	
Receiving Benefits	78
Active Plan Members	59
Total	<u>191</u>

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

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

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

Basis of Accounting

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

Method Used to Value Investments

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

Plan Expenses

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City legislature. Members are required to contribute \$360 (not in thousands) for each calendar year of credited service.

C. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the VFFRF Committee by a majority vote of its members. It is the policy of the VFFRF Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the VFFRF Committee's adopted asset allocation policy as of June 30, 2025.

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

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

C. Investments (Continued)

Investment Policy (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Government Bonds	12.00 %	1.62 %
U.S. Credit Bonds	15.00	2.61
U.S. High Yield Bonds	3.00	3.48
U.S. Large Caps	35.00	3.78
U.S. Mid Caps	8.00	3.73
U.S. Small Caps	6.00	4.22
Foreign Developed Equity	13.60	4.79
Emerging Markets Equity	3.40	5.73
Private Real Estate Property	4.00	4.57
Total Portfolio	100.00 %	

* Long-Term Returns are geometric means.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2025 were as follows:

Total Pension Liability	\$ 7,546
Plan Fiduciary Net Position	(4,231)
Net Pension Liability	\$ 3,315

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.07%
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CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

E. Actuarial Assumptions

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

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

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

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

F. Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

G. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 7,294	\$ 3,909	\$ 3,385
Changes for the Year:			
Service Cost	75	-	75
Interest on Total Pension Liability	446	-	446
Differences Between Expected and Actual Experience	(228)	-	(228)
Changes of Benefit Terms	434	-	434
Employer Contributions	-	333	(333)
Member Contributions	-	18	(18)
Net Investment Income	-	452	(452)
Benefit Payments, Including Refund of Employee Contributions	(475)	(475)	-
Administrative Expenses	-	(6)	6
Net Changes	252	322	(70)
Balances as of June 30, 2025	<u>\$ 7,546</u>	<u>\$ 4,231</u>	<u>\$ 3,315</u>

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

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

	1% Decrease in Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net Pension Liability	\$ 4,221	\$ 3,315	\$ 2,565

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense of \$494. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 50	\$ 170
Changes of Assumptions	50	29
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	179
Total	<u>\$ 100</u>	<u>\$ 378</u>

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

<u>Year Ended June 30,</u>	Governmental Activities
2026	\$ 42
2027	(143)
2028	(135)
2029	(42)
Total	<u>\$ (278)</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

J. Schedule of Plan Net Position – June 30, 2025

	City Employee Pension Trust Fund	Volunteer Fire Pension Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,449	\$ 64	\$ 4,513
Investments:			
U.S. Government Securities	26,775	-	26,775
U.S. Government Agencies	13,725	-	13,725
Corporate Bonds	27,994	-	27,994
Mutual Funds	257,214	4,181	261,395
Common Stock	60,093	-	60,093
Real Estate	8,271	-	8,271
Accounts Receivable	602	-	602
Total Assets	<u>399,123</u>	<u>4,245</u>	<u>403,368</u>
LIABILITIES			
Accounts and Other Payables	<u>85</u>	<u>14</u>	<u>99</u>
NET POSITION			
Restricted for Pensions	<u>\$ 399,038</u>	<u>\$ 4,231</u>	<u>\$ 403,269</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Norwich Volunteer Firefighters' Relief Plan (Continued)

K. Schedule of Changes in Plan Net Position for the Year Ended June 30, 2025

	City Employee Pension Trust Fund	Volunteer Fire Pension Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 6,007	\$ 333	\$ 6,340
Plan Members	4,516	18	4,534
Total Contributions	<u>10,523</u>	<u>351</u>	<u>10,874</u>
Investment Income:			
Net Appreciation in Fair Value of Investments	35,142	345	35,487
Interest and Dividends	10,511	127	10,638
Total Investment Income	<u>45,653</u>	<u>472</u>	<u>46,125</u>
Less: Investment Expense	(977)	(20)	(997)
Net Investment Income	<u>44,676</u>	<u>452</u>	<u>45,128</u>
Total Additions	55,199	803	56,002
DEDUCTIONS			
Benefits	22,969	475	23,444
Administration	68	6	74
Lump Sum Distributions and Withdrawals	640	-	640
Total Deductions	<u>23,677</u>	<u>481</u>	<u>24,158</u>
NET INCREASE (DECREASE)	31,522	322	31,844
Net Position Restricted for Pensions - Beginning of Year	<u>367,516</u>	<u>3,909</u>	<u>371,425</u>
NET POSITION RESTRICTED FOR PENSIONS - END OF YEAR	<u><u>\$ 399,038</u></u>	<u><u>\$ 4,231</u></u>	<u><u>\$ 403,269</u></u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

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

Disability Retirement

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

C. Contributions

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

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

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

Employer (School Districts)

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

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$10,557 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

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

At June 30, 2025, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension	
Liability Associated with the City	107,107
Total	<u>\$ 107,107</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2025, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2025, the City recognized pension expense and revenue of \$12,285 in Exhibit II.

**CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Cost-of-Living Allowance (Continued)

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

Long-Term Rate of Return

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

F. Discount Rate

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

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

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

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Aggregated Pension Information

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2025:

	Deferred Outflow of Resources Related to Pensions	Net Pension Liability	Deferred Inflow of Resources Related to Pensions	Pension Expense
City of Norwich Retirement System:				
Governmental Activities	\$ 6,235	\$ 1,875	\$ 17,119	\$ 6,106
Business-Type Activities	3,035	181	8,968	3,008
Total City of Norwich Retirement System	9,270	2,056	26,087	9,114
Volunteer Firefighters' Relief Plan:				
Governmental Activities	100	3,315	378	494
Connecticut Teachers Retirement System:				
Governmental Activities	-	-	-	12,285
Totals	<u>\$ 9,370</u>	<u>\$ 5,371</u>	<u>\$ 26,465</u>	<u>\$ 21,893</u>
Governmental Activities	\$ 6,335	\$ 5,190	\$ 17,497	\$ 18,885
Business-Type Activities	<u>3,035</u>	<u>181</u>	<u>8,968</u>	<u>3,008</u>
Totals	<u>\$ 9,370</u>	<u>\$ 5,371</u>	<u>\$ 26,465</u>	<u>\$ 21,893</u>

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

City of Norwich, Retiree Health Plan

A. Plan Description and Benefits Provided

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

A. Plan Description and Benefits Provided (Continued)

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

Active Plan Members	904
Retired Plan Members	472
Spouses of Retirees	49
Beneficiaries	9
Total Participants	<u>1,434</u>

B. Summary of Significant Accounting Policies

Basis of Accounting

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

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

Plan Expenses

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

C. Funding Policy

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

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

City Retirees

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

C. Funding Policy (Continued)

City Retirees (Continued)

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

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

Police Retirees

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

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

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

Fire Retirees

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

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

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

Retired Board of Education Teachers and Administrators

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

C. Funding Policy (Continued)

Retired Board of Education Custodians and Maintainers

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

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

Retired Board of Education Nurses

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

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

Retired Board of Education Secretaries and Paraeducators

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

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

Norwich Public Utilities' (NPU) Retirees

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

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

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

For the year ended June 30, 2025, plan members and the Teacher Retirement Board contributed \$1,585. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan for the year ended June 30, 2025 totaled \$3,644.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

D. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net OPEB Liability of the City

The City's net OPEB liability was measured as of June 30, 2025. The components of the net OPEB liability of the City at June 30, 2025 were as follows:

Total OPEB Liability	\$ 74,726
Plan Fiduciary Net Position	43,958
Net OPEB Liability	<u>\$ 30,768</u>

Plan Fiduciary Net Position as a	
Percentage of the Total OPEB Liability	58.83%

F. Actuarial Assumptions

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

Inflation:	2.60%
Salary Increases:	Varies by age, service and employee group
Investment Rate of Return:	6.25%
Healthcare Cost Trend Rates:	Pre-Medicare: 6.6% - 4.0% over 52 years; Post-Medicare: 6.3% - 4.0% over 52 years

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

F. Actuarial Assumptions (Continued)

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Core Fixed Income	30.00%	2.20%
U.S. Large Caps	37.00%	3.78%
U.S. Small & Mid Caps	15.00%	3.62%
Foreign Developed Equity	18.00%	4.79%
Total	100.00%	

* Long-Term Returns are geometric means.

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

City of Norwich, Retiree Health Plan (Continued)

G. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

H. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2024	\$ 72,045	\$ 38,467	\$ 33,578
Changes for the Year:			
Service Cost	1,367	-	1,367
Interest	4,490	-	4,490
Contributions - Employer	-	3,644	(3,644)
Contributions - Member	-	13	(13)
Net Investment Income	-	5,022	(5,022)
Benefit Payments	(3,176)	(3,176)	-
Administrative Expenses	-	(12)	12
Net Changes	<u>2,681</u>	<u>5,491</u>	<u>(2,810)</u>
Balances as of June 30, 2025	<u>\$ 74,726</u>	<u>\$ 43,958</u>	<u>\$ 30,768</u>

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

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

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 36,658	\$ 33,578	\$ 25,580

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

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

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

	1% Decrease (Pre-Medicare: 5.6% - 3.0% Post-Medicare 5.3% - 3.0%)	Current Trend Rate (Pre-Medicare: 6.6% - 4.0% Post-Medicare 6.3% - 4.0%)	1% Increase (Pre-Medicare: 7.6% - 5.0% Post-Medicare 7.3% - 5.0%)
Net OPEB Liability	\$ 24,116	\$ 30,768	\$ 38,461

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$2,348. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-Type Activities Department of Public Utilities	Total
Deferred Outflows of Resources:			
Differences Between Expected and Actual Experience	\$ 3,970	\$ 1,287	\$ 5,257
Changes of Assumptions	2,508	403	2,911
Total	<u>\$ 6,478</u>	<u>\$ 1,690</u>	<u>\$ 8,168</u>
Deferred Inflows of Resources:			
Differences Between Expected and Actual Experience	\$ 3,135	\$ 746	\$ 3,881
Changes of Assumptions	3,215	453	3,668
Net Difference Between Projected and Actual Earnings on Pension	2,536	245	2,781
Total	<u>\$ 8,886</u>	<u>\$ 1,444</u>	<u>\$ 10,330</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

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

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

<u>Year Ended June 30.</u>	Governmental Activities	Business-Type Activities	Total
		Department of Public Utilities	
2026	\$ (108)	\$ 4	\$ (104)
2027	(1,337)	(60)	(1,397)
2028	(700)	105	(595)
2029	(298)	156	(142)
2030	35	41	76
Total	<u>\$ (2,408)</u>	<u>\$ 246</u>	<u>\$ (2,162)</u>

L. Schedule of Plan Net Position – June 30, 2025

	Other Postemployment Benefit Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 614
Investments:	
U.S. Government Securities	4,754
U.S. Government Agencies	2,450
Corporate Bonds	4,618
Mutual Funds	20,537
Common Stock	10,420
Accounts Receivable	636
Total Assets	<u>44,029</u>
LIABILITIES	
Accounts Payable	<u>71</u>
Total Liabilities	<u>71</u>
NET POSITION	
Restricted for OPEB Benefits	<u>\$ 43,958</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City of Norwich, Retiree Health Plan (Continued)

M. Schedule of Changes in Plan Net Position for the Year Ended June 30, 2025

	Other Postemployment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 3,644
Plan Members	1,585
Total Contributions	<u>5,229</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	3,953
Interest and Dividends	1,202
Total Investment Income	<u>5,155</u>
Less Investment Expense	<u>(133)</u>
Net Investment Income	<u>5,022</u>
Total Additions	10,251
DEDUCTIONS	
Benefits	4,098
Administration	662
Total Deductions	<u>4,760</u>
NET INCREASE	5,491
Net Position Restricted for OPEB Benefits - Beginning of Year	<u>38,467</u>
NET POSITION RESTRICTED FOR OPEB BENEFITS - END OF YEAR	<u><u>\$ 43,958</u></u>

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

A. Plan Description (Continued)

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

B. Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

C. Survivor Health Care Coverage (Amounts Not Rounded)

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

D. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

E. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$148 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2025, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability	
Associated with the City	21,971
Total	<u>\$ 21,971</u>

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2024. At June 30, 2025, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2025, the City recognized OPEB expense and revenue of \$304 in Exhibit II.

G. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50%
Healthcare Costs Trend Rate:	Local Coverage – 6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031. Retiree Healthcare – Medicare rates known for 2025, 4.50% increase for all subsequent years.
Salary Increases:	3.00-6.50%, Including Inflation
Investment Rate of Return:	3.64%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position will be Depleted	2027

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

G. Actuarial Assumptions (Continued)

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

- Discount rate changed from 3.64% to 3.93%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change;
- Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

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 1.26%

H. Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. 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, 2024.

In addition to the actuarial methods and assumptions of the June 30, 2024, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

H. Discount Rate (Continued)

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

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

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

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

J. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

K. Other Information

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

**CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Aggregated OPEB Information

The City recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2025:

	Deferred Outflow of Resources Related to OPEB	Net OPEB Liability	Deferred Inflow of Resources Related to OPEB	OPEB Expense
City of Norwich Retiree Health Plan:				
Governmental Activities	\$ 6,478	\$ 22,923	\$ 8,886	\$ 1,366
Business-Type Activities	1,690	7,845	1,444	982
Connecticut Teachers Retirement System:				
Governmental Activities	-	-	-	304
Total	<u>\$ 8,168</u>	<u>\$ 30,768</u>	<u>\$ 10,330</u>	<u>\$ 2,652</u>
Governmental Activities	\$ 6,478	\$ 22,923	\$ 8,886	\$ 1,670
Business-Type Activities	1,690	7,845	1,444	982
Total	<u>\$ 8,168</u>	<u>\$ 30,768</u>	<u>\$ 10,330</u>	<u>\$ 2,652</u>

NOTE 15 JOINTLY GOVERNED AND RELATED ORGANIZATIONS

Connecticut Municipal Electric Energy Cooperative (CMEEC)

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

CMEEC has entered into power sales contracts with each of the members including the City of Norwich Department of Public Utilities. Under the contracts, each of the member utilities have agreed to purchase essentially all of its electric power required for resale from CMEEC, with CMEEC's electric revenues to consist of billings for resale of power. The contracts obligate each member utility to pay for their share of CMEEC's fixed costs, which consist primarily of debt service and CMEEC administrative and general costs on a take or pay basis. The member utilities maintain this fixed cost obligation whether or not they take any power from CMEEC. The amount of power purchased from CMEEC for the fiscal year ended June 30, 2025 was \$30,420.

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 15 JOINTLY GOVERNED AND RELATED ORGANIZATIONS (CONTINUED)

Connecticut Municipal Electric Energy Cooperative (CMEEC) (Continued)

During the 2012 fiscal year, CMEEC and its members became participants in the Regional Greenhouse Gas Initiative Fund (RGGI), which is an initiative that implements the carbon dioxide cap and trading program as proposed by the RGGI in Connecticut. During the 2025 fiscal year, the share of contributions to the fund received by the Department totaled \$362, with drawdowns of \$232, and interest on the fund of \$4. The balance of the Department funds held by CMEEC for the RGGI was \$356 for the year ended June 30, 2025.

NOTE 16 COMMITMENTS AND CONTINGENCIES

Purchased Gas Contracts

The Department participates in forward contracts for the purchase of gas capacity for storage and transmission. Under the terms of the contracts, the Department is obligated to make payments for set capacities that will be charged at variable and fixed rates until the end of the respective terms. As of June 30, 2025, the Department has obligations in place through 2031. Expense under the contracts totaled \$6,128 during the year ended June 30, 2025.

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

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

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 17 COMMITMENTS AND CONTINGENCIES

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

The Department's net deferred debt fixed cost obligation to CMEEC as of June 30, 2025 is summarized as follows:

CMEEC - Debt Service Fixed Cost Obligation	\$ 12,697
Department - Rate Stabilization Funds on Deposit with CMEEC	<u>(12,775)</u>
Net Deferred Fixed Cost Obligation	<u><u>\$ (78)</u></u>

The rate stabilization funds held by CMEEC and the allocated percentage of CMEEC's debt obligation are not reported on the Department's statement of net position. The fixed cost obligation paid by the Department to CMEEC included in the cost to purchase power for the current year was \$2,124.

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

Combined Sewer Overflows

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

As of June 30, 2025, capital investment by the Department, if any, is not known and compliance with the consent decrees does not materially affect the financial position of the Department.

Municipal Solid Waste Management Services Contract

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

CITY OF NORWICH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 18 COMMITMENTS AND CONTINGENCIES

Municipal Solid Waste Management Services Contract (Continued)

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

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

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

NOTE 19 LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORWICH, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance
	Original	Final		
General Property Taxes:				
Current Tax Levy	\$ 83,785	\$ 83,785	\$ 84,386	\$ 601
Motor Vehicle Supplement	8,417	8,417	8,434	17
Prior Years Levy	2,198	2,198	2,584	386
Interest and Liens	1,425	1,425	1,576	151
Total	95,825	95,825	96,980	1,155
Other Taxes:				
Conveyance Tax	1,004	1,004	1,151	147
Telecommunications Tax	120	120	100	(20)
Total	1,124	1,124	1,251	127
Intergovernmental Revenues:				
Payment in Lieu of Taxes	3,144	3,144	3,122	(22)
City Housing	171	171	204	33
Mashantucket-Pequot Mohegan	2,360	2,360	2,360	-
Youth Service Bureau	72	72	72	-
Town Aid Road	495	495	495	-
Municipal Revenue Sharing	4,412	4,412	3,521	(891)
EMPG			38	38
Education Cost Sharing	32,317	32,317	32,319	2
Health Services	72	72	89	17
Enhanced 911 Telecommunication Fund	119	119	100	(19)
Total	43,162	43,162	42,320	(842)
Charges for Services:				
Senior Citizens Center	9	9	10	1
Landfill	102	102	75	(27)
Direct Hauler Fees	950	950	989	39
Backyard Rollout Fee	7	7	6	(1)
Recording Fees	201	201	200	(1)
Planning and Zoning Fees	20	20	27	7
Printing and Duplication Fees	58	58	60	2
Notary Public Fees	2	2	2	-
Vital Statistics	123	123	124	1
Total	1,472	1,472	1,493	21
Licenses and Permits:				
Public Safety Permits	22	22	18	(4)
Building Permits	1,012	1,012	1,200	188
Road Opening Permits	3	3	1	(2)
Marriage Licenses	4	4	5	1
Animal Licenses	2	2	-	(2)
Total	1,043	1,043	1,224	181

**CITY OF NORWICH, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Fines and Assessments:				
Traffic Violations	\$ 5	\$ 5	\$ 5	-
Blight Citations	59	59	71	12
Sewer Assessments	200	200	151	(49)
Total	264	264	227	(37)
Rents and Royalties:				
Building Rent Revenue	412	412	424	12
Property Rent	118	118	103	(15)
Cell Tower Rent	99	99	111	12
Facilities Rent	33	33	31	(2)
Total	662	662	669	7
Investment Income:				
Interest on Investments	2,400	2,400	2,857	457
Other Revenues:				
Financial Services	119	119	119	-
Human Resources Services	55	55	55	-
Publics Works Services	43	43	43	-
Sale of City Assets	125	125	39	(86)
Miscellaneous Revenue	41	41	52	11
Total	383	383	308	(75)
Total Revenues	146,335	146,335	147,329	867
Other Financing Sources:				
Transfers in:				
Cemetery Trust	85	85	88	3
Department of Public Utilities	7,018	7,018	7,018	-
Police	175	175	52	(123)
Golf Course Authority	23	23	23	-
Total Other Financing Sources	7,301	7,301	7,181	(120)
Total Revenues and Other Financing Sources	\$ 153,636	\$ 153,636	154,510	\$ 747

Budgetary revenues are different than GAAP revenues because:

State of Connecticut State Teachers' Retirement System on-behalf pension contributions for City teachers is not budgeted.	10,557
State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for City teachers is not budgeted.	148
The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	2,597

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

\$ 167,812

**CITY OF NORWICH, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
General Government:				
City Council	\$ 546	\$ 546	\$ 520	\$ 26
City Manager	470	470	467	3
Finance	2,159	2,159	2,097	62
Assessor	588	588	564	24
City Treasurer	331	331	330	1
Law	426	426	408	18
Human Resources	694	694	656	38
City Clerk	626	626	583	43
Planning and Neighborhood Services	1,515	1,515	1,507	8
Election	269	269	231	38
Total General Government	7,624	7,624	7,363	261
Public Safety:				
Police	18,229	18,853	18,341	512
Dispatch & Communications	1,627	1,600	1,489	111
Fire:				
Fire General	2,646	2,673	2,654	19
Emergency Management	70	70	66	4
East Great Plain	182	182	164	18
Laurel Hill	93	93	82	11
Occum	111	111	94	17
Taftville	182	182	145	37
Yantic	195	195	195	-
Total Public Safety	23,335	23,959	23,230	729
Social Services:				
Senior Citizens Center	898	905	890	15
Youth and Family Services	734	727	665	62
Human Services	740	740	689	51
Total Social Services	2,372	2,372	2,244	128
Public Works:				
Street Maintenance	5,343	5,227	5,119	108
Engineering and Administration	1,108	1,133	1,105	28
Street Lighting	388	380	379	1
Fleet Maintenance	1,674	1,687	1,700	(13)
Refuse and Recycling	3,287	3,287	3,270	17
Building Maintenance	1,533	1,632	1,593	39
Parking Maintenance	101	101	101	-
Total Public Works	13,434	13,447	13,267	180
Board of Education	95,681	95,681	95,681 *	-

**CITY OF NORWICH, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Other	\$ 3,711	\$ 3,074	\$ 3,040	\$ 34
Transfers Out	7,479	7,479	7,479	-
Total	\$ 153,636	\$ 153,636	152,304	\$ 1,332

Budgetary expenditures are different than GAAP expenditures because:

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

10,557

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

148

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

2,597

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

(60)

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

117

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

\$ 165,663

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

	2025	2025	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 8,357	\$ 8,199	\$ 7,994	\$ 6,252	\$ 6,691	\$ 5,973	\$ 5,881	\$ 5,769	\$ 5,656	\$ 5,890
Interest	24,436	23,940	23,173	23,279	22,662	21,529	20,905	20,965	20,281	18,659
Differences Between Expected and Actual Experience	(2,332)	561	3,515	1,939	-	795	-	(295)	-	3,337
Changes of Benefit Terms	-	-	-	(1,206)	-	212	-	(4,568)	-	634
Changes of Assumptions	-	(1,523)	-	39,068	-	15,732	-	4,117	-	8,811
Benefit Payments, Including Refunds of Member Contributions	(23,610)	(23,208)	(22,037)	(20,722)	(20,092)	(18,792)	(18,326)	(17,496)	(16,927)	(15,426)
Net Change in Total Pension Liability	6,851	7,969	12,645	48,610	9,261	25,449	8,460	8,492	9,010	21,905
Total Pension Liability - Beginning	394,243	386,274	373,629	325,019	315,758	290,309	281,849	273,357	264,347	242,442
Total Pension Liability - Ending	401,094	394,243	386,274	373,629	325,019	315,758	290,309	281,849	273,357	264,347
Plan Fiduciary Net Position:										
Contributions - Employer	6,007	5,275	4,411	144,718	12,774	12,107	11,432	10,103	8,711	7,581
Contributions - Member	4,516	4,283	4,223	4,062	3,937	3,917	3,896	3,664	3,386	3,358
Net Investment Income (Loss)	44,676	40,424	28,424	(26,532)	40,742	7,176	12,528	12,097	18,213	(2,851)
Benefit Payments, Including Refunds of Member Contributions	(23,609)	(23,208)	(22,038)	(20,722)	(20,092)	(18,792)	(18,326)	(17,496)	(16,927)	(15,426)
Administrative Expense	(68)	(74)	(73)	(352)	(106)	(74)	(7)	(44)	(5)	(42)
Net Change in Plan Fiduciary Net Position	31,522	26,700	14,947	101,174	37,255	4,334	9,523	8,324	13,378	(7,380)
Plan Fiduciary Net Position - Beginning	367,516	340,816	325,869	224,695	187,440	183,106	173,583	165,259	151,881	159,261
Plan Fiduciary Net Position - Ending	399,038	367,516	340,816	325,869	224,695	187,440	183,106	173,583	165,259	151,881
Net Pension Liability - Ending	<u>\$ 2,056</u>	<u>\$ 26,727</u>	<u>\$ 45,458</u>	<u>\$ 47,760</u>	<u>\$ 100,324</u>	<u>\$ 128,318</u>	<u>\$ 107,203</u>	<u>\$ 108,266</u>	<u>\$ 108,098</u>	<u>\$ 112,466</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability										
	99.49%	93.22%	88.23%	87.22%	69.13%	59.36%	63.07%	61.59%	60.46%	57.46%
Covered Payroll										
	\$ 47,210	\$ 45,121	\$ 43,591	\$ 43,693	\$ 43,693	\$ 43,693	\$ 43,693	\$ 43,095	\$ 41,638	\$ 42,011
Net Pension Liability as a Percentage of Covered Payroll										
	4.36%	59.23%	104.28%	109.31%	229.61%	293.68%	245.36%	251.23%	259.61%	267.71%

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

	2025	2025	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 5,933	\$ 5,254	\$ 4,411	\$ 13,684	\$ 12,759	\$ 12,073	\$ 12,010	\$ 10,820	\$ 10,732	\$ 9,740
Contributions in Relation to the Actuarially Determined Contribution	6,007	5,275	4,411	144,718	12,774	12,107	11,432	10,103	8,711	7,581
Contribution Deficiency (Excess)	<u>\$ (74)</u>	<u>\$ (21)</u>	<u>\$ -</u>	<u>\$ (131,034)</u>	<u>\$ (15)</u>	<u>\$ (34)</u>	<u>\$ 578</u>	<u>\$ 717</u>	<u>\$ 2,021</u>	<u>\$ 2,159</u>
Covered Payroll	\$ 47,210	\$ 45,121	\$ 43,591	\$ 43,693	\$ 43,693	\$ 43,693	\$ 43,095	\$ 41,638	\$ 42,011	\$ 40,590
Contributions as a Percentage of Covered Payroll	12.72%	11.69%	10.12%	331.22%	29.24%	27.71%	26.53%	24.26%	20.74%	18.68%

Notes to Schedule:

Valuation Date: July 1, 2024
Measurement Date: June 30, 2025
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent
Remaining Amortization Period	23 years
Asset Valuation Method	Determined by recognizing market gains and losses non-asymptotically over a five year period.

Inflation	2.60%
Salary Increases	Aged based
Investment Rate of Return	6.25%
Retirement Age - City and Public Utility Employees	The earliest of age 55 with 25 years of service, age 60 with 10 years of service, or any age with 34 years of service.
Retirement Age - Board of Education Employees	The earliest of age 55 with 25 years of service, age 60 with 10 years of service, or any age with 34 years of service.
Retirement Age - Police Officers and Firefighters	Police hired on or before 7/1/2014: any age with 20 years of service. Police hired after 7/1/2014: any age with 25 years of service. Fire hired before 7/1/2013: any age with 20 years of service. Fire hired on or after 7/1/2013: any age with 25 years of service.
Mortality	PubG-2010 Mortality Table for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection of future improvements in longevity per the MP-2021 Ultimate Scale. For Police, Fire, Public Works, Board of Education Custodians, and NPU Field Employees, the PubS-2010 Mortality Table was used instead of the PubG-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.

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

	<u>2025</u>	<u>2025</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.29%	12.04%	8.86%	-9.54%	21.27%	3.95%	7.29%	7.40%	12.17%	-1.81%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 75	\$ 75	\$ 89	\$ 71	\$ 58	\$ 82	\$ 65	\$ 63	\$ 63	\$ 59
Interest	446	440	433	467	456	445	434	421	411	361
Differences Between Expected and Actual Experience	(228)	81	-	(904)	8	(2)	-	97	-	(230)
Changes of Benefit Terms	434	-	-	408	-	-	-	-	-	706
Changes of Assumptions	-	(46)	-	364	-	249	-	(78)	-	144
Benefit Payments, Including Refunds of Member Contributions	(475)	(435)	(388)	(400)	(355)	(347)	(339)	(333)	(322)	(301)
Net Change in Total Pension Liability	252	115	134	6	167	427	160	170	152	739
Total Pension Liability - Beginning	7,294	7,179	7,045	7,039	6,872	6,445	6,285	6,115	5,963	5,224
Total Pension Liability - Ending	7,546	7,294	7,179	7,045	7,039	6,872	6,445	6,285	6,115	5,963
Plan Fiduciary Net Position:										
Contributions - Employer	333	329	310	357	335	365	365	373	373	351
Contributions - Member	18	14	16	14	10	10	11	14	14	16
Net Investment Income (Loss)	452	424	339	(575)	839	84	175	192	265	(9)
Benefit Payments, Including Refunds of Member Contributions	(475)	(435)	(388)	(400)	(355)	(347)	(339)	(333)	(322)	(301)
Administrative Expense	(6)	(14)	(4)	(10)	(6)	(9)	(1)	(9)	(2)	(9)
Net Change in Plan Fiduciary Net Position	322	318	273	(614)	823	103	211	237	328	48
Plan Fiduciary Net Position - Beginning	3,909	3,591	3,318	3,932	3,109	3,006	2,795	2,558	2,230	2,182
Plan Fiduciary Net Position - Ending	4,231	3,909	3,591	3,318	3,932	3,109	3,006	2,795	2,558	2,230
Net Pension Liability - Ending	<u>\$ 3,315</u>	<u>\$ 3,385</u>	<u>\$ 3,588</u>	<u>\$ 3,727</u>	<u>\$ 3,107</u>	<u>\$ 3,763</u>	<u>\$ 3,439</u>	<u>\$ 3,490</u>	<u>\$ 3,557</u>	<u>\$ 3,733</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.08%	53.59%	50.02%	47.10%	55.86%	45.24%	46.64%	44.47%	41.83%	37.40%
Covered Payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 329	\$ 329	\$ 310	\$ 357	\$ 335	\$ 365	\$ 365	\$ 373	\$ 373	\$ 304
Contributions in Relation to the Actuarially Determined Contribution	329	329	310	357	335	365	365	369	187	373
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 186</u>	<u>\$ (69)</u>
Covered-Employee Payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to Schedule:

Valuation Date: January 1, 2024

Measurement Date: June 30, 2025

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

Methods and Assumptions Used to Determine

Contribution Rates:

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.30%	11.51%	10.01%	-14.13%	25.73%	2.73%	6.06%	7.25%	10.91%	-0.37%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	107,107	122,179	113,479	85,110	107,461	82,027	63,248	76,431	80,635	57,271
Total	<u>\$ 107,107</u>	<u>\$ 122,179</u>	<u>\$ 113,479</u>	<u>\$ 85,110</u>	<u>\$ 107,461</u>	<u>\$ 82,027</u>	<u>\$ 63,248</u>	<u>\$ 76,431</u>	<u>\$ 80,635</u>	<u>\$ 57,271</u>
City's Covered Payroll	\$ 32,116	\$ 33,341	\$ 34,156	\$ 29,338	\$ 26,335	\$ 20,294	\$ 24,148	\$ 22,652	\$ 24,204	\$ 24,594
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

None
None

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

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability:										
Service Cost	\$ 1,367	\$ 1,569	\$ 1,383	\$ 1,096	\$ 1,288	\$ 1,200	\$ 1,644	\$ 1,699	\$ 1,658	\$ 1,610
Interest	4,490	4,199	3,929	4,704	4,519	4,650	4,437	4,687	4,552	4,416
Change of Benefit Terms	-	-	-	-	-	-	-	(645)	-	-
Differences Between Expected and Actual Experience	-	7,760	-	(10,937)	-	(4,127)	-	(951)	138	1,010
Changes of Assumptions	-	(5,415)	1,812	5,832	-	1,182	-	(2,129)	-	-
Benefit Payments	(3,176)	(3,313)	(2,690)	(3,274)	(2,872)	(2,450)	(3,175)	(4,572)	(4,624)	(5,164)
Net Change in Total OPEB Liability	2,681	4,800	4,434	(2,579)	2,935	455	2,906	(1,911)	1,724	1,872
Total OPEB Liability - Beginning	72,045	67,245	62,811	65,390	62,455	62,000	59,094	61,005	59,281	57,409
Total OPEB Liability - Ending	74,726	72,045	67,245	62,811	65,390	62,455	62,000	59,094	61,005	59,281
Plan Fiduciary Net Position:										
Contributions - Employer	3,644	3,441	3,239	4,684	4,367	5,340	5,240	5,548	5,492	5,566
Contributions - Member	13	12	13	10	11	10	15	200	177	291
Net Investment Income (Loss)	5,022	4,528	3,260	(4,043)	5,494	856	1,534	1,035	1,420	(562)
Benefit Payments, Including Refunds of Member Contributions	(3,176)	(3,313)	(2,691)	(3,274)	(2,872)	(2,450)	(3,175)	(4,572)	(4,624)	(5,164)
Administrative Expense	(12)	(32)	(9)	(30)	(9)	(28)	(10)	(22)	(2)	(20)
Net Change in Plan Fiduciary Net Position	5,491	4,636	3,812	(2,653)	6,991	3,728	3,604	2,189	2,463	111
Plan Fiduciary Net Position - Beginning	38,467	33,831	30,019	32,672	25,681	21,953	18,349	16,160	13,697	13,586
Plan Fiduciary Net Position - Ending	43,958	38,467	33,831	30,019	32,672	25,681	21,953	18,349	16,160	13,697
Net OPEB Liability - Ending	<u>\$ 30,768</u>	<u>\$ 33,578</u>	<u>\$ 33,414</u>	<u>\$ 32,792</u>	<u>\$ 32,718</u>	<u>\$ 36,774</u>	<u>\$ 40,047</u>	<u>\$ 40,745</u>	<u>\$ 44,845</u>	<u>\$ 45,584</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	58.83%	53.39%	50.31%	47.79%	49.96%	41.12%	35.41%	31.05%	26.49%	23.11%
Covered-Employee Payroll	\$ 66,577	\$ 61,617	\$ 61,617	\$ 61,617	\$ 68,379	\$ 65,850	\$ 63,623	\$ 59,548	\$ 57,814	\$ 56,130
Net OPEB Liability as a Percentage of Covered-Employee Payroll	46.21%	54.49%	54.23%	53.22%	47.85%	55.85%	62.94%	68.42%	77.57%	81.21%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (1)	\$ 3,796	\$ 3,441	\$ 3,239	\$ 4,684	\$ 4,367	\$ 5,522	\$ 5,485	\$ 5,542	\$ 5,492	\$ 5,566
Contributions in Relation to the Actuarially Determined Contribution	3,644	3,441	3,239	4,684	4,367	5,340	5,240	5,548	5,492	5,566
Contribution Deficiency (Excess)	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182</u>	<u>\$ 245</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 66,577	\$ 61,617	\$ 61,617	\$ 61,617	\$ 68,379	\$ 68,379	\$ 65,850	\$ 63,623	\$ 59,548	\$ 57,814
Contributions as a Percentage of Covered-Employee Payroll	5.47%	5.58%	5.26%	7.60%	6.39%	7.81%	7.96%	8.72%	9.22%	9.63%

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

Notes to Schedule:

Valuation Date: July 1, 2023
Measurement Date: June 30, 2025
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.42%	12.76%	10.27%	-11.30%	18.78%	3.67%	7.82%	6.19%	9.18%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	21,971	11,446	9,938	9,273	16,028	12,793	12,644	19,672
Total	<u>\$ 21,971</u>	<u>\$ 11,446</u>	<u>\$ 9,938</u>	<u>\$ 9,273</u>	<u>\$ 16,028</u>	<u>\$ 12,793</u>	<u>\$ 12,644</u>	<u>\$ 19,672</u>
City's Covered Payroll	\$ 32,116	\$ 33,341	\$ 34,156	\$ 29,338	\$ 26,335	\$ 20,294	\$ 24,148	\$ 22,652
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms	There were no changes to benefit terms since the prior Measurement Date
Changes of Assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change; and Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.5%

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

Appendix B-1

Form of Opinion of Bond Counsel – The Bonds

**FORM OF OPINION OF BOND COUNSEL
CITY OF NORWICH, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026**

September __, 2026

City of Norwich
City Hall
100 Broadway
Norwich, Connecticut 06360

We have acted as Bond Counsel to the City of Norwich, Connecticut (the “City”) in connection with the issuance by the City of its \$ _____ General Obligation Bonds, Issue of 2026 (the “Bonds”) dated September __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the City dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the City and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the City with the covenants set forth in the Agreement as to such tax matters.

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds/are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix B-2

Form of Opinion of Bond Counsel – The Notes

**FORM OF OPINION OF BOND COUNSEL
CITY OF NORWICH, CONNECTICUT
\$ _____ GENERAL OBLIGATION BOND ANTICIPATION NOTES**

September __, 2026

City of Norwich
City Hall
100 Broadway
Norwich, Connecticut 06360

We have acted as Bond Counsel to the City of Norwich, Connecticut (the “City”) in connection with the issuance by the City of its \$ _____ General Obligation Bond Anticipation Notes (the “Notes”) dated September __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the City dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the City and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the City with the covenants set forth in the Agreement as to such tax matters.

Based on the foregoing, we are of the opinion that interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We are further of the opinion that, under existing statutes, interest on the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

The rights of the owners of the Notes and the enforceability of the Notes are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Notes.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C-1

Form of Continuing Disclosure Agreement – The Bonds

**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS
BY THE CITY OF NORWICH, CONNECTICUT**

**In Connection With The Issuance and Sale of
City of Norwich, Connecticut
\$23,000,000 General Obligation Bonds, Issue of 2026**

Dated September __, 2026

WHEREAS, the City of Norwich, Connecticut (the “Issuer”) has heretofore authorized the issuance of \$23,000,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2026 (the “Bonds”) to be dated September __, 2026 and to mature in the principal amounts and on the dates set forth in the Issuer’s Official Statement describing the Bonds (the “Official Statement”); and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the “Rule”), and the Issuer desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Connecticut General Statutes §3-20e enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Bonds, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Continuing Disclosure Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt and total overall net debt of the Issuer per capita;

(G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins;
and

(I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB or filed with the SEC. The information will be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vii) modification to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

(xiii) the consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms, if material;

(xiv) the appointment of a successor or additional trustee, or the change in the name of the trustee;

(xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority right, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

Note to clauses (a)(xv) and (a)(xvi): For purposes of the events identified in clauses(a)(xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement on or before the date set forth in Section 3 hereof.

Section 6. Termination of Reporting Obligation. The Issuer’s obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Continuing Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of the Continuing Disclosure Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Continuing Disclosure Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Connecticut.

Section 13. Method of Filing. To the extent filings are required to be made to the MSRB under this Continuing Disclosure Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF NORWICH, CONNECTICUT

By: _____
John L. Salomone, City Manager

By: _____
Joshua A. Pothier, Comptroller

Appendix C-2

Form of Continuing Disclosure Agreement – The Notes

**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR NOTES
BY THE CITY OF NORWICH, CONNECTICUT**

**In Connection With The Issuance and Sale of
City of Norwich, Connecticut
\$25,000,000 General Obligation Bond Anticipation Notes**

Dated September __, 2026

WHEREAS, the City of Norwich, Connecticut (the “Issuer”) has heretofore authorized the issuance of \$25,000,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes (the “Notes”) to be dated September __, 2026 and to mature on September __, 2027 as set forth in the Official Statement (the “Official Statement”); and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the Notes to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the “Rule”), and the Issuer desires to assist the underwriter of the Notes in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Connecticut General Statutes §3-20e enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Notes, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Listed Events” shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

Section 2. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other events affecting the tax status of the Notes;
- (vii) modification to rights of security holders, if material;
- (viii) note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms, if material;
- (xiv) the appointment of a successor or additional trustee, or the change in the name of the trustee;
- (xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority right, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

Note to clauses (a)(xv) and (a)(xvi): For purposes of the events identified in clauses (a)(xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 3. Termination of Reporting Obligation. The Issuer’s obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) the Continuing Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of the Continuing Disclosure Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB.

Section 6. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney’s fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person’s malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Continuing Disclosure Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Connecticut.

Section 10. Method of Filing. To the extent filings are required to be made to the MSRB under this Continuing Disclosure Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF NORWICH, CONNECTICUT

By: _____
John L. Salomone, City Manager

By: _____
Joshua A. Pothier, Comptroller

Appendix D-1

Notice of Sale – The Bonds

NOTICE OF SALE

CITY OF NORWICH, CONNECTICUT
\$23,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026
BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the CITY OF NORWICH, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

SEPTEMBER 15, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$23,000,000 General Obligation Bonds, Issue of 2026, dated September 30, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on August 1 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2029	600,000	2043	900,000
2030	600,000	2044	900,000
2031	600,000	2045	900,000
2032	600,000	2046	900,000
2033	700,000	2047	900,000
2034	700,000	2048	900,000
2035	700,000	2049	900,000
2036	700,000	2050	900,000
2037	800,000	2051	900,000
2038	800,000	2052	900,000
2039	900,000	2053	900,000
2040	900,000	2054	900,000
2041	900,000	2055	900,000
2042	900,000	2056	900,000

The Bonds will bear interest commencing August 1, 2027 and semiannually thereafter on February 1 and August 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before August 1, 2034 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after August 1, 2034 either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 1, 2034 and thereafter	100.0%

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by

check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the fifteenth day of January and July, or the preceding business day if such fifteenth day is not a business day, in each year.

Proposals

Each bid must be for the entire \$23,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Issuer, as described under "Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms" below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest TIC to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY**[®]. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], c/o S&P Global, 55 Water Street, New York, New York 10041, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@spglobal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**[®] is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

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

For the purpose of the electronic bidding process, the time as maintained on **PARITY**[®] shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer ("FAST") on or about September 30, 2026 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B-1 to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Rule") because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the "Actual Sales Rule") is sold to the Public as the issue price of that

Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of

the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated September 8, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com> and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the

delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer's Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o'clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the "Agreement"), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C-1. The purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

CITY OF NORWICH, CONNECTICUT

JOHN L. SALOMONE
City Manager

JOSHUA A. POTHIER
Comptroller

September 8, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

CITY OF NORWICH, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026
DATED SEPTEMBER 30, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The CITY OF NORWICH, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about September 30, 2026, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of September 15, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of September 15, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, August 1</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2029	600,000		
2030	600,000		
2031	600,000		
2032	600,000		
2033	700,000		
2034	700,000		
2035	700,000		
2036	700,000		
2037	800,000		
2038	800,000		
2039	900,000		
2040	900,000		
2041	900,000		
2042	900,000		
2043	900,000		
2044	900,000		
2045	900,000		
2046	900,000		
2047	900,000		
2048	900,000		
2049	900,000		
2050	900,000		
2051	900,000		
2052	900,000		
2053	900,000		
2054	900,000		
2055	900,000		
2056	900,000		

Schedule B to Issue Price Certificate

Appendix D-2

Notice of Sale – The Notes

NOTICE OF SALE**CITY OF NORWICH, CONNECTICUT
\$25,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS via **PARITY**[®] (as described herein) will be received by the CITY OF NORWICH, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

SEPTEMBER 15, 2026

(the “Sale Date”) for the purchase of the Issuer’s \$25,000,000 General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY**[®] (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated September 30, 2026 and will mature and be payable to the registered owner on September 29, 2027 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co., is the Noteholder.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Each bid for the purchase of the Notes must be submitted in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to the BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of **PARITY**[®], or the inaccuracies of any information, including bid information or worksheets supplied by **PARITY**[®], the use of **PARITY**[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], c/o S&P Global, 55 Water Street, New York, New York 10041, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@spglobal.com).

For purposes of the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under "Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms" above. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

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

CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Notes prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder(s). The Issuer will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”) (see “Bond Counsel Opinion” below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer (“FAST”) on or about September 30, 2026 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B-2 to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated September 8, 2026 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C-2. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

CITY OF NORWICH, CONNECTICUT

JOHN L. SALOMONE
City Manager

JOSHUA A. POTHIER
Comptroller

September 8, 2026