CITY OF NORWALK COMMON COUNCIL
FINANCE & CLAIMS COMMITTEE
PUBLIC HEARING AND SPECIAL MEETING
ON THE 2025 OPERATING BUDGET
Thursday February 15, 2024; 6:00 pm
City Hall Common Council Chambers
and
Zoom Virtual Teleconference:

To allow public access, anyone may access a meeting by attending in person in the Common Council Chambers, or by telephone, Zoom, and/or the City of Norwalk YouTube channel. Specific instructions and links can be found at **www.norwalkct.org/meetings.**

Members of the public can call in and listen to a meeting. They will not be able to speak or see any of the meeting participants. Each meeting will use a unique Meeting/Webinar ID. Please find the information using the link above.

Members of the public who wish to provide "live comments" can attend in person in the Common council Chamber, use the Zoom meeting platform. All participants will be muted upon entering the meeting. To speak, click the “raise your hand indicator” and you will called on by the host of the meeting during the public comment section. Please find the information using the link above.

Members of the public who wish to view the meeting, but are not participating, can view a live stream on the City of Norwalk YouTube channel. Please find the information using the link above.

Members of the public who wish to provide public comment are encouraged to submit those via email in advance of the meeting. Please email Chitsamay Lam at clam@norwalkct.org at least three hours in advance of the meeting start time to provide written public comment prior to the meeting.

Agenda

PUBLIC HEARING

1. Call to Order
2. Roll Call
3. Public hearing on Fiscal Year 2024 - 2025 Recommended Operating Budget
4. Adjournment

Followed by a Special Meeting of the Common Council Finance and Claims Committee at 7:30 PM

1. Call to Order
2. Roll Call
3. Claims Committee: February 2024
4. Narrative on Tax Collections dated February 2024 – Receive Report and discuss.
5. Monthly Tax Collector’s Reports dated January 2024– Receive Report and discuss.
6. Tax Assessor update on the Revaluation process.
7. Received Oak Hills Authority Monthly Financial Statements for December 2023 and Auditors’ Report for the Year ended June 30, 2023.
8. Authorize the purchasing agent to issue a purchase order to GovConnection, Inc., in an amount not to exceed $109,646.89 for purchase 790 Microsoft Office 365 annual licenses. GovConnection, inc. is on State of CT Contract -# NCPA 01-144 Account No. 011370-574C
9. Review recommended FY 2025 Operating Budget.
10. Adjournment

ATTESTED: ....
Irene Dixon, City Clerk

Publish 1 time, February 8, 2024

AGENDA

CLAIMS COMMITTEE MEETING **FEB 8TH 2024**

REFUNDS PROCESSED CLAIMS COMMITTEE **APPROVED BY TAX COLLECTOR**

PAY TO:	BILL No & AMOUNT REFUNDED	REASON
	MOTOR VEHICLE	
ACAR LEASING LTD	22-MV-300552 $172.48	PRORATION
ACAR LEASING LTD	22-MV-SEE ATTACHED $3,797.84	PRORATION
BOTHWELL RICHARD F	22-MV-306946 $278.44	ASSESSMENT CHANGE
CRISCI EMMA SOFIA	22-MV-315069 $15.23	ABATEMENT
DUMAS GREGOIRE OR CLEMENTINE	22-MV-319471 $166.80	PRORATION
ENTERPRISE FM TRUST	22-MV-321069 $218.03	PRORATION
	22-MV-321091 $219.39	PRORATION
	22-MV-321118 $226.19	PRORATION
ESTATE OF MAHAN MARY ANN	22-MV-342157 $295.53	PRORATION
FRESHMAN DANIEL N	21-MV-323665 $126.53+$5.70 INT	PRORATION
HENAO LATORRE JAVIER ALEJANDRO	22-MV-330149 $246.87	PRORATION
HONDA LEASE TRUST	22-MV-331507 $703.05	PRORATION
	22-MV-331575 $226.19	PRORATION
	22-MV-331833 $444.11	PRORATION
	22-MV-332081 $264.82	PRORATION
	22-MV-331439 $86.28	PRORATION
LEMUZ-DIAZ ANDY MARLON	21-MV-338848 $252.11	PRORATION
LOPEZ-LOPEZ ROBERTO	21-MV-408288 $323.65+$29.13 INT	PRORATION
MARIN RIOMAR	22-MV-342966 $14.66	PRORATION
NISSAN INFINITI LT LLC	22-MV-349859 $603.33	PRORATION
PETRO INC	22-MV-410335 $391.35	ABATEMENT

	22-MV-410336 $391.35	ABATEMENT
	22-MV-410337 $391.35	ABATEMENT
SMART SOLUTION CONTRACTORS	22-MV-363560 $60.44	ASSESSMENT CHANGE
TUCK FRANKLIN SCOTT	21-MV-367252 $159.80	PRORATION
VCFS AUTO LEASING CO	22-MV-371193 $753.69	PRORATION
VCFS AUTO LEASING CO	21-MV-901014 $910.94	PRORATION
	21-MV-369115 $422.00	PRORATION
YATES JOSEPH O 3RD OR CHRISTINE	22-MV-374998 $333.62	PRORATION

PERSONAL PROPERTY

FUJIFILM GRAPHIC SYSTEMS USA	22-PP-201159 $632.74	BILL ABATED

REAL ESTATE

CALLAHAN OWEN 130 MAIN STREET B3 1-77-1-B3	22-RE-104203 $1,401.60	OVERPAYMENT
CALLAHAN OWEN 130 MAIN STREET B3 1-77-1-B3	21-RE-127275 $1,368.64	OVERPAYMENT
ESTATE OF RICHARD D. BENEDICT 24 SACHEM STREET 5-56-725-0	21-RE-102602 $1,983.03	OVERPAYMENT

ITEM #3

Inquiry Report — NORWALK TAX COLLECTOR — Interest Date : 01/09/2024

Bill# Unique_id Dist	Name Address City/State/Zip	Prop Loc/Veh.Info./Plan-Sew MBL/LINK # Flags	TOT Inst TOT Adj TOT Paid	Tax Due Int Due L/F/Bint Due	Balance Due Now Discount
2022-03-0300252-00 300252 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	AG80374/1GTG6EEN1L1139132/2020/GMC/CANYON D Bank - M002/DMV CIVLS: 100354-5742715-ON	910.14 -379.53 910.14	-379.53 0.00 0.00	-379.53 -379.53 0.00
2022-03-0300363-00 300363 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	966YVS/3GNAXUEV0KS634634/2019/CHEVR/EQUINOX Bank - M002/DMV CIVLS: 100354-5611426-ON	510.78 -510.78 510.78	-510.78 0.00 0.00	-510.78 -510.78 0.00
2022-03-0300480-00 300480 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	AS34866/1GNSKJKC0JR297839/2018/CHEVR/SUBURBAN Bank - M002/DMV CIVLS: 100354-5236986-ON	974.12 -567.90 974.12	-567.90 0.00 0.00	-567.90 -567.90 0.00
2022-03-0300501-00 300501 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	AD84688/2GCVKPEC9K1204279/2019/CHEVR/SILVERAD Bank - M002/DMV CIVLS: 100354-5531816-ON	736.33 -613.37 736.33	-613.37 0.00 0.00	-613.37 -613.37 0.00
2022-03-0300567-00 300567 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	AV94793/3GNKBLRS6LS598270/2020/CHEVR/BLAZER P Bank - M002/DMV CIVLS: 100354-5698732-ON	917.61 -688.19 917.61	-688.19 0.00 0.00	-688.19 -688.19 0.00
2022-03-0300582-00 300582 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	AV37515/1GYS4HKJ6KR327920/2019/CADIL/ESCALADE Bank - M002/DMV CIVLS: 100354-5536357-ON	1,257.22 -628.59 1,257.22	-628.59 0.00 0.00	-628.59 -628.59 0.00
2022-03-0300585-00 300585 M002	ACAR LEASING LTD 4001 EMBARCADERO DR ARLINGTON TX 76014-4106	AV98199/2GNAXUEV4L6150238/2020/CHEVR/EQUINOX Bank - M002/DMV CIVLS: 100354-5667867-ON	545.97 -409.48 545.97	-409.48 0.00 0.00	-409.48 -409.48 0.00
# Of Acct (s) : 7			5,852.17 -3,797.84 5,852.17	-3,797.84 0.00 0.00	-3,797.84 -3,797.84 0.00

zerlina.wilson@gmfinancial.com

CITY OF NORWALK
Tax Collector's Office
Department of Finance
125 East Avenue Room 105
Norwalk, CT 06851
Phone: 203- 854-7731 (main line)
Fax: 203-854-7770

To: Mayor Harry Rilling; Board of Estimate and Taxation; Finance and Claims Committee
From: Lisa Biagiarelli, Tax Collector
Date: February 12, 2024
Re: Tax Collector's Narrative: January 2024 End of Month report

As of the end of January 2024, having concluded the first seven months of the fiscal year, we collected more than $347 million against what is now our $379.4 million adjusted levy. Our adjusted levy increased since the beginning of the fiscal year with the addition of $4.2 million in supplemental motor vehicle taxes that were payable by February 1, 2024. *Although we added these billable taxes in November 2023, the cumulative net adjusted levy is still down from the original budgeted levy by nearly $3.8 million, primarily due to credits resulting from stipulated judgments in property tax appeal cases.* As of the end of January 2024, our current collection rate was **91.6%**. We also collected **93.26%** of our sewer use levy, more than $17 million, and **82.57%** of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year, we ended January 2024 slightly ahead of last year for collection of taxes (1.32%); sewer use (.33%), and down slightly for the IPP fee (-.55).

The current collection period ended on February 1, but throughout the first week of February, we continued to process payments timely received. Accordingly, we will not be able to accurately assess our collection until we can compare reports through the end of the month of February. Tax bills were due by law on January 1, 2024, but taxpayers had a month from the due date to pay without interest. The collection went well and there were no major issues.

Regarding prior years' collections, through the end of January, we continue to see the effects of transferred payments from prior years taxes to current taxes, in accordance with court stipulated judgments in property tax appeal cases, as noted above. I have addressed this issue in greater detail in prior narratives. Please note that the figures we report are net of refunds and credits.

We are moving forward with work on our July 2024 tax sale. Last month we began assigning title searches and are now starting to receive some of those searches back. In November 2023, we mailed preliminary letters to owners of about 100 properties scheduled to be included in the sale, advising them of the impending sale. The sale date is Monday, July 22, 2024. To date, we have already collected more than $900,000 in approximately eight weeks' time. Our year to date collections of prior years' taxes and interest through January 2024 are already nearly $1.6 million more than what we collected during the same time period of the prior fiscal year.

The purpose of the tax sale is to enforce collection of past due taxes. State law gives the tax collector this authority. In some ways it is similar to a foreclosure, but does not require a lawsuit (going to court), and the city is not responsible for satisfying other lienholders, if any. It requires a series of notifications to the owner and to anyone with a choate (recorded) encumbrance on the property, and publications and other procedures to provide notice to the public at large. Because it involves taking property, there are constitutional issues involved. The tax collector is required to follow statutory procedures exactly and to ensure equal treatment of all property owners. The tax collector is subject to personal liability, without indemnification by the City, if an aggrieved taxpayer brings a successful civil rights action against the tax collector for violation of their federal civil rights.

The 2024 tax sale will be our 10th sale since 2003. We have collected a cumulative total of more than $42 million on properties directly included in tax sales; this figure does not include ancillary collections on properties not included in the sales that were nonetheless brought current due to publicity surrounding the sale initiatives.

The tax collector and office staff conduct the sale "in house," meaning all the work leading up to, and at, the sale is done by office staff, not hired attorneys, with the sole exception of the title searches and security on the day of sale. This results in savings of thousands of dollars in fees that otherwise would have been charged to taxpayers who are already struggling to meet their tax obligations. Norwalk is one of only a few CT municipalities that do this work in-house; most other towns hire outside attorneys to perform their tax sales, with all the additional costs being borne by the delinquent taxpayers.

The purpose of the sale is to enforce collection of back taxes and not to attempt to redistribute property. Usually 90 – 95% of the properties originally slated for sale are removed from the sale when the back taxes are paid. We have had tax sales with several dozen properties remaining on the day of sale, but it is more usually about a dozen; all the others will have paid in order to avoid the sale. After the sale, the owners of the properties or any choate lienholder still have the right to redeem the property, basically by paying off the bidder. The sale is a public auction; anyone who does not owe back taxes to Norwalk is allowed to bid. Owners and lienholders are not permitted to bid on their own property, and city staff who are involved in the sale are not permitted to bid.

Leading up to the sale, we will continue to provide more information about this initiative. Tax sale is effective and our principal means of addressing past due real estate tax collections. More effective tax collections and higher current and back collection rates allow the rate makers (Board of Estimate and Taxation) to set lower mill rates, as they will require a smaller allowance for uncollectible taxes. Conversely, lower tax collection rates require higher mill rates to be set, because not everybody pays on time, and the funds nonetheless are being allocated for spending, so the on time taxpayers have to make up the difference. Lower mill rates allow for more stable budgeting, contribute to higher bond ratings, and serve as de facto tax relief for every taxpayer.

Our third-party collection agency continues to bill on our behalf for suspended motor vehicle accounts. We began working with this agency in late 2022. As of the end of January 2024, we have been collecting based on their billing for 14 calendar months. In conjunction with their efforts, we have collected more than $1.1 million, including nearly $882,000 in past due motor vehicle taxes and interest due directly to the City, as well as $132,000 in fees due to the agency. Their fees are charged in addition to the taxes and interest due to the City, and are paid by the taxpayers who owe the past due bills. This has been a successful endeavor and we will continue to work with the agency going forward.

In early 2024 we worked with the Comptroller's office to implement a wage garnishment for those City and Board of Education employees who owed past due taxes. We are also working with the Department of Health, as health permits renewed in January 2024; taxpayers owing past due business personal property taxes must pay back taxes that are more than one year past due before being issued a health permit or renewal.

In the coming weeks, we hope to work with our software vendor to create files for delinquent notices. Our delinquent notices take the form of what is called a Demand for Payment of back taxes. This is a statutory term and is not meant to imply rudeness to the taxpayer. The tax collector is required to "make demand" before taking any additional collection enforcement action. After demand notices are sent, we will begin the process of filing lien continuing certificates in the town clerk's office, likely during the second week of March 2024.

I will continue to keep all stakeholders advised of our progress, and am available to respond to any questions, issues or concerns.

TAX COLLECTOR'S REPORT
JANUARY 2024

FISCAL YEAR 2023-2024 (2022 GRAND LIST)	ORIGINAL LEVY	ADJ. TAX COLLECTIONS JUN 23 - JAN 24	COLLECTION %	CORRECTED LEVY*	CHANGE IN LEVY	COLLECTION %
AUTOMOBILE-REGULAR	$30,725,059.50	$25,544,986.90	83.14%	$29,495,011.52	($1,230,047.98)	86.61%
AUTOMOBILE-SUPPLEMENTAL	$4,210,689.03	$2,578,409.08	61.23%	$4,206,760.71	($3,928.32)	61.29%
PERSONAL PROPERTY	$22,422,652.30	$15,351,528.17	68.46%	$22,222,630.91	($200,021.39)	69.08%
REAL ESTATE	$325,927,765.40	$304,148,221.31	93.32%	$323,572,504.66	($2,355,260.74)	94.00%
TOTAL TAX	**$383,286,166.23**	**$347,623,145.46**	**90.70%**	**$379,496,907.80**	**($3,789,258.43)**	**91.60%**
SEWER USE	$18,240,059.00	$17,183,180.16	94.21%	$18,424,178.00	$184,119.00	93.26%
IPP FEE	$199,250.00	$164,932.38	82.78%	$199,750.00	$500.00	82.57%
FISCAL YEAR 2022-2023 (2021 GRAND LIST)	**ORIGINAL LEVY**	**JUN 22 - JAN 23**				
AUTOMOBILE-REGULAR	$27,605,498.25	$24,333,246.99	88.15%	$27,188,673.98	($416,824.27)	89.50%
AUTOMOBILE-SUPPLEMENTAL	$4,572,442.02	$90,621.82	1.98%	$4,499,990.18	($72,451.84)	2.01%
PERSONAL PROPERTY	$26,217,238.98	$16,186,419.59	61.74%	$21,813,291.13	($4,403,947.85)	74.20%
REAL ESTATE	$315,360,461.09	$289,323,126.61	91.74%	$311,949,271.81	($3,411,189.28)	92.75%
TOTAL TAX	**$373,755,640.34**	**$329,933,415.01**	**88.28%**	**$365,451,227.10**	**($8,304,413.24)**	**90.28%**
SEWER USE	$17,981,973.00	$16,364,722.15	91.01%	$17,608,514.27	($373,458.73)	92.94%
IPP FEE	$190,750.00	$160,411.19	84.09%	$193,000.00	$2,250.00	83.11%
TAX DIFFERENCE 2022 G.L. vs. 2021 G.L. INCREASE/(DECREASE)	$9,530,525.89	$17,689,730.45	2.42%	$14,045,680.70	$4,515,154.81	1.32%
SEWER DIFFERENCE 2022 G.L. vs. 2021 G.L. INCREASE/(DECREASE)	$258,086.00	$818,458.01	3.20%	$815,663.73	$557,577.73	0.33%
IPP DIFFERENCE 2022 G.L. vs. 2021 G.L. INCREASE/(DECREASE)	$8,500.00	$4,521.19	-1.32%	$6,750.00	($1,750.00)	-0.55%

BACK TAXES COLLECTED	FISCAL YR 2023-2024 (JUL 23 - JAN 24)	FISCAL YR 2022-2023 (JUL 22 - JAN 23)	CUR YR vs.PRIOR YR INC/(DEC)
PRIOR TAXES	$159,184.75	($1,265,953.64)	$1,425,138.39
PRIOR SEWER USE FEE	$143,706.86	$108,137.62	$35,569.24
PRIOR IPP FEE	$8,019.09	$2,950.82	$5,068.27
TOTAL PRIOR TAX, SEWER & IPP	**$310,910.70**	**($1,154,865.20)**	**$1,465,775.90**
CURRENT INTEREST	$480,178.29	$498,172.60	($17,994.31)
PRIOR INTEREST	$800,156.76	$655,585.91	$144,570.85
SEWER USE FEE INTEREST	$49,237.30	$53,324.69	($4,087.39)
IPP FEE INTEREST	$4,235.67	$2,751.39	$1,484.28
TOTAL INTEREST COLLECTED	**$1,333,808.02**	**$1,209,834.59**	**$123,973.43**
PRIOR LIEN FEE	$8,250.80	$7,471.51	$779.29
CURRENT LIEN FEE	$0.00	$0.00	$0.00
TOTAL LIEN FEE COLLECTED	**$8,250.80**	**$7,471.51**	**$779.29**
MISC FEES COLLECTED**	**$64,971.81**	**$77,634.55**	**($12,662.74)**
TOTAL PRIOR TAX, ALL INTEREST & ALL FEES	**$1,717,941.33**	**$140,075.45**	**$1,577,865.88**

* CORRECTED LEVY INCLUDING CERTIFICATES OF CORRECTION & SUSPENSE TRANSFERS
** PRIOR & CURRENT FISCAL YEAR INCLUDES TAX SALE AND TITLE SEARCH FEES PROCESSED THRU MUNIS

Narrative for Tax Assessor revaluation status.

The Informal hearings have been completed.

There were

1120 Residential hearings booked (just over the expected 4%)

126 Commercial hearings booked

Of these hearings 81 were marked as no shows.

As of this writing we are currently finalizing the three facets of the grand list for an anticipated signing date of Feb 9 2024.

OAK HILLS SALES ANALYSIS DECEMBER 2023 FISCAL REPORT

Description	Dec-23	Dec-22	Inc/(Dec)	YTD FY24	YTD FY23	Inc/(Dec)
Revenue Rounds	914	391	133.8%	24,922	23,377	6.6%
Season Pass Rounds	96	132	-27.3%	1,152	1,622	-29.0%
POS System Servicer Rounds	82	43	90.7%	1,148	1,295	-11.4%
Barter Rounds	0	0	0.0%	0	0	0.0%
Comp Rounds	0	0	0.0%	0	0	0.0%
Total All Rounds	1,092	566	92.9%	27,222	26,294	3.5%
Total Carts	317	91	248.4%	15,328	14,666	4.5%
Total Golf ID Cards	0	0	0.0%	118	84	40.5%
Total Season Passes	0	1	-100.0%	0	1	-100.0%
Total Gift Cards	60	50	20.0%	185	209	-11.5%
Total GPS Ad Sales	0	0	0.0%	0	0	0.0%
Total $ Revenue Rounds	$25,930	$9,308	178.6%	$870,927	$872,729	-0.2%
Total Carts $	$5,952	$1,626	266.1%	$283,023	$270,662	4.6%
Total Golf ID Cards $	$0	$0	0.0%	$10,286	$7,735	33.0%
Total Season Pass $	$0	$2,125	-100.0%	$0	$2,125	-100.0%
Total Gift Cards $	$6,081	$5,398	12.7%	$15,231	$13,146	15.9%
Total GPS Advertising $	$0	$0	0.0%	$0	$0	0.0%
Rain Chks/Gift Cards Redeemed	-$135	-$78	73.1%	-$6,851	-$7,793	-12.1%
	$37,828	**$18,379**	**105.8%**	**$1,172,616**	**$1,158,604**	**1.2%**
$ Revenue/Revenue Round	**$28.37**	**$23.81**	19.2%	**$34.95**	**$37.33**	-6.4%
Carts/Revenue Round	**34.7%**	**23.3%**	49.0%	**61.5%**	**62.7%**	-2.0%
Cart $/Revenue Round	**$6.51**	**$4.16**	56.6%	**$11.36**	**$11.58**	-1.9%
Cart $/Cart Round	**$18.78**	**$17.87**	5.1%	**$18.46**	**$18.46**	0.1%
ID Card $/Card	**$0.00**	**$0.00**	0.0%	**$87.17**	**$92.08**	-5.3%
Resident Adult 18 Rounds	115	151	-23.8%	3,136	2,978	5.3%
Resident Senior 18 Rounds	18	35	-48.6%	2,112	3,017	-30.0%
Junior/Golf Team 18 Rounds	20	7	185.7%	1,376	1,228	12.1%
Golf League 18 Rounds	1	0	0.0%	50	60	-16.7%
Employee 18 Rounds	25	7	257.1%	471	408	15.4%
Non Resident 18 Rounds	686	187	266.8%	16,354	14,309	14.3%
Total 9 Hole Rounds	49	4	1125.0%	1,423	1,377	3.3%
Total Revenue Rounds	***914***	***391***	***133.8%***	***24,922***	***23,377***	***6.6%***
Resident Adult 18 Rounds $	$3,773	$3,447	9.5%	$115,330	$105,305	9.5%
Resident Senior 18 Rounds $	$481	$767	-37.3%	$23,587	$89,871	-73.8%
Junior/Golf Team 18 Rounds $	$397	$142	179.6%	$28,784	$26,915	6.9%
Golf League 18 Rounds	$0	$0	0.0%	$17	$0	0.0%
Employee 18 Rounds $	$175	$49	257.1%	$3,240	$2,746	18.0%
Non Resident 18 Rounds $	$20,074	$4,795	318.6%	$666,815	$616,191	8.2%
Total 9 Hole Rounds $	$1,030	$108	853.7%	$33,153	$31,702	4.6%
Total $ Revenue Rounds	***25,930***	***9,308***	***178.6%***	***870,927***	***872,729***	***-0.2%***
Senior Non-Resident ID	0	0	0.0%	11	0	0.0%
Adult Non-Resident ID	0	0	0.0%	8	1	700.0%
Family ID	0	0	0.0%	0	0	0.0%
Total Non-Resident ID's	***0***	***0***	***0.0%***	***19***	***1***	***1800.0%***
GolfNow Rounds	425	55	672.7%	7,593	4310	76.2%
GolfNow Dollars	$11,153	$513	2074.0%	$278,675	$168,939	65.0%
Dollars/Round	$26.24	$9.33	181.3%	$36.70	$39.20	-6.4%
City of Norwalk debt paydown	**$2,347.80**					

Oak Hills Park Authority

Financial Statements
and Supplementary Information
With Independent Auditors' Report
For The Year Ended June 30, 2023

Oak Hills Park Authority

Table of Contents

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
Oak Hills Park Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oak Hills Park Authority (the "Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's 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 financial position of the Authority as of June 30, 2023, and the respective changes in its financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Authority, 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 opinion.

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 Authority'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

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accordance with GAAS 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, 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 Authority'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 on pages 4 through 7 be presented to supplement the basic financial statements. Such information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Oak Hills Park Authority

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary schedules on pages 20 and 21 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

January 15, 2024
Stamford, Connecticut

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Within this section of the Oak Hills Park Authority (the "Authority") annual financial report, the Authority's management provides narrative discussion and analysis of the financial condition and activities of the Authority as of and for the year ended June 30, 2023. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. This information should be read in conjunction with the audited financial statements and accompanying notes to the financial statements which follow this section.

Financial Highlights

- The assets of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $36,163.

- The Authority's total net position increased by $343,772. The increase is due to revenue generation exceeding expenses in the current year.

- The Authority's debt and capital leases decreased by $74,296 during the current fiscal year due to scheduled principal payments on the City of Norwalk, CT ("City") debt and commercial financing arrangements.

Overview of the Basic Financial Statements

Management's discussion and analysis introduces the Authority's financial statements which include the statement of net position, the statement of revenues, expenses and change in net position, the statement of cash flows, notes to the financial statements and information to supplement the financial statements.

The statement of net position presents information that includes the Authority's assets and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator whether the financial position of the Authority is improving or deteriorating. Evaluation of the overall economic health of the Authority would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of revenues, expenses and change in net position reports how the Authority's net position changed during the current fiscal year. An important purpose of the design of the statement of revenues, expenses and change in net position is to show the financial reliance of the Authority's distinct activities or functions on revenue provided by the users of the park.

The accompanying notes to the financial statements provide information essential to a full understanding of the Authority's financial statements. The notes to financial statements begin immediately following the financial statements.

In addition to the financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority's expenses for personnel, administrative and park maintenance expenses. Supplementary information follows the notes to financial statements.

Management's Discussion and Analysis
For the Year Ended June 30, 2023 *(Continued)*

Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Authority.

The following provides a summary of the Authority's net position at June 30:

	2023	2022
Current Assets	$ 865,214	$ 553,324
Lease Receivable, less current portion	64,501	110,167
Capital Assets, net	1,748,528	1,796,789
Total Assets	$ 2,678,243	$ 2,460,280
Current Liabilties	556,272	537,233
Long-term Liabilities	1,975,641	2,077,156
Total Liabilities	$ 2,531,913	$ 2,614,389
Deferred Inflow of Resources - Lease	$ 110,167	$ 153,500
Net Position		
Net Investment in Capital Assets	(495,282)	(521,317)
Unrestricted	531,445	213,708
Total Net Position	$ 36,163	$ (307,609)

The following provides a summary of revenues, operating expenses, nonoperating expenses and changes in net position for the years ended June 30:

	2023	2022
Operating Revenues	$ 2,373,244	$ 2,102,655
Operating Expenses	(2,051,043)	(1,876,753)
Net Nonoperating Expenses	(5,181)	(3,889)
Change in Net Position Before Capital Contributions	317,020	222,013
Capital contribution	26,752	-
Change in Net Position	$ 343,772	$ 222,013

Total net position is comprised of the following:

1. Total net position is restricted by constraints imposed by the lease agreement with the City.
2. Unrestricted net position represents the portion available to maintain the Authority's continuing obligations for its operation and to its creditors.
3. Net investment in capital assets include park improvements, a restaurant and machinery and equipment, net of accumulated depreciation, and related debt.

Management's Discussion and Analysis
For the Year Ended June 30, 2023 *(Continued)*

The Authority's net position at June 30, 2023 is a surplus of $36,163, an increase of $343,772 over the previous year deficit net position of $307,609. Net position increased due to a surplus of revenues generated from operations over expenses.

Total liabilities of the Authority decreased by $82,476 to $2,531,913 primarily due to repayment of debts.

Operating revenue for the year was $2,373,244, an increase of $270,589 over revenue reported for the prior year and was $264,973 more than budgeted, primarily due to a higher than anticipated increase in golf fees and cart revenues.

Operating expenses for the year were $2,051,043, an increase of $174,290 over operating expenses reported for the prior year due to higher wage, administrative, and depreciation expense, offset by a decrease in cart expense and park maintenance. Operating expenses for the fiscal year 2023 were $18,419 more than budgeted, mainly due to an increase in depreciation expense.

Net nonoperating expenses for the year were $5,181, an increase of $1,292 over the prior year due to higher interest expenses.

Capital assets

During the year ended June 30, 2023, the Authority acquired approximately $328,900 of capital assets including machinery and equipment, and some park and building improvements. One asset with an original cost and accumulated depreciation of $56,906 was retired from service during the year.

The following provides a summary of capital assets (net of depreciation) at June 30:

	2023	2022
Park Improvements	$ 568,637	$ 589,768
Restaurant	627,047	718,133
Machinery and Equipment	552,844	488,888
Total Capital Assets, net	$ 1,748,528	$ 1,796,789

Additional information on the Authority's capital assets can be found in Note 5.

Long-term debt

At the end of the current fiscal year, the Authority had total long-term debt of $2,243,810, a decrease of $74,296 as compared to the prior year. The decrease is due to principal payments on City debt of $118,803 with new capital leases of $195,389 and capital lease payments of $150,884. All debt is backed by the full faith and credit of the Authority.

	2023	2022
City Debt	$ 1,815,150	$ 1,933,953
Capital Leases	428,660	384,153
Total Long-term Debt	$ 2,243,810	$ 2,318,106

Additional information on the Authority's long-term debt can be found in Notes 6, 7 and 8.

Management's Discussion and Analysis
For the Year Ended June 30, 2023 *(Continued)*

Economic Factors

The Authority's operations are driven by user fees. With the local economy relatively steady with the recent improvements to the facilities, we expect user fees to increase going forward. The Board considers the condition of the local economy as well as other factors when developing the Authority's annual operating budget.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark Gartner, Oak Hills Park Golf Course, 165 Fillow Street, Norwalk, Connecticut 06850.

Oak Hills Park Authority
Statement of Net Position
June 30, 2023

ASSETS	
Current Assets	
Cash and cash equivalents	$ 645,114
Prepaid expense	44,103
Receivables	26,460
Lease receivable, current portion	45,666
Prepaid supplies	103,314
Other assets	557
Total Current Assets	865,214
Lease Receivable, less current portion	64,501
Capital Assets, net	1,748,528
Total Assets	$ 2,678,243
LIABILITIES	
Current Liabilities	
Accounts payable	$ 58,413
Accrued expenses	88,540
Unearned revenue	138,351
Current portion of notes payable	116,750
Current portion of capital leases payable	154,218
Total Current Liabilities	556,272
Noncurrent Liabilities	
Security deposit	2,799
Notes payable, less current portion	1,698,400
Capital leases payable, less current portion	274,442
Total Noncurrent Liabilities	1,975,641
Total Liabilities	2,531,913
DEFERRED INFLOW OF RESOURCES	
Deferred Inflow of Resources - Lease	110,167
NET POSITION	
Net investment in capital assets	(495,282)
Unrestricted	531,445
Total Net Position	36,163
Total Liabilities, Deferred Inflow of Resources and Net Position	$ 2,678,243

See accompanying notes to financial statements

Oak Hills Park Authority

Statement of Revenues, Expenses and Change in Net Position
Budget and Actual
Year Ended June 30, 2023

	Budget	Actual
OPERATING REVENUES		
Golf fees	$ 1,277,524	$ 1,564,487
Identification cards and annual membership	278,647	248,911
Cart revenue	401,215	441,983
Rental and other income	150,885	117,863
Total Operating Revenues	2,108,271	2,373,244
OPERATING EXPENSES		
Personnel	1,100,170	1,011,507
Administrative	248,815	260,892
Park maintenance	389,584	370,850
Carts	24,055	30,652
Depreciation	270,000	377,142
Total Operating Expenses	2,032,624	2,051,043
Operating Income	75,647	322,201
NONOPERATING REVENUES AND (EXPENSES)		
Investment income	900	2,066
Interest expense	(6,047)	(7,247)
Net Nonoperating Expenses	(5,147)	(5,181)
Gain before capital contribution	$ 70,500	317,020
Capital contribution		26,752
Change in net position		343,772
Total Net Position - July 1, 2022		(307,609)
Total Net Position - June 30, 2023		$ 36,163

See accompanying notes to financial statements

Oak Hills Park Authority
Statement of Cash Flows
Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 2,228,313
Receipts from tenants	117,863
Payments to employees for services	(1,022,752)
Payments to suppliers for goods and services	(679,663)
Net Cash Provided By Operating Activities	643,761
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from line of credit	195,390
Principal paid on notes payable	(118,803)
Payments on capital leases	(150,883)
Capital contribution	26,752
Interest paid	(7,247)
Purchase of capital assets	(328,881)
Net Cash Used for Capital and Related Financing Activities	(383,672)
NET CASH FROM INVESTING ACTIVITES	
Interest income	2,066
Net Change in Cash	262,155
CASH	
Beginning of year	382,959
End of year	$ 645,114
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$ 322,201
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	377,142
Changes in operating assets and liabilities	
Receivables and prepaid expenses	(20,836)
Other assets	(557)
Prepaid supplies	(26,009)
Accounts payable	9,101
Accrued expenses	(11,049)
Unearned revenue	(6,232)
Net Cash Provided by Operating Activities	$ 643,761
SUPPLEMENTAL CASH FLOW INFORMATION	
Noncash financing and investing transactions:	
Disposal of fully depreciated equipment	$ 56,906

See accompanying notes to financial statements

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

1. Organization

Oak Hills Park Authority (the "Authority") was created by the Common Council of the City of Norwalk (the "City"), in accordance with Section 7-130a through 7-130w of the Connecticut General Statutes, in February 1997 for the purpose of acquiring, constructing, operating, maintaining and managing the Oak Hills Park (the "Park"), including the golf course, tennis courts and related recreational facilities currently located in Norwalk, Connecticut, for the use, enjoyment and benefit of the public. On December 22, 1997, the Authority entered into a lease agreement with the City effective March 1, 1998, at which time the Authority assumed responsibility for the operations of the Park.

The ordinance creating the Authority provides that the powers of the Authority shall be exercised by a body of nine members consisting of two members appointed by the Mayor of the City and seven members appointed by a majority vote of the Common Council of the City. Appointed members serve for a term of three years or until their successors are appointed or qualified.

The Authority is to adopt its annual budget for the ensuing fiscal year on or before June 1 of each year and is required to submit its proposed annual budget to the Mayor, Board of Estimate and Taxation and the Common Council by January 1 of each year.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and selected notes are representations of the Authority's management, which is responsible for their integrity and objectivity.

Basis of Accounting and Financial Statement Presentation

The financial statements of the Authority are prepared in conforming with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting board for establishing governmental accounting and financial reporting principles.

The financial statements utilize the economic resources measurement focus and the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the statement of net position, revenues are recorded in the period they become available and measurable, which is at the time the service is provided, and expenses are recorded at the time liabilities are incurred.

Activities not related to the Authority's primary purpose are considered nonoperating. Nonoperating activities consist of income from investments and interest expense.

Use of Estimates

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

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables

Receivables (primarily rent) are recorded when they are billed in accordance with the underlying contractual arrangement.

Revenue Recognition - Contracts with Customers

The Authority has multiple revenue streams that are accounted for as exchange transactions including golf fees, identification cards, annual membership, and cart revenue.

Golf fees and cart revenue are recognized as revenue at a point in time, typically, when the tee time occurs.

Identification cards and annual membership offer both residents and non-residents discounted greens fees. Typically, membership fees are billed in advance when the golfers sign up. Income from identification cards and annual memberships is recognized as earned over the membership period, typically the golf season or calendar year. Identification cards and annual membership fees collected, but not yet earned, are included in unearned revenue.

Prepaid Supplies

Prepaid supplies, consisting primarily of chemicals and agricultural products, are stated at cost.

Capital Assets

Capital assets, consisting of park improvements, a restaurant, and machinery and equipment, are stated at cost and are depreciated over their estimated useful lives on a straight-line basis. Maintenance and repairs are expensed in the year incurred. Major renewals and betterments of equipment and facilities in excess of $500 are capitalized and depreciated over the estimated life of the asset.

The estimated useful lives of assets are as follows:

Park improvements	10 to 23.5 years
Restaurant	25 years
Machinery and equipment	5 years

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

2. Summary of Significant Accounting Policies *(continued)*

Employee Sick Leave

Full-time employees are entitled to accrue sick leave at the rate of 4.67 hours per month and are only able to use sick leave after their initial six months of employment. The maximum number of sick leave hours each employee is allowed to accrue is 56. There is no carryover to the next fiscal year of unused sick leave time; therefore, sick leave not used by June 30 is lost. No accrued, but unused sick time shall be paid out upon employee termination.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Long-term debt is reported net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

Net Position

Net position is classified into the following categories:

Net investment in capital assets
This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted net position
This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted net position
This category presents the net position of the Authority which is not restricted.

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

Leases, as Lessor

The Authority is a lessor for leases of certain of its property under leases that exceed 12 months. The Authority recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

2. Summary of Significant Accounting Policies *(continued)*

Leases, as Lessor (continued)

Key estimates and judgments related to leases include:

- Discount Rate – The Authority uses its estimated incremental borrowing rate as the discount rate used to discount expected lease receipts to present value.
- Lease Term – The lease term includes the noncancellable period of the lease and periods covered by an option to extend or to terminate where there is reasonable certainty that the term will be extended or the termination clause will not be exercised.
- Lease Payment Terms – Lease receipts included in the measurement of the lease receivable are composed of fixed payments to be received from the lessee.

Variable payments based on future performance or usage of the underlying asset are recognized as an inflow of resources / revenue in the period the payment is earned.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 15, 2024.

3. Cash

Deposits - custodial credit risk - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At June 30, 2023, $395,114 of the Authority's bank balance was uninsured.

Financial instruments that potentially subject the Authority to significant concentrations of credit risk consist primarily of cash. From time to time, the Authority's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Authority reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

4. Lease Receivable

The Authority reports a lease receivable and related deferred inflows of resources of $110,167 at June 30, 2023 in connection with a lease dated February 2021 to operate the Authority's tennis facilities. The lease provides for fixed payments starting at $40,000 per year beginning in 2021 and escalating to $49,000 a year in 2025. The annual amounts are due in three equal payments on May 1, June 1 and July 1 of each year, in exchange for which the lessee has the right (and the obligation) to operate the tennis facilities for the period May 1 through Labor Day of each year. The lessee retains substantially all revenue generated from the tennis facilities during the term of the lease.

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

4. Lease Receivable *(continued)*

The Authority has determined that the interest component of the lease is not material, and therefore the lease receivable reflects the gross payments due under the lease. The Authority reported lease revenue of $42,800 during the year ended June 30, 2023. This is included in rental and other income in the statement of revenue, expenses and changes in net position.

The Authority also leases its restaurant facility to a restaurant operator under a lease dated March 2021 that originally extends through December 2026. In November 2023, Authority negotiated to terminate the lease. Any unpaid amount will be applied against the purchase of restaurant equipment. The lessee is also responsible for utilities related to the operation of the restaurant. Rental income under this lease for the year ended June 30, 2023 was $58,916. At June 30, 2023 there is net rent receivable of $26,460 and utilities receivable of $10,738 included in receivables on the statement of net position.

5. Capital Assets

Costs relating to capital assets and related accumulated depreciation are as follows:

	Beginning Balance	Increase/ (Decrease)	Ending Balance
Capital Assets Being Depreciated:			
Park improvements	$ 2,201,054	$ 129,995	$ 2,331,049
Restaurant	2,324,770	-	2,324,770
Machinery and equipment	1,597,008	141,980	1,738,988
Total Capital Assets Being Depreciated	6,122,832	271,975	6,394,807
Accumulated Depreciation for:			
Park improvements	$ 1,611,286	$ 151,126	$ 1,762,412
Restaurant	1,606,638	91,085	1,697,723
Machinery and equipment	1,108,119	78,025	1,186,144
Total Accumulated Depreciation	4,326,043	320,236	4,646,279
Total Capital Assets Being Depreciated, Net	$ 1,796,789	$ (48,261)	$ 1,748,528

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

6. Capital Lease Obligations

The Authority leases golf carts and certain park maintenance equipment under several capital leases. The economic substance of the leases for the Authority is financing the acquisition of the assets through leases and, accordingly, the leases are recorded in the Authority's assets and liabilities. Capital leases reflect the transfer of risks and benefits associated with the leased assets.

The following leased assets are included in machinery and equipment:

Machinery and equipment	$ 762,796
Less accumulated depreciation	220,361
Net book value	$ 542,435

Amortization associated with the capital equipment leased is included in depreciation expense.

7. Notes Payable

Notes payable to the City of Norwalk (the "City") are comprised of the Restaurant Debt, Irrigation Debt, Paving Debt, Capital Debt and Operating Debt (collectively, the "City Debt"). The Restaurant Debt, Irrigation Debt and Paving Debt have been combined as the "consolidated debt." The Authority also has other debt to the City which consists of three term loans and a line of credit. In July 2019, the Authority entered into an "Amended and Restated Loan Agreement" and restructured all the notes payable with the City. The outstanding balance of this consolidated debt was $1,815,150 at June 30, 2023.

Amended and Restated Loan Agreement

In 1997, the City issued the Oak Hills Park Project Bond Series dated 1997 totaling $2.5 million. The bond proceeds, as well as other City funds, were loaned by the City to the Authority and were used for improvements to the Park, as follows:

Irrigation Debt - $990,000 note payable to the City, advanced to the Authority in 1999

Paving Debt - $97,583 note payable to the City, advanced to the Authority in 1999

Restaurant Debt - $2,200,000 note payable to the City, originally dated January 2005

The Authority has other debt to the City which consists of two term loans, as follows:

Capital Debt - $150,000 promissory notes to the City, for the financing of capital improvements in 2012.

Operating Debt - $150,000 promissory notes to the City, for the financing of operating expenses in 2013.

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

7. Notes Payable *(continued)*

Amended and Restated Loan Agreement (continued)

These debts were consolidated in July 2019 and are now subject to the terms in the Amended and Restated Loan Agreement, which eliminates interest retroactive to July 2016, extends the maturity date to July 1, 2045 and restricts repayment to a variable revenue-based amount beginning in July 2020. Payment of the consolidated loan is due on the first day of each month beginning August 1, 2020 in an amount equal to the number of revenue rounds of golf played in the prior month multiplied by a "pay rate," which shall initially be set at $2.00 and shall increase by $.05 annually. The pay rate was $2.15 for the year ended June 30, 2023. (There were approximately 47,800 revenue rounds played during the year ended June 30, 2023.) In addition to the monthly installments, the Authority shall pay by November 1 or after the audit is complete for each year, an amount equal to one percent of total annual gross golf revenue to the extent available funds exist to make the payment. The additional payment due for the year June 30, 2023 is expected to be approximately $24,000. Any remaining outstanding principal is due in full on July 1, 2045.

Commercial Debt

The Authority has a loan and security agreement with a bank which allows for advances of up to $225,000 (the "line of credit"). The loan is payable on demand with interest at the Wall Street Journal Prime Rate, with a minimum interest rate of 5%. The loan is secured by all of the Authority's present and future right, title and interest in and to any and all of the personal property of the Authority. The loan requires the ratio of Earnings Before Interest Taxes and Amortization, EBITDA, as defined, and capital expenditures less new long-term indebtedness issued during the year to fund capital expenditures, to interest expense plus current maturities of long term debt, not to be less than 1.25 to 1.0 for any fiscal year. No amounts were outstanding on this line of credit at June 30, 2023. The line expires on November 1, 2023.

8. Summary of All Long-term Debt

Long-term debt activity for the year was as follows:

	City Debt	Capital Leases	Total
Beginning Balance	$ 1,933,953	$ 384,153	$ 2,318,106
Additions	-	195,390	195,390
Reductions	(118,803)	(150,883)	(269,686)
Ending Balance	$ 1,815,150	$ 428,660	$ 2,243,810

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

8. Summary of All Long-term Debt *(continued)*

Maturities of future long-term debt, including estimated payments due on the City Debt, are as follows for the years ending June 30:

	Capital Leases	City Debt (Estimated)	Total
2024	$ 164,681	$ 116,750	$ 281,431
2025	149,138	113,400	262,538
2026	73,253	116,000	189,253
2027	44,587	118,600	163,187
2028	22,294	121,200	143,494
2029 through 2040	-	1,229,200	1,229,200
	453,953	1,815,150	2,269,103
Less amounts treated as interest	(25,293)	-	(25,293)
	428,660	1,815,150	2,243,810
Less current portion	(154,218)	(116,750)	(270,968)
Total long-term debt, less current portion	$ 274,442	$ 1,698,400	$ 1,972,842

9. Lease Commitment

Effective March 1, 1998, the Authority assumed responsibility for the operations of the Park pursuant to the terms of a lease agreement entered into with the City on December 22, 1997. The term of the lease was for 15 years commencing March 1, 1998, renewable for two additional five-year periods. In August 2012, the Authority renewed the lease for an additional five-year term through February 1, 2017. In July 2019, the Authority renewed the lease for a total of 51 years ending the last day of February 2049.

The Authority's rental obligation under the lease is to repay all of the costs incurred in connection with the Amended and Restated Loan Agreement dated July 2019 (see Note 7). (The notes are a general obligation of the City.) The lease was never amended when the project funds were advanced by the City to the Authority, but the Authority has assumed that the service of the consolidated debt discussed in Note 7 satisfies its obligation under this lease.

No rent or additional rent was paid to the City during the year ended June 30, 2023.

Oak Hills Park Authority

Notes to Financial Statements
June 30, 2023

10. Risk Management

The Authority is exposed to various risks of loss related to public official liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Authority purchases commercial insurance for all other risks of loss, including blanket and umbrella policies.

Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

11. Retirement Plan

The Authority maintains a 457(b) plan which provides for employee contributions in addition to matching contributions by the Authority of up to 2% of eligible compensation. Employer contributions for the year were $6,825.

12. Other Commitments and Contingencies

Claims

The Authority is involved in litigation arising in the normal course of business. Management estimates that such matters will be covered by commercial insurance. Management believes the Authority is adequately covered by insurance and the outcome of any pending litigation will have no material adverse effect on the Authority's financial position, liquidity and results of operations.

13. Recently Issued GASB Pronouncements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 101, *Compensated Absences*, provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

*****

Supplementary Schedules

Oak Hills Park Authority

Other Supplementary Information - Schedule of Personnel and Administrative Expenses
Year Ended June 30, 2023

	Budget	Actual
Personnel Expense		
Park maintenance wages	$ 303,612	$ 313,056
Management wages	229,021	169,185
Operations wages	227,259	239,765
Seasonal maintenance wages	179,545	146,103
Payroll taxes	97,014	87,540
Employee benefits	34,021	28,451
Workman's compensation insurance	23,098	20,582
Retirement plans	6,600	6,825
Total Personnel Expense	$ 1,100,170	$ 1,011,507
Administrative Expense		
Liability insurance	$ 100,039	$ 96,701
Other administrative expense	63,199	78,078
Professional fees	33,500	31,769
Office expense	14,540	19,761
Advertising expense	13,500	10,581
Telephone	12,727	12,674
Outside services	8,610	9,050
Training and dues	2,700	2,278
Total Administrative Expense	$ 248,815	$ 260,892

See independent auditors' report

Oak Hills Park Authority

Supporting Supplementary Schedule of Park Maintenance Expense
Year Ended June 30, 2023

	Budget	Actual
Park Maintenance Expense		
Agriculture and chemicals	$ 110,000	$ 85,424
Water	55,000	81,372
Utilities	47,884	54,886
Building maintenance	33,000	35,345
Equipment maintenance	33,000	30,548
Grounds maintenance	40,000	15,309
Irrigation system maintenance	13,000	13,142
Gasoline	22,000	18,264
Heating fuel	18,000	18,626
Tree maintenance	5,000	4,420
Tee and green supplies	2,500	5,175
Other expense	7,700	4,795
Consumable tools	2,500	3,544
Total Park Maintenance Expense	$ 389,584	$ 370,850

See independent auditors' report

I ❤ NORWALK
INFORMATION TECHNOLOGY

CITY OF NORWALK
Joyce Liu
Director/Information Technology
125 East Avenue Room 203
Norwalk, CT 06851
Office: (203) 854-7714
www.norwalkct.gov
jliu@norwalkct.gov

TO: Finance & Claim Committee

FROM: Joyce Liu, Director of Information Technology

RE: Proposal for Purchase of Office 365 Licenses for City of Norwalk Employees

DATE: February 6th, 2024

****

Dear Finance Committee Members,

I am writing to bring to your attention the urgent need to renew and acquire Office 365 licenses for City of Norwalk employees. These licenses are essential for our workforce to efficiently carry out their duties and responsibilities. The total amount for these licenses exceeds $100,000 due to the substantial quantity required to accommodate all city employees effectively.

It's crucial to note that Microsoft is the sole vendor providing Office 365 licenses, and GovConnection, under Contract ID NCPA 01-144, has offered the most competitive quotes for these licenses.

The current licenses with Microsoft are set to expire by February 29, 2024. Over the past years, we have consistently procured these licenses to ensuring seamless operations for our employees.

Given the critical nature of these licenses for our city operations and the impending expiration date, I urge the committee to expedite the approval process to ensure uninterrupted access to essential software for our workforce.

Please let me know if there are any additional details required or if there are any further steps we can take to facilitate this purchase promptly.

Thank you for your attention to this matter.

Sincerely,

Joyce Liu

IT Director

SALES QUOTE

GovConnection, Inc.
732 Milford Road
Merrimack, NH 03054

Account Executive: Anthony Forno
Phone: (800) 800-0019 ext. 75004
Fax: 603-683-0827
Email: anthony.forno@connection.com

25588692.01

PLEASE REFER TO THE ABOVE QUOTE # WHEN ORDERING

Date: 1/25/2024
Valid Through:
Account #: S01766

Customer Contact: Jeff Oduro
Email: joduro@norwalkct.gov
Phone: (203) 854-7854
Fax: (203) 857-0143

QUOTE PROVIDED TO:	SHIP TO:
AB#: 12884	AB#: 14774888
CITY OF NORWALK	**CITY OF NORWALK**
ACCOUNTS PAYABLE/CITY HAL	Jeff Oduro
PO BOX 5125	125 EAST AVE STE 203
125 EAST AVE, RM 233	NORWALK, CT 06851
NORWALK, CT 06854	US
US	
(203) 854-7712	(203) 854-7849

DELIVERY	FOB	SHIP VIA	SHIP WEIGHT	TERMS	CONTRACT ID#
5-30 Days A/R/O	Destination	Small Pkg Ground Service Level	.00 lbs	Net 30	NCPA 01-144

Important Notice: --- THIS QUOTATION IS SUBJECT TO THE FOLLOWING Terms of Sale: All purchases from GovConnection, Inc. are subject to the Terms and Conditions of our NCPA Contract # NCPA 01-144. Any Order accepted by GovConnection for the items included in this Quotation is expressly limited to those Terms and Conditions; any other terms and conditions referenced or appearing in your Purchase Order are considered null and void. No other terms and conditions shall apply without the written consent of GovConnection, Inc. Please refer to our Quote Number in your order.

*	Line #	Qty	Item #	Mfg. Part #	Description	Mfg.	Price	Ext
	1				Agr 4100086233 PAN 0005529942 Usage Date 3/1/2024			$ -
	2	5	35442837	AAA-11650	Govt. MPSA Office 365 Government G3 Per User Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 247.61	$ 1,238.05

Subtotal	**$ 1,238.05**
Fee	**$ 0.00**
Shipping and Handling	**$ 0.00**
Tax	**Exempt!**
Total	**$ 1,238.05**

Connection
PUBLIC SECTOR SOLUTIONS
we solve IT™

ORDERING INFORMATION

GovConnection, Inc. DBA Connection
NCPA Contract # NCPA 01-144

Please contact your account manager with questions.

Ordering Address	**Remittance Address**
GovConnection, Inc.	GovConnection, Inc.
732 Milford Road	PO Box 536477
Merrimack, NH 03054	Pittsburgh, PA 15253-5906

Please reference the Contract # on all purchase orders.

TERMS & CONDITIONS

Payment Terms:	NET 30 (subject to approved credit)
FOB Point:	DESTINATION (within Continental US)
Maximum Order Limitation:	NONE
Delivery Time:	1-30 DAYS ARO
FEIN:	52-1837891
DUNS Number:	80-967-8782
CEC:	80-068888K
Cage Code:	OGTJ3
Business Size:	LARGE

WARRANTY: Manufacturer's Standard Commercial Warranty

NOTE: It is the end user's responsibility to review, understand and agree to the terms of any End User License Agreement (EULA).

Important Notice: --- THIS QUOTATION IS SUBJECT TO THE FOLLOWING Terms of Sale: All purchases from GovConnection, Inc. are subject to the Terms and Conditions of our NCPA Contract # NCPA 01-144. Any Order accepted by GovConnection for the items included in this Quotation is expressly limited to those Terms and Conditions; any other terms and conditions referenced or appearing in your Purchase Order are considered null and void. No other terms and conditions shall apply without the written consent of GovConnection, Inc. Please refer to our Quote Number in your order.

If you require a hard copy invoice for your credit card order, please visit the link below and click on the Proof of Purchase/Invoice link on the left side of the page to print one: **https://www.govconnection.com/web/Shopping/ProofOfPurchase.htm**

Please forward your Contract or Purchase Order to: SLEDOPS@connection.com
QUESTIONS: Call 800-800-0019
FAX: 603.683.0374

SALES QUOTE

GovConnection, Inc.
732 Milford Road
Merrimack, NH 03054

Account Executive: Anthony Forno
Phone: (800) 800-0019 ext. 75004
Fax: 603-683-0827
Email: anthony.forno@connection.com

 # 25588051.02

PLEASE REFER TO THE ABOVE QUOTE # WHEN ORDERING

Date: 1/25/2024
Valid Through:
Account #: S01766

Customer Contact: Jeff Oduro
Email: joduro@norwalkct.gov
Phone: (203) 854-7854
Fax: (203) 857-0143

QUOTE PROVIDED TO:	SHIP TO:
AB#: 12884	AB#: 14774888
CITY OF NORWALK	**CITY OF NORWALK**
ACCOUNTS PAYABLE/CITY HAL	Jeff Oduro
PO BOX 5125	125 EAST AVE STE 203
125 EAST AVE, RM 233	NORWALK, CT 06851
NORWALK, CT 06854	US
US	
(203) 854-7712	(203) 854-7849

DELIVERY	FOB	SHIP VIA	SHIP WEIGHT	TERMS	CONTRACT ID#
5-30 Days A/R/O	Destination	Small Pkg Ground Service Level	.00 lbs	Net 30	NCPA 01-144

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*	Line #	Qty	Item #	Mfg. Part #	Description	Mfg.	Price	Ext
	1				Agr 4100086233 PAN 0005529942 Usage Date 3/1/2024			$ -
	2	637	35805677	AAA-11646	Govt. MPSA Office 365 Government G1 Per User Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 107.66	$ 68,579.42
	3	145	35442837	AAA-11650	Govt. MPSA Office 365 Government G3 Per User Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 247.61	$ 35,903.45
	4	3	35267426	AAA-11694	Govt. MPSA Visio Online Plan2G Per User Cloud Subscription Level D 12mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 161.49	$ 484.47
	5	1	41589211	AAA-13743	Govt.MPSA Visio Plan 2 GCC for VisioStd Add-on Online Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 18.88	$ 18.88
	6	1	41197259	AAA-22537	Govt. MPSA Project Plan 3 GCC per User Subscription Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 322.97	$ 322.97
	7	10	41483861	AAA-28265	Govt. MPSA Audio Conferencing G Add-on Subscription Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 31.54	$ 315.40
	8	6	38112180	AAA-34567	Govt. MPSA Power BI GCC Pro per User Subscription Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 107.53	$ 645.18

SALES QUOTE

GovConnection, Inc.
732 Milford Road
Merrimack, NH 03054

Account Executive: Anthony Forno
Phone: (800) 800-0019 ext. 75004
Fax: 603-683-0827
Email: anthony.forno@connection.com

 # 25588051.02

PLEASE REFER TO THE ABOVE QUOTE # WHEN ORDERING

Date: **1/25/2024**
Valid Through:
Account #: **S01766**

Customer Contact: Jeff Oduro
Email: joduro@norwalkct.gov
Phone: (203) 854-7854
Fax: (203) 857-0143

QUOTE PROVIDED TO:	SHIP TO:
AB#: 12884	AB#: 14774888
CITY OF NORWALK	**CITY OF NORWALK**
ACCOUNTS PAYABLE/CITY HAL	Jeff Oduro
PO BOX 5125	125 EAST AVE STE 203
125 EAST AVE, RM 233	NORWALK, CT 06851
NORWALK, CT 06854	US
US	
(203) 854-7712	(203) 854-7849

DELIVERY	FOB	SHIP VIA	SHIP WEIGHT	TERMS	CONTRACT ID#
5-30 Days A/R/O	Destination	Small Pkg Ground Service Level	.00 lbs	Net 30	NCPA 01-144

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*	Line #	Qty	Item #	Mfg. Part #	Description	Mfg.	Price	Ext
	9	3	35737441	AAA-43195	Govt. MPSA Office 365 Government G5 Per User Level D Upfront Payment 12 Months Microsoft MPSA -	Microsoft MPSA	$ 415.81	$ 1,247.43
	10	2	41412062	AAF-28786	Govt. MPSA Power Automate Per User w / Attended RPA Subs GCC Per User Level D 12Mo Upfront Payment Microsoft MPSA -	Microsoft MPSA	$ 445.82	$ 891.64

Subtotal	**$ 108,408.84**
Fee	**$ 0.00**
Shipping and Handling	**$ 0.00**
Tax	**Exempt!**
Total	**$ 108,408.84**

ITEM #8

Connection
PUBLIC SECTOR SOLUTIONS
we solve IT™

ORDERING INFORMATION
GovConnection, Inc. DBA Connection
NCPA Contract # NCPA 01-144

Please contact your account manager with questions.

Ordering Address	Remittance Address
GovConnection, Inc.	GovConnection, Inc.
732 Milford Road	PO Box 536477
Merrimack, NH 03054	Pittsburgh, PA 15253-5906

Please reference the Contract # on all purchase orders.

TERMS & CONDITIONS

Payment Terms:	NET 30 (subject to approved credit)
FOB Point:	DESTINATION (within Continental US)
Maximum Order Limitation:	NONE
Delivery Time:	1-30 DAYS ARO
FEIN:	52-1837891
DUNS Number:	80-967-8782
CEC:	80-068888K
Cage Code:	OGTJ3
Business Size:	LARGE

WARRANTY: Manufacturer's Standard Commercial Warranty

NOTE: It is the end user's responsibility to review, understand and agree to the terms of any End User License Agreement (EULA).

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Please forward your Contract or Purchase Order to: SLEDOPS@connection.com
QUESTIONS: Call 800-800-0019
FAX: 603.683.0374