

**TOWN OF NORWICH, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2022**

TOWN OF NORWICH, VERMONT  
 AUDIT REPORT  
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## Independent Auditor's Report

Selectboard  
Town of Norwich, Vermont  
300 Main Street  
P.O. Box 376  
Norwich, VT 05055

### ***Report on the Audit of the Financial Statements***

#### ***Disclaimer of Opinions***

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Norwich, Vermont as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Norwich, Vermont's basic financial statements as listed in the Table of Contents.

We do not express opinions on the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Norwich, Vermont. Because of the significance of the matter discussed in the Basis for Disclaimer of Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on these financial statements.

#### ***Basis for Disclaimer of Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Norwich, Vermont, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on these financial statements.

#### ***Matter Giving Rise to Disclaimer of Opinions***

We were unable to obtain written representations from management of the Town of Norwich, Vermont as required by generally accepted auditing standards.

### ***Correction of Errors***

As described in Note III.C. to the financial statements, certain errors were corrected by management during the current year. Our disclaimer is not modified with respect to this matter.

### ***Change in Accounting Principles***

As described in Note I.F. to the financial statements, effective June 30, 2022, the Town implemented GASB Statement No. 87, "Leases".

### ***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 Town of Norwich, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Because of the matter described in the Basis for Disclaimer of Opinions section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on the governmental activities, each major fund and the aggregate remaining fund information. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Norwich, Vermont’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 Town of Norwich, Vermont’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***

Management has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our disclaimer on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on Schedule 1, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 2 and the Schedule of Contributions on Schedule 3 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 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Norwich, Vermont’s basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

***Other Reporting Required by “Government Auditing Standards”***

In accordance with “Government Auditing Standards”, we have also issued our report dated February 24, 2023 on our consideration of the Town of Norwich, Vermont’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Norwich, Vermont’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Norwich, Vermont’s internal control over financial reporting and compliance.

*Sullivan, Powers & Co.*

February 24, 2023  
Montpelier, Vermont  
VT Lic. #92-000180

TOWN OF NORWICH, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

|  | Governmental<br>Activities |
|--|----------------------------|
| <u>ASSETS</u>  |                            |
| Cash   | \$ 4,434,597               |
| Investments  | 217,344                    |
| Receivables  | 282,462                    |
| Prepaid Expenses   | 123,230                    |
| Inventory  | 49,753                     |
| Capital Assets:  |                            |
| Land   | 653,559                    |
| Art  | 11,140                     |
| Construction in Progress   | 69,267                     |
| Other Capital Assets, (Net of<br>Accumulated Depreciation)                     | 6,216,538                  |
| Total Assets   | 12,057,890                 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>  |                            |
| Deferred Outflows of Resources Related to the<br>Town's Participation in VMERS | 328,299                    |
| Total Deferred Outflows of Resources   | 328,299                    |
| <u>LIABILITIES</u>   |                            |
| Accounts Payable   | 98,414                     |
| Accrued Payroll and Benefits Payable   | 20,179                     |
| Unearned Revenue   | 509,519                    |
| Due to Fiduciary Fund  | 7,115                      |
| Accrued Interest Payable   | 9,692                      |
| Noncurrent Liabilities:  |                            |
| Due within One Year  | 122,500                    |
| Due in More than One Year  | 1,980,572                  |
| Total Liabilities  | 2,747,991                  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>   |                            |
| Prepaid Property Taxes   | 2,065                      |
| Deferred Inflows of Resources Related to the<br>Town's Participation in VMERS  | 391,870                    |
| Total Deferred Inflows of Resources  | 393,935                    |
| <u>NET POSITION</u>  |                            |
| Net Investment in Capital Assets   | 5,490,084                  |
| Restricted For:  |                            |
| Trustees of Public Funds   | 199,171                    |
| Other  | 98,718                     |
| Unrestricted   | 3,456,290                  |
| Total Net Position   | \$ 9,244,263               |

The accompanying notes are an integral part of this financial statement.



TOWN OF NORWICH, VERMONT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

|  | Program Revenues    |                         |  |  | Net (Expense) Revenue and<br>Change in Net Position |
|--|---------------------|-------------------------|--|--|---|
|  | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                          |
| <b>Functions/Programs:</b>                                   |                     |                         |  |  |   |
| <b>Primary Government:</b>                                   |                     |                         |  |  |   |
| <b>Governmental Activities:</b>                              |                     |                         |  |  |   |
| General Government   | \$ 1,577,914        | \$ 99,852               | \$ 1,222                                 | \$ 0                                   | \$ (1,476,840)                                      |
| Public Safety  | 1,039,997           | 11,113                  | 75,575                                   | 0                                      | (953,309)   |
| Highways and Streets   | 1,442,062           | 3,230                   | 177,012                                  | 163,845                                | (1,097,975)   |
| Culture and Recreation                                       | 484,185             | 148,040                 | 25,540                                   | 0                                      | (310,605)   |
| Solid Waste  | 213,802             | 163,278                 | 0  | 0                                      | (50,524)  |
| Cemetery   | 23,744              | 5,000                   | 7,524                                    | 0                                      | (11,220)  |
| Interest on Long-term Debt                                   | 66,478              | 0                       | 0  | 0                                      | (66,478)  |
| <b>Total Primary Government</b>                              | <b>\$ 4,848,182</b> | <b>\$ 430,513</b>       | <b>\$ 286,873</b>                        | <b>\$ 163,845</b>                      | <b>(3,966,951)</b>                                  |
| <b>General Revenues:</b>                                     |                     |                         |  |  |   |
| Property Taxes   |                     |                         |  |  | 4,292,118   |
| Penalties and Interest on Delinquent Taxes                   |                     |                         |  |  | 47,413  |
| General State Grants   |                     |                         |  |  | 251,893   |
| Unrestricted Investment Earnings                             |                     |                         |  |  | 15,647  |
| Insurance Proceeds   |                     |                         |  |  | 3,726   |
| Other Revenues   |                     |                         |  |  | 8,749   |
| <b>Total General Revenues</b>                                |                     |                         |  |  | <b>4,619,546</b>                                    |
| <b>Change in Net Position</b>                                |                     |                         |  |  | <b>652,595</b>                                      |
| <b>Net Position - July 1, 2021, As Restated/Reclassified</b> |                     |                         |  |  | <b>8,591,668</b>                                    |
| <b>Net Position - June 30, 2022</b>                          |                     |                         |  |  | <b>\$ 9,244,263</b>                                 |

The accompanying notes are an integral part of this financial statement.

TOWN OF NORWICH, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

|   | General<br>Fund     | ARPA<br>Fund      | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-------------------|------------------------------------|--------------------------------|
| <u>ASSETS</u>   |                     |                   |                                    |                                |
| Cash  | \$ 4,366,392        | \$ 0              | \$ 68,205                          | \$ 4,434,597                   |
| Investments   | 0                   | 0                 | 217,344                            | 217,344                        |
| Receivables   | 282,462             | 0                 | 0                                  | 282,462                        |
| Due from Other Funds  | 0                   | 509,519           | 2,310,717                          | 2,820,236                      |
| Prepaid Items   | 123,230             | 0                 | 0                                  | 123,230                        |
| Inventory   | 49,753              | 0                 | 0                                  | 49,753                         |
|   | <u>\$ 4,821,837</u> | <u>\$ 509,519</u> | <u>\$ 2,596,266</u>                | <u>\$ 7,927,622</u>            |
| <u>LIABILITIES</u>  |                     |                   |                                    |                                |
| Accounts Payable  | \$ 83,602           | \$ 0              | \$ 14,812                          | \$ 98,414                      |
| Accrued Payroll and Benefits Payable  | 20,179              | 0                 | 0                                  | 20,179                         |
| Due to Other Funds  | 2,827,351           | 0                 | 0                                  | 2,827,351                      |
| Unearned Revenue  | 0                   | 509,519           | 0                                  | 509,519                        |
|   | <u>2,931,132</u>    | <u>509,519</u>    | <u>14,812</u>                      | <u>3,455,463</u>               |
| <u>DEFERRED INFLOWS OF RESOURCES</u>  |                     |                   |                                    |                                |
| Prepaid Property Taxes  | 2,065               | 0                 | 0                                  | 2,065                          |
| Unavailable Property Taxes, Penalties<br>and Interest   | 83,000              | 0                 | 0                                  | 83,000                         |
| Unavailable Grants  | 15,263              | 0                 | 0                                  | 15,263                         |
|   | <u>100,328</u>      | <u>0</u>          | <u>0</u>                           | <u>100,328</u>                 |
| <u>FUND BALANCES</u>  |                     |                   |                                    |                                |
| Nonspendable  | 172,983             | 0                 | 105,669                            | 278,652                        |
| Restricted  | 0                   | 0                 | 192,220                            | 192,220                        |
| Committed   | 302,091             | 0                 | 2,283,565                          | 2,585,656                      |
| Unassigned  | 1,315,303           | 0                 | 0                                  | 1,315,303                      |
|   | <u>1,790,377</u>    | <u>0</u>          | <u>2,581,454</u>                   | <u>4,371,831</u>               |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances   | <u>\$ 4,821,837</u> | <u>\$ 509,519</u> | <u>\$ 2,596,266</u>                |                                |
| Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:  |                     |                   |                                    |                                |
| Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.   |                     |                   |                                    | 6,950,504                      |
| Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.   |                     |                   |                                    | 98,263                         |
| Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds. |                     |                   |                                    | (2,112,764)                    |
| Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.               |                     |                   |                                    | (63,571)                       |
| Net Position of Governmental Activities   |                     |                   |                                    | <u>\$ 9,244,263</u>            |

The accompanying notes are an integral part of this financial statement.

TOWN OF NORWICH, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

|   | General<br>Fund     | ARPA<br>Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--------------|------------------------------------|--------------------------------|
| <b>Revenues:</b>  |                     |              |                                    |                                |
| Property Taxes  | \$ 4,289,429        | \$ 0         | \$ 0                               | \$ 4,289,429                   |
| Penalties and Interest on Delinquent Taxes                | 47,413              | 0            | 0                                  | 47,413                         |
| Intergovernmental   | 674,955             | 0            | 0                                  | 674,955                        |
| Charges for Services                                      | 342,445             | 0            | 5,000                              | 347,445                        |
| Permits, Licenses and Fees                                | 54,929              | 0            | 13,149                             | 68,078                         |
| Fines and Forfeits  | 10,304              | 0            | 0                                  | 10,304                         |
| Investment Income   | 4,180               | 0            | 11,467                             | 15,647                         |
| Donations   | 0                   | 0            | 12,393                             | 12,393                         |
| Other   | 13,435              | 0            | 0                                  | 13,435                         |
| <b>Total Revenues</b>                                     | <b>5,437,090</b>    | <b>0</b>     | <b>42,009</b>                      | <b>5,479,099</b>               |
| <b>Expenditures:</b>                                      |                     |              |                                    |                                |
| General Government  | 1,422,969           | 0            | 130,000                            | 1,552,969                      |
| Public Safety   | 949,163             | 0            | 0                                  | 949,163                        |
| Highways and Streets                                      | 1,019,708           | 0            | 16,516                             | 1,036,224                      |
| Culture and Recreation                                    | 478,891             | 0            | 0                                  | 478,891                        |
| Solid Waste   | 211,440             | 0            | 0                                  | 211,440                        |
| Cemetery  | 0                   | 0            | 23,744                             | 23,744                         |
| Capital Outlay:   |                     |              |                                    |                                |
| General Government  | 22,116              | 0            | 0                                  | 22,116                         |
| Public Safety   | 31,334              | 0            | 0                                  | 31,334                         |
| Highways and Streets                                      | 285,009             | 0            | 0                                  | 285,009                        |
| Culture and Recreation                                    | 6,713               | 0            | 0                                  | 6,713                          |
| Debt Service:   |                     |              |                                    |                                |
| Principal   | 148,780             | 0            | 0                                  | 148,780                        |
| Interest  | 56,786              | 0            | 0                                  | 56,786                         |
| <b>Total Expenditures</b>                                 | <b>4,632,909</b>    | <b>0</b>     | <b>170,260</b>                     | <b>4,803,169</b>               |
| Excess/(Deficiency) of Revenues<br>Over Expenditures      | 804,181             | 0            | (128,251)                          | 675,930                        |
| <b>Other Financing Sources/(Uses):</b>                    |                     |              |                                    |                                |
| Insurance Proceeds  | 3,726               | 0            | 0                                  | 3,726                          |
| Transfers In  | 4,005               | 0            | 436,303                            | 440,308                        |
| Transfers Out   | (432,078)           | 0            | (8,230)                            | (440,308)                      |
| <b>Total Other Financing<br/>Sources/(Uses)</b>           | <b>(424,347)</b>    | <b>0</b>     | <b>428,073</b>                     | <b>3,726</b>                   |
| <b>Net Change in Fund Balances</b>                        | <b>379,834</b>      | <b>0</b>     | <b>299,822</b>                     | <b>679,656</b>                 |
| Fund Balances - July 1, 2021,<br>As Restated/Reclassified | 1,410,543           | 0            | 2,281,632                          | 3,692,175                      |
| <b>Fund Balances - June 30, 2022</b>                      | <b>\$ 1,790,377</b> | <b>\$ 0</b>  | <b>\$ 2,581,454</b>                | <b>\$ 4,371,831</b>            |

The accompanying notes are an integral part of this financial statement.

TOWN OF NORWICH, VERMONT  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

|   |    |                       |
|---|----|-----------------------|
| Net change in fund balances - total government funds (Exhibit D)  | \$ | 679,656               |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$345,172) is allocated over their estimated useful lives and reported as depreciation expense (\$502,886). This is the amount by which depreciation exceeded capital outlays in the current period.  |    | (157,714)             |
| The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.   |    | (16,674)              |
| The issuance of long-term debt (\$-0-) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$148,780) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. |    | 148,780               |
| Governmental funds report employer pension contributions as expenditures (\$76,397). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$127,740) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.   |    | (51,343)              |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |    | 17,952                |
| 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 governmental funds.   |    | <u>31,938</u>         |
| Change in net position of governmental activities (Exhibit B)   | \$ | <u><u>652,595</u></u> |

The accompanying notes are an integral part of this financial statement.

TOWN OF NORWICH, VERMONT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2022

|                      | Private-Purpose<br>Trust Fund | Custodial Fund        |
|----------------------|-------------------------------|-----------------------|
|                      | Citizen<br>Assistance<br>Fund | Education Tax<br>Fund |
| <u>ASSETS</u>        |                               |                       |
| Due from Other Funds | \$ <u>7,115</u>               | \$ <u>0</u>           |
| Total Assets         | <u>7,115</u>                  | <u>0</u>              |
| <u>LIABILITIES</u>   |                               |                       |
| Total Liabilities    | <u>0</u>                      | <u>0</u>              |
| <u>NET POSITION</u>  |                               |                       |
| Restricted           | <u>7,115</u>                  | <u>0</u>              |
| Total Net Position   | <u><u>\$ 7,115</u></u>        | <u><u>\$ 0</u></u>    |

The accompanying notes are an integral part of this financial statement.

TOWN OF NORWICH, VERMONT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

|  | Private-Purpose<br>Trust Fund |   |
|--|-------------------------------|---|
|  | Citizen<br>Assistance<br>Fund | Custodial Fund<br>Education Tax<br>Fund |
| Additions:                                       |                               |   |
| Education Taxes Collected for Other Governments  | \$ 0                          | \$ 12,015,451                           |
| Investment Income                                | 31                            | 0                                       |
| Donations  | 1,116                         | 0                                       |
| Other  | 721                           | 0                                       |
| Total Additions                                  | <u>1,868</u>                  | <u>12,015,451</u>                       |
| Deductions:                                      |                               |   |
| Education Taxes Distributed to Other Governments | 0                             | 12,015,451                              |
| Miscellaneous                                    | 2,219                         | 0                                       |
| Total Deductions                                 | <u>2,219</u>                  | <u>12,015,451</u>                       |
| Change in Net Position                           | (351)                         | 0                                       |
| Net Position - July 1, 2021, As Reclassified     | <u>7,466</u>                  | <u>0</u>                                |
| Net Position - June 30, 2022                     | <u>\$ 7,115</u>               | <u>\$ 0</u>                             |

The accompanying notes are an integral part of this financial statement.

TOWN OF NORWICH, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

The Town of Norwich, Vermont, (herein the "Town") operates under a Selectboard form of government and provides the following services: public safety, highways and streets, culture and recreation, waste disposal, community/economic development, health and social services, public improvements, planning and zoning and general administrative services.

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Town of Norwich, Vermont (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

### **A. The Financial Reporting Entity**

This report includes all of the activity of the Town of Norwich, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

### **B. Basis of Presentation**

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

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Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

Additionally, the Town reports the following fund types:

Private-Purpose Trust Fund – This fund is used to report trust arrangements under which resources are to be used for the benefit of individuals and organizations. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.



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**C. Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., total net position) is segregated into net investment in capital assets; restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when they are earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, acquisitions under financed purchases and sales of capital assets are reported as other financing sources.

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Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

#### **E. Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **F. New Pronouncement – Leases**

Effective June 30, 2022, the Town implemented GASB Statement No. 87, "Leases". GASB Statement No. 87 increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. This Statement replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. The Town currently has no lease arrangements applicable to this Statement.

#### **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity**

##### **1. Cash**

Cash balances of Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments less than ninety (90) days to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due from/to other fund balances.

##### **2. Investments**

The Town invests in investments as allowed by State statutes. Investments with readily determinable fair values are reported at fair value. Unrealized gains and losses are included in revenue.

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**3. Receivables**

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

**4. Due from/to Other Funds**

Activity between funds that are representative of lending/borrowing arrangement that are outstanding at the end of the fiscal year are referred to as “advances to/from other funds.” All other outstanding balances between funds are reported as “due from/to other funds.”

**5. Pensions**

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees’ Retirement System (VMERS) plan and additions to/deductions from the VMERS’ fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**6. Inventories and Prepaid Expenses/Items**

Inventory quantities are determined by physical count and are valued at the lower of cost or market.

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses/items.

Reported inventories and prepaid items of governmental funds in the fund financial statements are offset by a nonspendable fund balance as they are not in spendable form.

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

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**8. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with the fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

Capital assets reported in the government-wide financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

|  | Capitalization<br>Threshold | Estimated<br>Service Life |
|--|-----------------------------|---------------------------|
| Land   | \$ 5,000                    | Not Depreciated           |
| Art  | \$ 5,000                    | Not Depreciated           |
| Buildings and Building Improvements          | \$ 5,000                    | 10-50 Years               |
| Vehicles, Machinery, Equipment and Furniture | \$ 5,000                    | 5-20 Years                |
| Infrastructure                               | \$ 25,000                   | 7-50 Years                |

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are incurred.

**9. Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused leave time. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements. The liability for unused compensated absences is not reported in the governmental fund financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

**10. Long-term Liabilities**

Long-term liabilities include bonds payable, notes payable and other obligations such as compensated absences and the Town's net pension liability. Long-term liabilities are reported in the government-wide financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

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**11. Fund Equity**

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

**II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS**

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, whereas government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as other financing sources, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report proceeds of long-term debt as other financing sources and principal payments as an expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

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**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The General Fund budget is approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The budget presented herein is for the Town’s “General Fund” only and does not include the Town Reappraisal Fund, the Affordable Housing Fund, the Climate Emergency Fund, the Unanticipated Expenses and Emergency Reserve Fund and the Operational Performance and Development Fund activity that is included with the General Fund.

**B. Budgeted Deficit**

The Town budgeted a current year’s deficiency of revenues over expenditures in the General Fund in the amount of \$860,000 in order to utilize a portion of the previous year’s surplus. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 1.

**C. Restatement/Reclassification of Net Position/Fund Balances**

The net position of the governmental activities and fiduciary funds were restated/reclassified as follows:

|   | Governmental<br>Activities | Fiduciary<br>Funds |
|---|----------------------------|--------------------|
| Net Position - June 30, 2021,<br>As Originally Reported   | \$ 8,745,751               | \$ 252,919         |
| Correction of Errors:                                     |                            |                    |
| (Overstatement)/Understatement of<br>Investments          | 18,353                     | 0                  |
| (Overstatement)/Understatement of<br>Receivables          | (13,520)                   | 0                  |
| (Overstatement)/Understatement of<br>Capital Assets       | (382,614)                  | 0                  |
| Overstatement/(Understatement) of<br>Accounts Payable     | (21,755)                   | 0                  |
| Reclassification of Fund Types                            | 245,453                    | (245,453)          |
| Net Position - June 30, 2021,<br>As Restated/Reclassified | \$ 8,591,668               | \$ 7,466           |

The restatement of the governmental activities was the result of an understatement of investments, an overstatement of receivables, and overstatement of capital assets and an understatement of accounts payable. The effect of this restatement on the governmental activities Statement of Net Position is to decrease assets by \$377,781, increase liabilities by \$21,755 and decrease net position by \$399,536. The effect on the 2021 Statement of Activities has not been determined.

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In addition, the Town reclassified the Cemetery Commission Fund and the Trustees of Public Funds Fund from Fiduciary Funds to Governmental Funds and reclassified the Citizen Assistance Fund from a Governmental Fund to a Fiduciary Fund resulting in a \$245,453 increase in the governmental activities net position and a \$245,453 decrease in the Fiduciary Funds net position.

The fund balances/net position of the Governmental Funds and Private-Purpose Trust Funds were restated/reclassified as follows:

|   | Governmental Funds  |                              | Private-Purpose Trust Funds |                               |                         |
|---|---------------------|------------------------------|-----------------------------|-------------------------------|-------------------------|
|   | General Fund        | Non-Major Governmental Funds | Cemetery Commission Fund    | Trustees of Public Funds Fund | Citizen Assistance Fund |
| Fund Balances/Net Position - June 30, 2021,<br>As Originally Reported   | \$ 1,297,570        | \$ 2,166,074                 | \$ 55,832                   | \$ 197,087                    | \$ 0                    |
| Correction of Errors:   |                     |                              |                             |                               |                         |
| (Overstatement)/Understatement of Investments                           | 0                   | 18,353                       | 0                           | 0                             | 0                       |
| (Overstatement)/Understatement of Receivables                           | (13,520)            | 0                            | 0                           | 0                             | 0                       |
| Overstatement/(Understatement) of Accounts Payable                      | (21,755)            | 0                            | 0                           | 0                             | 0                       |
| Reclassification of Fund Types  | <u>148,248</u>      | <u>97,205</u>                | <u>(55,832)</u>             | <u>(197,087)</u>              | <u>7,466</u>            |
| Fund Balances/Net Position - June 30, 2021,<br>As Restated/Reclassified | <u>\$ 1,410,543</u> | <u>\$ 2,281,632</u>          | <u>\$ 0</u>                 | <u>\$ 0</u>                   | <u>\$ 7,466</u>         |

The restatement of the General Fund was the result of an overstatement of receivables and an understatement of accounts payable. The effect of this restatement on the General Fund Balance Sheet is to decrease assets by \$13,520, increase liabilities by \$21,755 and decrease fund balance by \$35,275. The effect on the 2021 General Fund Statement of Revenues, Expenditures and Changes in Fund Balances has not been determined.

The restatement of the Non-Major Governmental Funds was the result of an understatement of investments. The effect of this restatement on the Non-Major Governmental Funds Balance Sheet is to increase assets and fund balance by \$18,353. The effect on the 2021 Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances has not been determined.

In addition, the Town reclassified the Town Reappraisal Fund, the Affordable Housing Fund and the Climate Emergency Fund, previously reported as separate Special Revenue Funds in the Non-Major Governmental Funds, with the General Fund as they do not qualify to be reported as separate Special Revenue Funds, reclassified the Cemetery Commission Fund and the Trustees of Public Funds Fund from Private-Purpose Trust Funds to Governmental Funds and reclassified the Citizen Assistance Fund from a Governmental Fund to a Private-Purpose Trust Fund resulting in a \$148,248 increase in the General Fund fund balance, a \$97,205 increase in the Non-Major Governmental Funds fund balance and a \$245,453 decrease in the Private-Purpose Trust Funds net position.

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**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Town’s cash and investments as of June 30, 2022 consisted of the following:

|                                      |                    |
|--------------------------------------|--------------------|
| Cash:                                |                    |
| Deposits with Financial Institutions | \$4,434,047        |
| Cash on Hand                         | <u>550</u>         |
| Total Cash                           | 4,434,597          |
| Investments:                         |                    |
| Certificates of Deposit              | <u>217,344</u>     |
| Total Cash and Investments           | <u>\$4,651,941</u> |

The Town has six (6) certificates of deposit at Mascoma Bank ranging from \$5,211 to \$142,064 with interest rates ranging from 0.10% to 1.75%. All certificates of deposit mature during fiscal year 2023.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. In accordance with the Town’s investment policy, collateralization using obligations fully guaranteed by the full faith and credit of the State of Vermont and/or the United States Government or an Irrevocable Stand-by Letter of Credit issued by the Federal Home Loan Bank in the Town’s name is required. The following table shows the custodial credit risk of the Town’s cash and certificates of deposit.

|   | <u>Book<br/>Balance</u> | <u>Bank<br/>Balance</u> |
|---|-------------------------|-------------------------|
| Insured by FDIC/NCUA  | \$ 467,369              | \$ 467,369              |
| Insured by Irrevocable Stand-by Letter<br>of Credit Issued by Federal Home Loan<br>Bank of Boston | <u>4,184,022</u>        | <u>4,384,891</u>        |
| Total   | <u>\$4,651,391</u>      | <u>\$4,852,260</u>      |

The difference between the book balance and bank balance is due to reconciling items such as deposits in transit and outstanding checks.



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The book balance is comprised of the following:

|   |                    |
|---|--------------------|
| Cash – Deposits with Financial Institutions | \$4,434,047        |
| Investments – Certificates of Deposit       | <u>217,344</u>     |
| Total                                       | <u>\$4,651,391</u> |

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Town’s investment policy, interest rate risk will be minimized by investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the Town’s investment portfolio. The Town’s certificates of deposit are not subject to interest rate risk disclosure.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In accordance with the Town’s investment policy, credit risk will be minimized by diversifying the Town’s investment portfolio so that the impact of potential losses from any one type of investment will be minimized. The Town’s certificates of deposit are not subject to credit risk.

**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the Town’s investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has no investments subject to concentration of credit risk.

**B. Receivables**

Receivables as of June 30, 2022, as reported in the statement of net position, are as follows:

|                                   | <u>Governmental<br/>Activities</u> |
|-----------------------------------|------------------------------------|
| Delinquent Taxes Receivable       | \$ 91,645                          |
| Penalties and Interest Receivable | 19,962                             |
| Grants Receivable                 | 165,824                            |
| Accounts Receivable               | <u>5,031</u>                       |
| Total                             | <u>\$ 282,462</u>                  |

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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2022 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|---------------------|------------------|---------------------------|
| <b>Governmental Activities</b>               |                              |                     |                  |                           |
| Capital Assets, Not Being Depreciated:       |                              |                     |                  |                           |
| Land   | \$ 653,559                   | \$ 0                | \$ 0             | \$ 653,559                |
| Art  | 11,140                       | 0                   | 0                | 11,140                    |
| Construction in Progress                     | <u>0</u>                     | <u>69,267</u>       | <u>0</u>         | <u>69,267</u>             |
| Total Capital Assets, Not Being Depreciated  | <u>664,699</u>               | <u>69,267</u>       | <u>0</u>         | <u>733,966</u>            |
| Capital Assets, Being Depreciated:           |                              |                     |                  |                           |
| Buildings and Building Improvements          | 4,368,696                    | 0                   | 144,865          | 4,223,831                 |
| Vehicles, Machinery, Equipment and Furniture | 3,792,400                    | 129,924             | 154,962          | 3,767,362                 |
| Infrastructure                               | <u>6,554,829</u>             | <u>145,981</u>      | <u>2,045,373</u> | <u>4,655,437</u>          |
| Totals                                       | <u>14,715,925</u>            | <u>275,905</u>      | <u>2,345,200</u> | <u>12,646,630</u>         |
| Less Accumulated Depreciation for:           |                              |                     |                  |                           |
| Buildings and Building Improvements          | 1,432,154                    | 87,529              | 144,865          | 1,374,818                 |
| Vehicles, Machinery, Equipment and Furniture | 2,509,154                    | 148,218             | 145,138          | 2,512,234                 |
| Infrastructure                               | <u>4,314,424</u>             | <u>267,139</u>      | <u>2,038,523</u> | <u>2,543,040</u>          |
| Totals                                       | <u>8,255,732</u>             | <u>502,886</u>      | <u>2,328,526</u> | <u>6,430,092</u>          |
| Total Capital Assets, Being Depreciated      | <u>6,460,193</u>             | <u>(226,981)</u>    | <u>16,674</u>    | <u>6,216,538</u>          |
| Governmental Activities Capital Assets, Net  | <u>\$ 7,124,892</u>          | <u>\$ (157,714)</u> | <u>\$ 16,674</u> | <u>\$ 6,950,504</u>       |

Certain amounts in the beginning balance column have been restated/reclassified.

Depreciation was charged as follows:

|  |                       |
|--|-----------------------|
| Governmental Activities:                                 |                       |
| General Government                                       | \$ 25,415             |
| Public Safety  | 84,104                |
| Highways and Streets                                     | 384,531               |
| Culture and Recreation                                   | 6,474                 |
| Solid Waste  | <u>2,362</u>          |
| <br>Total Depreciation Expense - Governmental Activities | <br><u>\$ 502,886</u> |

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**D. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2022 are as follows:

| <u>Fund</u>   | <u>Due from<br/>Other Funds</u> | <u>Due to<br/>Other Funds</u> |
|---|---------------------------------|-------------------------------|
| General Fund  | \$ 0                            | \$ 2,827,351                  |
| ARPA Fund   | 509,519                         | 0                             |
| Non-Major Governmental Funds                            | 2,310,717                       | 0                             |
| Private-Purpose Trust Fund -<br>Citizen Assistance Fund | <u>7,115</u>                    | <u>0</u>                      |
| Total   | <u>\$ 2,827,351</u>             | <u>\$ 2,827,351</u>           |

Interfund transfers during the year ended June 30, 2022 were as follows:

| <u>Transfer From</u>          | <u>Transfer To</u>                                   | <u>Amount</u>       | <u>Purpose</u>           |
|-------------------------------|--|---------------------|--------------------------|
| General Fund                  | Town Reappraisal Fund                                | \$ 43,000           | * Appropriation          |
| General Fund                  | Unanticipated Expenses and<br>Emergency Reserve Fund | 750,000             | * Appropriation          |
| General Fund                  | Operational Performance and<br>Development Fund      | 110,000             | * Appropriation          |
| General Fund                  | Records Restoration Fund                             | 5,000               | Appropriation            |
| General Fund                  | Cemetery Commission Fund                             | 20,000              | Appropriation            |
| General Fund                  | Highway Equipment Fund                               | 40,000              | Appropriation            |
| General Fund                  | Highway Garage Fund                                  | 25,000              | Appropriation            |
| General Fund                  | General Administration<br>Equipment Fund             | 50,878              | Appropriation            |
| General Fund                  | Tennis Courts Fund                                   | 10,200              | Appropriation            |
| General Fund                  | Fire Equipment Fund                                  | 20,000              | Appropriation            |
| General Fund                  | Fire Apparatus Fund                                  | 20,000              | Appropriation            |
| General Fund                  | Sidewalk Fund  | 14,000              | Appropriation            |
| General Fund                  | DPW Bridge Fund                                      | 157,000             | Appropriation            |
| General Fund                  | DPW Paving Fund                                      | 60,000              | Appropriation            |
| General Fund                  | Generator Fund                                       | 10,000              | Appropriation            |
| Recreation Scholarships Fund  | General Fund   | 4,005               | Fund Recreation Programs |
| Trustees of Public Funds Fund | Cemetery Commission Fund                             | <u>4,225</u>        | Fund Cemetery Expenses   |
| Total                         |  | <u>\$ 1,343,308</u> |                          |

\* The transfers from the General Fund to the Town Reappraisal Fund, the Unanticipated Expenses and Emergency Reserve Fund and Operational Performance and Development Fund are netted within the General Fund as these funds are consolidated within the General Fund in order to comply with GASB Statement No. 54.

TOWN OF NORWICH, VERMONT  
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**E. Deferred Outflows of Resources**

Deferred outflows of resources in the governmental activities consists of \$108,219 from the difference between the expected and actual experience, \$91,777 from changes in assumptions and \$51,906 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$76,397 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$328,299.

**F. Unearned Revenue**

Unearned revenue in the governmental activities and ARPA Fund consists of \$509,519 of grant revenue received in advance.

**G. Deferred Inflows of Resources**

Deferred inflows of resources in the governmental activities consists of \$342,355 from the difference between the projected and actual investment earnings and \$49,515 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS). It also includes \$2,065 of prepaid property taxes. Total deferred inflows of resources in the governmental activities is \$393,935.

Deferred inflows of resources in the General Fund consists of \$83,000 of delinquent property taxes, penalties and interest on those taxes and \$15,263 of grant revenues not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$2,065 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$100,328.

**H. Long-term Liabilities**

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

The Town has notes payable to finance various capital projects through local banks.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries.

The accrual for the Town's share of the net pension liability is recorded in the government-wide financial statements.

It is the policy of the Town to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements.

TOWN OF NORWICH, VERMONT  
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Long-term liabilities outstanding as of June 30, 2022 were as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Bond Payable, Vermont Municipal Bond Bank, Communications Tower, Principal Payments of \$27,500 Payable on November 15 Annually, Interest at 2.823% Payable on May 15 and November 15, Due November, 2023                     | \$ 82,500                    | \$ 0             | \$ 27,500        | \$ 55,000                 |
| Bond Payable, Vermont Municipal Bond Bank, Public Safety Facility, Principal Payments of \$47,000 Payable on November 15 Annually, Interest at 3.99% Payable on May 15 and November 15, Due November, 2047                    | 1,269,000                    | 0                | 47,000           | 1,222,000                 |
| Note Payable, Mascoma Bank, Town Garage and Public Safety Building, Principal Payments of \$48,000 Plus Interest Payable on August 15 Annually, Interest at 2.95%, Due August, 2024   | 192,000                      | 0                | 48,000           | 144,000                   |
| Note Payable, Northfield Savings Bank, Bridge Construction, Principal Payments of \$13,140 Plus Interest Payable on July 1 Annually, Interest at 2.25%, Due July, 2026. The Town Made the July 1, 2022 Payment in June, 2022. | <u>65,700</u>                | <u>0</u>         | <u>26,280</u>    | <u>39,420</u>             |
| Total   | <u>\$1,609,200</u>           | <u>\$ 0</u>      | <u>\$148,780</u> | <u>\$1,460,420</u>        |

Changes in long-term liabilities during the year were as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| <b>Governmental Activities</b>                      |                              |                  |                   |                           |                                |
| General Obligation Bonds Payable                    | \$ 1,351,500                 | \$ 0             | \$ 74,500         | \$ 1,277,000              | \$ 74,500                      |
| Notes Payable                                       | 257,700                      | 0                | 74,280            | 183,420                   | 48,000                         |
| Compensated Absences Payable                        | 103,653                      | 0                | 41,630            | 62,023                    | 0                              |
| Net Pension Liability                               | <u>914,042</u>               | <u>0</u>         | <u>333,413</u>    | <u>580,629</u>            | <u>0</u>                       |
| Total Governmental Activities Long-term Liabilities | <u>\$ 2,626,895</u>          | <u>\$ 0</u>      | <u>\$ 523,823</u> | <u>\$ 2,103,072</u>       | <u>\$ 122,500</u>              |

TOWN OF NORWICH, VERMONT  
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Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The change in the net pension liability is allocated to the function where the employee is charged.

Debt service requirements to maturity are as follows:

| Year Ending<br>June 30 | Governmental Activities |                   |
|------------------------|-------------------------|-------------------|
|                        | Principal               | Interest          |
| 2023                   | \$ 122,500              | \$ 51,107         |
| 2024                   | 135,640                 | 48,475            |
| 2025                   | 108,140                 | 45,029            |
| 2026                   | 60,140                  | 41,964            |
| 2027                   | 47,000                  | 40,244            |
| 2028-2032              | 235,000                 | 178,171           |
| 2033-2037              | 235,000                 | 136,665           |
| 2038-2042              | 235,000                 | 89,730            |
| 2043-2047              | 235,000                 | 37,015            |
| 2048                   | 47,000                  | 1,058             |
| Total                  | <u>\$ 1,460,420</u>     | <u>\$ 669,458</u> |

**I. Fund Balances**

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard’s intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

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When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Major Funds

General Fund:

|                            |                |
|----------------------------|----------------|
| Nonspendable Prepaid Items | \$123,230      |
| Nonspendable Inventories   | <u>49,753</u>  |
| Total General Fund         | <u>172,983</u> |

Non-Major Funds

Permanent Fund:

|                                  |                  |
|----------------------------------|------------------|
| Nonspendable for Perpetual Care  | <u>105,669</u>   |
| Total Nonspendable Fund Balances | <u>\$278,652</u> |

The fund balances in the following funds are restricted as follows:

Non-Major Funds

Special Revenue Funds:

|  |               |
|--|---------------|
| Restricted for Conservation Commission Expenses<br>by Donations (Source of Revenue is Donations) | \$ 4,656      |
| Restricted for Kids Bridge Project by Donations<br>(Source of Revenue is Donations)              | 13,103        |
| Restricted for Recreation Facilities Expenses<br>by Donations (Source of Revenue is Donations)   | 58,115        |
| Restricted for Land Management Council Expenses<br>by Donations (Source of Revenue is Donations) | 16,727        |
| Restricted for Recreation Scholarship Expenses<br>by Donations (Source of Revenue is Donations)  | 1,634         |
| Restricted for Granite Bench Expenses by Donations<br>(Source of Revenue is Donations)           | 10            |
| Restricted for Records Restoration Expenses by<br>Statute (Source of Revenue is Recording Fees)  | <u>4,473</u>  |
| Total Special Revenue Funds  | <u>98,718</u> |

TOWN OF NORWICH, VERMONT  
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Permanent Fund:

|   |                   |
|---|-------------------|
| Restricted for Trustees of Public Funds Fund Expenses<br>by Sale of Lots and Donations (Source of Revenue is<br>Cemetery Lot Sales and Donations) | \$ <u>93,502</u>  |
| Total Restricted Fund Balances  | \$ <u>192,220</u> |

The fund balances in the following funds are committed as follows:

Major Funds

General Fund:

|  |                |
|--|----------------|
| Committed for Town Reappraisal Fund Expenses by the Voters                           | \$ 105,440     |
| Committed for Affordable Housing Fund Expenses by the Voters                         | 46,488         |
| Committed for Climate Emergency Fund Expenses by the Voters                          | 40,163         |
| Committed for Operational Performance and Development<br>Fund Expenses by the Voters | <u>110,000</u> |
| Total General Fund   | <u>302,091</u> |

Non-Major Funds

Special Revenue Funds:

|  |                |
|--|----------------|
| Committed for Records Restoration Expenses by the Voters | 61,013         |
| Committed for Cemetery Commission Expenses by the Voters | <u>82,635</u>  |
| Total Special Revenue Funds                              | <u>143,648</u> |

Capital Projects Funds:

|  |         |
|--|---------|
| Committed for Highway Equipment Expenditures by the Voters                   | 148,242 |
| Committed for Highway Garage Expenditures by the Voters                      | 102,664 |
| Committed for Solid Waste Equipment Expenditures by the Voters               | 34,187  |
| Committed for Police Station Expenditures by the Voters                      | 14,225  |
| Committed for Police Cruiser Expenditures by the Voters                      | 66,171  |
| Committed for Tracy Hall Expenditures by the Voters                          | 66,214  |
| Committed for General Administration Equipment Expenditures<br>by the Voters | 89,589  |
| Committed for Recreation Expenditures by the Voters                          | 1,303   |
| Committed for Tennis Courts Expenditures by the Voters                       | 23,103  |
| Committed for Police Special Equipment Expenditures<br>by the Voters         | 8,031   |
| Committed for Fire Station Expenditures by the Voters                        | 5,027   |



TOWN OF NORWICH, VERMONT  
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|  |                        |
|--|------------------------|
| Capital Projects Funds/(Cont'd):                                     |                        |
| Committed for Fire Equipment Expenditures by the Voters              | \$ 120,310             |
| Committed for Fire Apparatus Expenditures by the Voters              | 602,514                |
| Committed for Sidewalk Expenditures by the Voters                    | 95,252                 |
| Committed for Long-term Facility Study Expenditures<br>by the Voters | 549                    |
| Committed for DPW Bridge Expenditures by the Voters                  | 531,977                |
| Committed for DPW Paving Expenditures by the Voters                  | 160,762                |
| Committed for Buildings & Grounds Expenditures by the Voters         | 33,857                 |
| Committed for Generator Expenditures by the Voters                   | <u>35,940</u>          |
| <br>Total Capital Projects Funds                                     | <br><u>2,139,917</u>   |
| <br>Total Non-Major Funds  | <br><u>2,283,565</u>   |
| <br>Total Committed Fund Balances                                    | <br><u>\$2,585,656</u> |

The General Fund unassigned fund balance includes \$750,000 for unanticipated expenses and emergency reserves as approved by the voters.

**J. Restricted Net Position**

The restricted net position of the Town as of June 30, 2022 consisted of the following:

|  |                      |
|--|----------------------|
| Governmental Activities:   |                      |
| Restricted for Trustees of Public Funds Fund Expenses<br>by Sale of Lots and Donations | \$199,171            |
| Restricted for Conservation Commission Expenses<br>by Donations                        | 4,656                |
| Restricted for Kids Bridge Project by Donations  | 13,103               |
| Restricted for Recreation Facilities Expenses<br>by Donations                          | 58,115               |
| Restricted for Land Management Council Expenses<br>by Donations                        | 16,727               |
| Restricted for Recreation Scholarship Expenses<br>by Donations                         | 1,634                |
| Restricted for Granite Bench Expenses by Donations                                     | 10                   |
| Restricted for Records Restoration Expenses by Statute                                 | <u>4,473</u>         |
| <br>Total Governmental Activities  | <br><u>\$297,889</u> |

TOWN OF NORWICH, VERMONT  
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**V. OTHER INFORMATION**

**A. Pension Plan**

**Defined Benefit Plan**

**The Vermont Municipal Employees' Retirement System (VMERS)**

**Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the Town's proportionate share of this was 0.3945% resulting in a net pension liability of \$580,629. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.3945% was an increase of 0.0332 from its proportion measured as of the prior year.

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For the year ended June 30, 2022, the Town recognized pension expense of \$127,740.

As of June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience   | \$ 108,219                        | \$ 0                             |
| Difference between projected and actual investment earnings on pension assets                                 | 0                                 | 342,355                          |
| Changes in assumptions  | 91,777                            | 0                                |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 51,906                            | 49,515                           |
| Town's required employer contributions made subsequent to the measurement date                                | 76,397                            | 0                                |
|   | \$ 328,299                        | \$ 391,870                       |

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$76,397 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ending<br><u>June 30</u> |                      |
|-------------------------------|----------------------|
| 2023                          | \$ (691)             |
| 2024                          | (16,937)             |
| 2025                          | (41,328)             |
| 2026                          | <u>(81,012)</u>      |
| Total                         | \$( <u>139,968</u> ) |

**Summary of System Provisions**

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Groups B and C.

Creditable Service – Service as a member plus purchased service.

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Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

TOWN OF NORWICH, VERMONT  
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Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contributions – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

**Significant Actuarial Assumptions and Methods**

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

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Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

Disabled Post-retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2019.

Spouse’s Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Inflation: 2.30%

Long-term Expected Rate of Return:

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 (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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2021 are summarized in the following table:

TOWN OF NORWICH, VERMONT  
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| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-term Expected<br/>Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Passive Global Equities          | 24%                      | 5.05%   |
| Active Global Equities           | 5%                       | 5.05%   |
| Large Cap US Equities            | 4%                       | 4.00%   |
| Small/Mid Cap US Equities        | 3%                       | 4.50%   |
| Non-US Developed Market Equities | 7%                       | 5.50%   |
| Private Equity                   | 10%                      | 6.75%   |
| Emerging Market Debt             | 4%                       | 3.00%   |
| Private & Alternate Credit       | 10%                      | 4.75%   |
| Non-Core Real Estate             | 4%                       | 5.75%   |
| Core Fixed Income                | 19%                      | 0.00%   |
| Core Real Estate                 | 4%                       | 3.75%   |
| US TIPS                          | 3%                       | (0.50)%   |
| Infrastructure/Farmland          | 3%                       | 4.25%   |

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2021. 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.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

| <u>1% Decrease (6.00%)</u> | <u>Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
|----------------------------|------------------------------|----------------------------|
| \$1,147,645                | \$580,629                    | \$114,375                  |

**Additional Information**

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

TOWN OF NORWICH, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

**B. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

**C. Property Taxes**

The Town is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are collected two (2) times per year. During the tax year ended June 30, 2022, property taxes became due and payable on August 13, 2021 and February 11, 2022. The penalty rate is eight percent (8%) after the February 11 payment. Interest is charged at one percent (1%) per month for the first three months and one and a half percent (1-1/2%) per month for each month thereafter. The tax rates for 2022 were as follows:

|                  | <u>Homestead</u> | <u>Non-Homestead</u> |
|------------------|------------------|----------------------|
| Town             | .5634            | .5634                |
| County Tax       | .0074            | .0074                |
| Voted Exemptions | .0025            | .0025                |
| Education        | <u>1.8625</u>    | <u>1.7856</u>        |
| Total            | <u>2.4358</u>    | <u>2.3589</u>        |

**D. Commitments and Contingencies**

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.



TOWN OF NORWICH, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**E. Subsequent Events**

Subsequent to year-end, the Town will receive the second half of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds in the amount of \$509,519.

TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|   | Budget       | Actual       | Variance<br>Favorable/<br>(Unfavorable) |
|---|--------------|--------------|---|
| Revenues:                               |              |              |   |
| Property Tax Revenues:                  |              |              |   |
| Property Taxes                          | \$ 4,283,851 | \$ 4,289,429 | \$ 5,578                                |
| VT Land Use Tax (Hold Harmless Payment) | 187,863      | 220,190      | 32,327                                  |
| Property Tax Interest                   | 30,000       | 15,939       | (14,061)                                |
| Property Tax Collection Fee             | 20,000       | 31,474       | 11,474                                  |
| Total Property Tax Revenues             | 4,521,714    | 4,557,032    | 35,318                                  |
| License & Permit Revenue:               |              |              |   |
| Liquor License                          | 670          | 555          | (115)                                   |
| Dog License                             | 2,000        | 2,151        | 151                                     |
| Hunting & Fishing Licenses              | 200          | 80           | (120)                                   |
| Peddler License                         | 0            | 25           | 25                                      |
| Building/Development Permits            | 4,000        | 10,156       | 6,156                                   |
| Land Posting Permit                     | 200          | 200          | 0                                       |
| Total License & Permit Revenue          | 7,070        | 13,167       | 6,097                                   |
| Intergovernmental Revenue:              |              |              |   |
| VT Highway Gas Tax                      | 156,000      | 177,012      | 21,012                                  |
| VT Act 60                               | 15,300       | 15,409       | 109                                     |
| PILOT Payments                          | 10,000       | 16,216       | 6,216                                   |
| VT Natural Resources                    | 2,500        | 78           | (2,422)                                 |
| Education Tax Retainer                  | 27,000       | 28,836       | 1,836                                   |
| Total Intergovernmental Revenue         | 210,800      | 237,551      | 26,751                                  |
| Service Fee Revenue:                    |              |              |   |
| Recording Fee & Restoration             | 25,000       | 37,417       | 12,417                                  |
| Document Copy Fee                       | 3,000        | 3,065        | 65                                      |
| Use of Records Fee                      | 300          | 654          | 354                                     |
| Vital Statistics Fee                    | 800          | 340          | (460)                                   |
| Motor Vehicle Renewal Fee               | 50           | 21           | (29)                                    |
| Photocopying Fee                        | 50           | 0            | (50)                                    |
| EV Charging Fees                        | 800          | 432          | (368)                                   |
| Tracy Hall Rental Fee                   | 3,500        | 2,531        | (969)                                   |
| Police Report Fee                       | 500          | 265          | (235)                                   |
| Recreation Program Fees                 | 190,000      | 126,043      | (63,957)                                |
| Transfer Station Stickers               | 40,000       | 27,882       | (12,118)                                |
| Recycling Solid Waste Fees              | 3,000        | 7,425        | 4,425                                   |
| E-Waste Revenue                         | 2,500        | 3,377        | 877                                     |
| Recycling Rebates                       | 1,500        | 11,099       | 9,599                                   |
| C&D Waste Revenue                       | 8,000        | 11,295       | 3,295                                   |
| Trash Coupon                            | 100,000      | 102,200      | 2,200                                   |
| Total Service Fee Revenue               | 379,000      | 334,046      | (44,954)                                |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|  | Budget           | Actual           | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|------------------|---|
| <b>Grant Revenue:</b>                      |                  |                  |   |
| Highway Paving Grant Income                | \$ 0             | \$ 116,785       | \$ 116,785                              |
| Highway Bridge Grant Income                | 0                | 19,081           | 19,081                                  |
| Fire Department FEMA Grant Income          | 0                | 14,795           | 14,795                                  |
| Tigertown Culvert Grant Income             | 0                | 27,979           | 27,979                                  |
| Recreation Department Grant Income         | 0                | 20,444           | 20,444                                  |
| Conservation Commission Grant Income       | 0                | 671              | 671                                     |
| Police Department Grant Income             | 0                | 719              | 719                                     |
| VLCT/PACIF Grant Income                    | 0                | 5,400            | 5,400                                   |
| Norwich Women's Club Grant Income          | 0                | 727              | 727                                     |
| Energy Commission Grant Income             | 0                | 51               | 51                                      |
| COVID Grant Income                         | 0                | 39,398           | 39,398                                  |
| <b>Total Grant Revenue</b>                 | <b>0</b>         | <b>246,050</b>   | <b>246,050</b>                          |
| <b>Other Town Revenues:</b>                |                  |                  |   |
| Town Report                                | 1,350            | 0                | (1,350)                                 |
| Bank Interest                              | 20,000           | 3,337            | (16,663)                                |
| Insurance Claims                           | 0                | 3,726            | 3,726                                   |
| Athletic Field Rental                      | 25,000           | 21,325           | (3,675)                                 |
| Transfer from Recreation Scholarships Fund | 0                | 4,005            | 4,005                                   |
| <b>Total Other Town Revenues</b>           | <b>46,350</b>    | <b>32,393</b>    | <b>(13,957)</b>                         |
| <b>Public Safety Revenues:</b>             |                  |                  |   |
| Police Fine                                | 10,000           | 9,884            | (116)                                   |
| Parking Fine                               | 500              | 295              | (205)                                   |
| Dog Fine                                   | 200              | 125              | (75)                                    |
| <b>Total Public Safety Revenues</b>        | <b>10,700</b>    | <b>10,304</b>    | <b>(396)</b>                            |
| <b>Miscellaneous Revenue:</b>              | <b>500</b>       | <b>13,435</b>    | <b>12,935</b>                           |
| <b>Total Revenues</b>                      | <b>5,176,134</b> | <b>5,443,978</b> | <b>267,844</b>                          |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|   | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|---|----------------|----------------|---|
| Expenditures:                                   |                |                |   |
| Town Administration:                            |                |                |   |
| Selectboard Stipend                             | \$ 2,500       | \$ 2,500       | \$ 0                                    |
| Town Manager Wages                              | 95,971         | 63,274         | 32,697                                  |
| Treasurer Stipend                               | 1,750          | 1,750          | 0                                       |
| Administration Assistant Wages                  | 55,886         | 56,358         | (472)                                   |
| Administration Assistant Overtime               | 500            | 0              | 500                                     |
| FICA Tax  | 9,415          | 8,886          | 529                                     |
| MEDI Tax  | 2,202          | 1,640          | 562                                     |
| Health Insurance                                | 45,623         | 34,648         | 10,975                                  |
| Disability/Life Insurance                       | 1,036          | 872            | 164                                     |
| Dental Insurance                                | 462            | 91             | 371                                     |
| VT Retirement                                   | 8,975          | 6,760          | 2,215                                   |
| Town Manager Recruitment                        | 0              | 9,046          | (9,046)                                 |
| Professional Services                           | 51,667         | 95,253         | (43,586)                                |
| VLCT Membership                                 | 5,328          | 5,328          | 0                                       |
| Town Report                                     | 2,500          | 3,634          | (1,134)                                 |
| Telephone                                       | 850            | 541            | 309                                     |
| Town Manager Cell Phone                         | 600            | 485            | 115                                     |
| Postage   | 100            | 5              | 95                                      |
| Advertising                                     | 900            | 2,666          | (1,766)                                 |
| Mileage   | 200            | 0              | 200                                     |
| Office Supplies                                 | 900            | 4,749          | (3,849)                                 |
| Office Equipment                                | 300            | 117            | 183                                     |
| Dues/Meetings/Education                         | 1,000          | 1,002          | (2)                                     |
| Selectboard Committee Expenses                  | 3,000          | 0              | 3,000                                   |
| Energy Committee Expenses                       | 1,460          | 670            | 790                                     |
| Regional Energy Coordinator                     | 0              | 15,335         | (15,335)                                |
| Miscellaneous                                   | 500            | 6,188          | (5,688)                                 |
| <b>Total Town Administration</b>                | <b>293,625</b> | <b>321,798</b> | <b>(28,173)</b>                         |
| Board of Civil Authority/Abatement:             |                |                |   |
| Justice Wages                                   | 500            | 0              | 500                                     |
| Postage   | 138            | 0              | 138                                     |
| Office Supplies                                 | 25             | 0              | 25                                      |
| Dues/Meetings/Education                         | 140            | 0              | 140                                     |
| <b>Total Board of Civil Authority/Abatement</b> | <b>803</b>     | <b>0</b>       | <b>803</b>                              |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                 | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|---------------------------------|----------------|----------------|---|
| <b>Statutory Meetings:</b>      |                |                |   |
| Poll Workers Wages              | \$ 600         | \$ 0           | \$ 600                                  |
| Postage                         | 99             | 0              | 99                                      |
| Advertising                     | 195            | 0              | 195                                     |
| Printing                        | 2,068          | 2,902          | (834)                                   |
| Office Supplies                 | 73             | 0              | 73                                      |
| Voting Machine Expenses         | 56             | 0              | 56                                      |
| Voting Machine Programming      | 1,700          | 1,640          | 60                                      |
|                                 | <u>4,791</u>   | <u>4,542</u>   | <u>249</u>                              |
| <b>Total Statutory Meetings</b> |                |                |   |
| <b>Town Clerk:</b>              |                |                |   |
| Town Clerk Wages                | 72,490         | 72,810         | (320)                                   |
| Assistant Town Clerk Wages      | 48,381         | 48,911         | (530)                                   |
| FICA Tax                        | 7,494          | 6,674          | 820                                     |
| MEDI Tax                        | 1,753          | 1,561          | 192                                     |
| Health Insurance                | 31,904         | 33,794         | (1,890)                                 |
| Disability/Life Insurance       | 1,036          | 1,309          | (273)                                   |
| Dental Insurance                | 924            | 728            | 196                                     |
| VT Retirement                   | 7,554          | 7,575          | (21)                                    |
| Dog/Cat License                 | 236            | 198            | 38                                      |
| Vital Statistics                | 15             | 0              | 15                                      |
| Telephone                       | 500            | 545            | (45)                                    |
| Postage                         | 0              | 13             | (13)                                    |
| Office Supplies                 | 1,200          | 881            | 319                                     |
| Office Equipment                | 500            | 0              | 500                                     |
| Software                        | 3,114          | 3,620          | (506)                                   |
| Dues/Meetings/Education         | 118            | 0              | 118                                     |
| Records Restoration Fund        | 5,000          | 5,000          | 0                                       |
|                                 | <u>182,219</u> | <u>183,619</u> | <u>(1,400)</u>                          |
| <b>Total Town Clerk</b>         |                |                |   |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                       | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|---------------------------------------|----------------|----------------|---|
| <b>Finance Department:</b>            |                |                |   |
| Finance Assistant Wages               | \$ 48,599      | \$ 73,576      | \$ (24,977)                             |
| Finance Officer Wages                 | 81,660         | 85,805         | (4,145)                                 |
| FICA Tax                              | 8,076          | 5,679          | 2,397                                   |
| MEDI Tax                              | 1,889          | 1,328          | 561                                     |
| Health Insurance                      | 22,576         | 23,376         | (800)                                   |
| Disability/Life Insurance             | 1,036          | 917            | 119                                     |
| Dental Insurance                      | 924            | 686            | 238                                     |
| VT Retirement                         | 8,141          | 6,049          | 2,092                                   |
| Professional Services                 | 0              | 616            | (616)                                   |
| Independent Audit                     | 13,500         | 11,500         | 2,000                                   |
| Telephone                             | 650            | 539            | 111                                     |
| Postage                               | 0              | 4              | (4)                                     |
| Advertising                           | 176            | 0              | 176                                     |
| Printing                              | 74             | 115            | (41)                                    |
| Office Supplies                       | 1,506          | 1,094          | 412                                     |
| Office Equipment                      | 250            | 3,971          | (3,721)                                 |
| Software                              | 925            | 4,288          | (3,363)                                 |
| Dues/Meetings/Education               | 512            | 85             | 427                                     |
| Bank Charge                           | 0              | 2,605          | (2,605)                                 |
| <b>Total Finance Department</b>       | <b>190,494</b> | <b>222,233</b> | <b>(31,739)</b>                         |
| <b>General Administration:</b>        |                |                |   |
| Telephone                             | 700            | 483            | 217                                     |
| Postage Meter Rental                  | 1,920          | 638            | 1,282                                   |
| Postage                               | 4,000          | 6,737          | (2,737)                                 |
| Office Supplies                       | 1,000          | 1,117          | (117)                                   |
| Photocopier                           | 1,600          | 1,051          | 549                                     |
| Computer Equipment                    | 0              | 22,836         | (22,836)                                |
| Website Support                       | 600            | 0              | 600                                     |
| Server Maintenance                    | 17,568         | 35,737         | (18,169)                                |
| General Administration Equipment Fund | 50,878         | 50,878         | 0                                       |
| <b>Total General Administration</b>   | <b>78,266</b>  | <b>119,477</b> | <b>(41,211)</b>                         |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|--------------------------------|----------------|----------------|---|
| Board of Listers:              |                |                |   |
| Lister Wages                   | \$ 4,500       | \$ 3,750       | \$ 750                                  |
| Assessing Clerk Wages          | 17,882         | 5,650          | 12,232                                  |
| FICA Tax                       | 1,109          | 583            | 526                                     |
| MEDI Tax                       | 259            | 136            | 123                                     |
| Professional Assessor Services | 35,000         | 33,805         | 1,195                                   |
| Software Maintenance/Update    | 6,000          | 7,600          | (1,600)                                 |
| Telephone                      | 530            | 522            | 8                                       |
| Postage                        | 381            | 50             | 331                                     |
| Advertising                    | 0              | 66             | (66)                                    |
| Printing                       | 88             | 26             | 62                                      |
| Mileage Reimbursement          | 100            | 51             | 49                                      |
| Office Supplies                | 125            | 294            | (169)                                   |
| Office Equipment               | 625            | 75             | 550                                     |
| Dues/Meetings/Education        | 75             | 50             | 25                                      |
| Town Reappraisal Fund          | 43,000         | 43,000         | 0                                       |
|                                | <u>109,674</u> | <u>95,658</u>  | <u>14,016</u>                           |
| Total Board of Listers         |                |                |   |
| Planning/DRB Department:       |                |                |   |
| Planning Administrator Wages   | 73,933         | 52,869         | 21,064                                  |
| Planning Department Wages      | 26,407         | 27,562         | (1,155)                                 |
| FICA Tax                       | 6,221          | 4,262          | 1,959                                   |
| MEDI Tax                       | 1,455          | 997            | 458                                     |
| Health Insurance               | 16,073         | 11,001         | 5,072                                   |
| Disability/Life Insurance      | 518            | 508            | 10                                      |
| Dental Insurance               | 462            | 252            | 210                                     |
| VT Retirement                  | 4,621          | 3,606          | 1,015                                   |
| Planning Services              | 3,000          | 692            | 2,308                                   |
| Two Rivers Planning Commission | 5,223          | 5,223          | 0                                       |
| U.V. Transportation Management | 1,134          | 1,134          | 0                                       |
| Mapping                        | 1,600          | 1,500          | 100                                     |
| Grant Expenses                 | 6,750          | 12,410         | (5,660)                                 |
| Telephone                      | 450            | 534            | (84)                                    |
| Postage                        | 450            | 0              | 450                                     |
| Advertising                    | 500            | 486            | 14                                      |
| Printing                       | 200            | 148            | 52                                      |
| Mileage Reimbursement          | 400            | 0              | 400                                     |
| Office Supplies                | 350            | 0              | 350                                     |
| Office Equipment               | 250            | 500            | (250)                                   |
| Dues/Meetings/Education        | 750            | 0              | 750                                     |
|                                | <u>150,747</u> | <u>123,684</u> | <u>27,063</u>                           |
| Total Planning/DRB Department  |                |                |   |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                     | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|-------------------------------------|----------------|----------------|---|
| Recreation Department:              |                |                |   |
| Recreation Administration:          |                |                |   |
| Recreation Director Wages           | \$ 70,072      | \$ 70,259      | \$ (187)                                |
| FICA Tax                            | 4,350          | 5,170          | (820)                                   |
| MEDI Tax                            | 1,016          | 1,209          | (193)                                   |
| Health Insurance                    | 24,022         | 26,012         | (1,990)                                 |
| Disability/Life Insurance           | 518            | 738            | (220)                                   |
| Dental Insurance                    | 462            | 312            | 150                                     |
| VT Retirement                       | 4,380          | 4,373          | 7                                       |
| Telephone                           | 525            | 492            | 33                                      |
| Postage                             | 175            | 0              | 175                                     |
| Advertising                         | 71             | 0              | 71                                      |
| Printing                            | 25             | 0              | 25                                      |
| Dues/Meetings/Education             | 800            | 80             | 720                                     |
| Office Equipment                    | 50             | 40             | 10                                      |
| Mileage Reimbursement               | 263            | 0              | 263                                     |
| Office Supplies                     | 225            | 130            | 95                                      |
|                                     | <u>106,954</u> | <u>108,815</u> | <u>(1,861)</u>                          |
| Total Recreation Administration     |                |                |   |
| Recreation Programs:                |                |                |   |
| Instructor Fee                      | 65,000         | 10,488         | 54,512                                  |
| Coaching Materials                  | 300            | 110            | 190                                     |
| Tee-shirt/Hat                       | 3,000          | 3,150          | (150)                                   |
| Equipment                           | 3,500          | 14,934         | (11,434)                                |
| Program Wages                       | 38,000         | 29,024         | 8,976                                   |
| Referee/Umpire                      | 3,700          | 1,666          | 2,034                                   |
| Tournament Fees                     | 2,500          | 0              | 2,500                                   |
| Registration Fees                   | 8,500          | 4,529          | 3,971                                   |
| Special Events/Supplies             | 1,500          | 352            | 1,148                                   |
| FICA Tax                            | 2,500          | 543            | 1,957                                   |
| MEDI Tax                            | 600            | 127            | 473                                     |
| Uniform                             | 700            | 0              | 700                                     |
|                                     | <u>129,800</u> | <u>64,923</u>  | <u>64,877</u>                           |
| Total Recreation Programs           |                |                |   |
| Recreation Facilities:              |                |                |   |
| Recreation Field Care               | 7,000          | 3,980          | 3,020                                   |
| Huntley Line Marking                | 2,440          | 3,204          | (764)                                   |
| Portable Toilet                     | 1,062          | 2,253          | (1,191)                                 |
| Repairs & Maintenance               | 2,519          | 32             | 2,487                                   |
| Water Usage                         | 485            | 465            | 20                                      |
| Norwich Women's Club Grant Expenses | 1,875          | 0              | 1,875                                   |
| Recreation Grant Expenses           | 0              | 13,272         | (13,272)                                |
| Tennis Courts Fund                  | 10,200         | 10,200         | 0                                       |
|                                     | <u>25,581</u>  | <u>33,406</u>  | <u>(7,825)</u>                          |
| Total Recreation Facilities         |                |                |   |
| Total Recreation Department         |                |                |   |
|                                     | <u>262,335</u> | <u>207,144</u> | <u>55,191</u>                           |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                       | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|---------------------------------------|----------------|----------------|---|
| Public Safety Facility:               |                |                |   |
| Water Usage                           | \$ 1,100       | \$ 925         | \$ 175                                  |
| Electricity                           | 7,100          | 4,035          | 3,065                                   |
| Heating                               | 2,875          | 306            | 2,569                                   |
| Administration Telephone & Internet   | 4,830          | 6,192          | (1,362)                                 |
| Supplies                              | 750            | 694            | 56                                      |
| Repairs & Maintenance                 | 2,000          | 2,186          | (186)                                   |
| Alarm Monitoring                      | 325            | 1,445          | (1,120)                                 |
| Cleaning                              | 11,000         | 9,540          | 1,460                                   |
| Total Public Safety Facility          | <u>29,980</u>  | <u>25,323</u>  | <u>4,657</u>                            |
| Police Department:                    |                |                |   |
| Wages & Benefits:                     |                |                |   |
| Police Chief Wages                    | 87,257         | 34,822         | 52,435                                  |
| Police Officer Wages                  | 174,617        | 171,140        | 3,477                                   |
| On-call Wages                         | 5,472          | 4,975          | 497                                     |
| Overtime Officer Wages                | 19,838         | 40,873         | (21,035)                                |
| Administrative Wages                  | 51,247         | 52,033         | (786)                                   |
| Part-time Officer Wages               | 3,000          | 1,433          | 1,567                                   |
| Crossing Guard Wages                  | 16,934         | 14,676         | 2,258                                   |
| Governor's Highway Safety Grant Wages | 0              | 480            | (480)                                   |
| FICA Tax                              | 20,587         | 18,444         | 2,143                                   |
| MEDI Tax                              | 4,815          | 4,316          | 499                                     |
| Health Insurance                      | 72,228         | 61,879         | 10,349                                  |
| Disability/Life Insurance             | 3,708          | 2,715          | 993                                     |
| Dental Insurance                      | 2,160          | 1,699          | 461                                     |
| VT Retirement                         | 24,313         | 23,451         | 862                                     |
| Total Wages & Benefits                | <u>486,176</u> | <u>432,936</u> | <u>53,240</u>                           |
| Community Policing:                   |                |                |   |
| Animal Control                        | 2,131          | 3,391          | (1,260)                                 |
| Community Relations                   | 653            | 192            | 461                                     |
| Speed Signs                           | 1,865          | 6,365          | (4,500)                                 |
| Norwich Cadet Program                 | 300            | 0              | 300                                     |
| Total Community Policing              | <u>4,949</u>   | <u>9,948</u>   | <u>(4,999)</u>                          |
| Equipment & Maintenance:              |                |                |   |
| Radio Maintenance                     | 764            | 0              | 764                                     |
| Petroleum Products                    | 6,121          | 0              | 6,121                                   |
| Cruiser Video Equipment               | 1,025          | 0              | 1,025                                   |
| Cruiser Maintenance                   | 8,396          | 12,830         | (4,434)                                 |
| Cruiser Supplies                      | 482            | 81             | 401                                     |
| Total Equipment & Maintenance         | <u>16,788</u>  | <u>12,911</u>  | <u>3,877</u>                            |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                 | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|---------------------------------|----------------|----------------|---|
| Support:                        |                |                |   |
| Administration                  | \$ 4,000       | \$ 3,798       | \$ 202                                  |
| VIBRS                           | 2,971          | 2,901          | 70                                      |
| Dispatch Services               | 72,911         | 72,911         | 0                                       |
| Training                        | 2,500          | 1,913          | 587                                     |
| Training Supplies               | 1,421          | 559            | 862                                     |
| Mileage Reimbursement           | 217            | 1,083          | (866)                                   |
| Dues/Meetings/Education         | 943            | 405            | 538                                     |
| Uniforms                        | 3,026          | 3,437          | (411)                                   |
| Uniforms Cleaning               | 1,386          | 351            | 1,035                                   |
| Bullet Proof Vests              | 0              | 2,979          | (2,979)                                 |
|                                 | <u>89,375</u>  | <u>90,337</u>  | <u>(962)</u>                            |
| Total Support                   |                |                |   |
|                                 | <u>89,375</u>  | <u>90,337</u>  | <u>(962)</u>                            |
| Total Police Department         | <u>597,288</u> | <u>546,132</u> | <u>51,156</u>                           |
| Fire/Fast Department:           |                |                |   |
| Fire Wages & Benefits:          |                |                |   |
| Fire Chief Wages                | 67,782         | 67,571         | 211                                     |
| Fire Officer Stipend            | 2,100          | 2,100          | 0                                       |
| Firefighters Wages              | 29,000         | 18,070         | 10,930                                  |
| Full-time Drills/Meetings Wages | 3,000          | 1,428          | 1,572                                   |
| C-19 Grant Expenses             | 0              | 15,263         | (15,263)                                |
| C-19 Mileage Reimbursement      | 0              | 579            | (579)                                   |
| FICA Tax                        | 6,322          | 5,931          | 391                                     |
| MEDI Tax                        | 1,479          | 1,387          | 92                                      |
| Health Insurance                | 16,458         | 17,875         | (1,417)                                 |
| Disability/Life Insurance       | 518            | 869            | (351)                                   |
| VT Retirement                   | 4,236          | 4,209          | 27                                      |
| Dental Insurance                | 462            | 364            | 98                                      |
|                                 | <u>131,357</u> | <u>135,646</u> | <u>(4,289)</u>                          |
| Total Fire Wages & Benefits     |                |                |   |
|                                 | <u>131,357</u> | <u>135,646</u> | <u>(4,289)</u>                          |
| EMS Wages:                      |                |                |   |
| Wages                           | 6,000          | 4,141          | 1,859                                   |
| Drill Wages                     | 1,900          | 1,164          | 736                                     |
| FICA Tax                        | 490            | 241            | 249                                     |
| MEDI Tax                        | 115            | 57             | 58                                      |
|                                 | <u>8,505</u>   | <u>5,603</u>   | <u>2,902</u>                            |
| Total EMS Wages                 |                |                |   |
|                                 | <u>8,505</u>   | <u>5,603</u>   | <u>2,902</u>                            |
| Education & Training:           |                |                |   |
| Fire Education/Training         | 1,000          | 45             | 955                                     |
| EMS Education/Training          | 1,400          | 750            | 650                                     |
| Fire Dues/Meetings/Education    | 500            | 0              | 500                                     |
|                                 | <u>2,900</u>   | <u>795</u>     | <u>2,105</u>                            |
| Total Education & Training      |                |                |   |
|                                 | <u>2,900</u>   | <u>795</u>     | <u>2,105</u>                            |

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TOWN OF NORWICH, VERMONT  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                     | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|-------------------------------------|----------------|----------------|---|
| <b>Tools &amp; Equipment:</b>       |                |                |   |
| Fire Tools & Equipment              | \$ 4,000       | \$ 1,397       | \$ 2,603                                |
| EMS Tools & Equipment               | 1,900          | 1,391          | 509                                     |
| Radio Purchases/Repairs             | 750            | 8,191          | (7,441)                                 |
| <b>Total Tools &amp; Equipment</b>  | <b>6,650</b>   | <b>10,979</b>  | <b>(4,329)</b>                          |
| <b>Maintenance:</b>                 |                |                |   |
| Fire Truck Repairs & Maintenance    | 14,500         | 37,012         | (22,512)                                |
| Equipment Maintenance & Safety      | 4,000          | 4,046          | (46)                                    |
| Radio Maintenance                   | 531            | 1,151          | (620)                                   |
| Software Maintenance                | 1,012          | 0              | 1,012                                   |
| Computer Maintenance                | 291            | 0              | 291                                     |
| Vehicle Fuel                        | 2,715          | 4,591          | (1,876)                                 |
| <b>Total Maintenance</b>            | <b>23,049</b>  | <b>46,800</b>  | <b>(23,751)</b>                         |
| <b>Support:</b>                     |                |                |   |
| Recruitment                         | 100            | 0              | 100                                     |
| Postage                             | 25             | 0              | 25                                      |
| Fire Prevention Books & Materials   | 100            | 310            | (210)                                   |
| Firefighters Casualty Insurance     | 8,800          | 4,048          | 4,752                                   |
| Telephone & Internet                | 0              | 480            | (480)                                   |
| Office Supplies                     | 400            | 607            | (207)                                   |
| Dispatch Service                    | 22,588         | 23,825         | (1,237)                                 |
| Uniforms                            | 225            | 238            | (13)                                    |
| Hydrant Rental                      | 33,933         | 33,933         | 0                                       |
| Dry Hydrant                         | 25             | 0              | 25                                      |
| OSHA Compliance                     | 1,000          | 224            | 776                                     |
| <b>Total Support</b>                | <b>67,196</b>  | <b>63,665</b>  | <b>3,531</b>                            |
| <b>Designated Funds:</b>            |                |                |   |
| Fire Apparatus Fund                 | 20,000         | 20,000         | 0                                       |
| Fire Equipment Fund                 | 20,000         | 20,000         | 0                                       |
| <b>Total Designated Funds</b>       | <b>40,000</b>  | <b>40,000</b>  | <b>0</b>                                |
| <b>Grant Expenses:</b>              | <b>0</b>       | <b>5,352</b>   | <b>(5,352)</b>                          |
| <b>Ambulance Expenditures:</b>      |                |                |   |
| Ambulance Contract                  | 146,340        | 137,312        | 9,028                                   |
| Ambulance Liability Insurance       | 14,500         | 1,743          | 12,757                                  |
| <b>Total Ambulance Expenditures</b> | <b>160,840</b> | <b>139,055</b> | <b>21,785</b>                           |
| <b>Total Fire/Fast Department</b>   | <b>440,497</b> | <b>447,895</b> | <b>(7,398)</b>                          |

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TOWN OF NORWICH, VERMONT  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                      | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|--------------------------------------|----------------|----------------|---|
| Emergency Management:                |                |                |   |
| Debt Service on Tower Bond Principal | \$ 29,894      | \$ 27,500      | \$ 2,394                                |
| Debt Service on Tower Bond Interest  | 0              | 2,321          | (2,321)                                 |
| Tower Power                          | 500            | 391            | 109                                     |
| Emergency Management Administration  | 17             | 0              | 17                                      |
| Emergency Management Supplies        | 33             | 0              | 33                                      |
| Generator Fuel                       | 55             | 0              | 55                                      |
| Emergency Generator Maintenance      | 2,500          | 756            | 1,744                                   |
| Generator Fund                       | 10,000         | 10,000         | 0                                       |
|                                      | <u>42,999</u>  | <u>40,968</u>  | <u>2,031</u>                            |
| Total Emergency Management           |                |                |   |
| Conservation Commission:             |                |                |   |
| Dues/Meetings/Education              | 300            | 50             | 250                                     |
| Speakers/Public Information          | 83             | 0              | 83                                      |
| Publicity/Outdoor Student Programs   | 366            | 1,132          | (766)                                   |
| Trails                               | 1,290          | 166            | 1,124                                   |
| Milton Frye Nature Area              | 1,650          | 1,732          | (82)                                    |
| Norwich Women's Club Grant Expenses  | 0              | 794            | (794)                                   |
|                                      | <u>3,689</u>   | <u>3,874</u>   | <u>(185)</u>                            |
| Total Conservation Commission        |                |                |   |
| Public Works Department:             |                |                |   |
| Highway Division:                    |                |                |   |
| Wages & Benefits:                    |                |                |   |
| Director of Public Works             | 86,192         | 50,558         | 35,634                                  |
| Administrative Assistant, Part-time  | 21,826         | 8,282          | 13,544                                  |
| Road Crew Wages                      | 282,486        | 222,028        | 60,458                                  |
| Road Crew Overtime                   | 45,000         | 39,661         | 5,339                                   |
| Pager Compensation                   | 4,650          | 240            | 4,410                                   |
| FICA Tax                             | 21,610         | 18,391         | 3,219                                   |
| MEDI Tax                             | 0              | 4,356          | (4,356)                                 |
| Health Insurance                     | 73,283         | 56,204         | 17,079                                  |
| Disability/Life Insurance            | 2,589          | 2,472          | 117                                     |
| Dental Insurance                     | 2,310          | 1,305          | 1,005                                   |
| VT Retirement                        | 17,655         | 17,503         | 152                                     |
|                                      | <u>557,601</u> | <u>421,000</u> | <u>136,601</u>                          |
| Total Wages & Benefits               |                |                |   |

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TOWN OF NORWICH, VERMONT  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                  | Budget         | Actual         | Variance<br>Favorable/<br>(Unfavorable) |
|----------------------------------|----------------|----------------|---|
| <b>Materials:</b>                |                |                |   |
| Salt & Chemicals                 | \$ 115,000     | \$ 88,319      | \$ 26,681                               |
| Sand                             | 105,000        | 83,217         | 21,783                                  |
| Dust Control                     | 15,000         | 12,374         | 2,626                                   |
| Gravel & Stone                   | 55,000         | 48,570         | 6,430                                   |
| Culverts & Other Road Supplies   | 12,000         | 7,816          | 4,184                                   |
| Asphalt Products                 | 2,995          | 1,247          | 1,748                                   |
| Bridge Repair & Maintenance      | 2,000          | 277            | 1,723                                   |
| Other Projects                   | 1,783          | 8,858          | (7,075)                                 |
| Signs                            | 2,256          | 0              | 2,256                                   |
| <b>Total Materials</b>           | <b>311,034</b> | <b>250,678</b> | <b>60,356</b>                           |
| <b>Contracted Services:</b>      |                |                |   |
| Plowing & Sanding                | 22,976         | 21,298         | 1,678                                   |
| Road Sweeping                    | 3,243          | 2,170          | 1,073                                   |
| Leaf Removal                     | 3,029          | 2,200          | 829                                     |
| Streetlights                     | 12,595         | 13,507         | (912)                                   |
| Tree Cutting & Removal           | 10,516         | 1,700          | 8,816                                   |
| Uniforms                         | 12,773         | 9,403          | 3,370                                   |
| Paving                           | 25,000         | 146,522        | (121,522)                               |
| Other Projects                   | 66,354         | 37,108         | 29,246                                  |
| Crack Sealing                    | 15,944         | 0              | 15,944                                  |
| Pavement Marking                 | 32,000         | 34,287         | (2,287)                                 |
| Bridges                          | 67,000         | 37,238         | 29,762                                  |
| <b>Total Contracted Services</b> | <b>271,430</b> | <b>305,433</b> | <b>(34,003)</b>                         |
| <b>Equipment:</b>                |                |                |   |
| Outside Repairs                  | 40,000         | 57,376         | (17,376)                                |
| Parts & Supplies                 | 50,000         | 101,722        | (51,722)                                |
| Petroleum Products               | 48,000         | 58,103         | (10,103)                                |
| <b>Total Equipment</b>           | <b>138,000</b> | <b>217,201</b> | <b>(79,201)</b>                         |
| <b>Highway Garage:</b>           |                |                |   |
| Electricity                      | 3,600          | 5,533          | (1,933)                                 |
| Propane                          | 6,861          | 7,924          | (1,063)                                 |
| Telephone                        | 3,407          | 6,421          | (3,014)                                 |
| Supplies                         | 8,260          | 5,436          | 2,824                                   |
| Alarm Monitoring                 | 461            | 643            | (182)                                   |
| Repairs & Maintenance            | 6,979          | 15,947         | (8,968)                                 |
| Tools                            | 7,326          | 9,185          | (1,859)                                 |
| Administration                   | 5,256          | 2,652          | 2,604                                   |
| Highway Garage Fund              | 25,000         | 25,000         | 0                                       |
| <b>Total Highway Garage</b>      | <b>67,150</b>  | <b>78,741</b>  | <b>(11,591)</b>                         |

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TOWN OF NORWICH, VERMONT  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|   | Budget    | Actual    | Variance<br>Favorable/<br>(Unfavorable) |
|---|-----------|-----------|---|
| Capital Expenditures:                     |           |           |   |
| Highway Equipment Fund                    | \$ 40,000 | \$ 40,000 | \$ 0                                    |
| Sidewalk Fund                             | 14,000    | 14,000    | 0                                       |
| DPW Paving Fund                           | 60,000    | 60,000    | 0                                       |
| DPW Bridge Fund                           | 157,000   | 157,000   | 0                                       |
| Total Capital Expenditures                | 271,000   | 271,000   | 0                                       |
| Grants:                                   |           |           |   |
| Paving Grant Expenses                     | 0         | 14,000    | (14,000)                                |
| Better Roads/Grants-in-Aid Grant Expenses | 5,000     | 8,016     | (3,016)                                 |
| Tigertown Culvert Grant Expenses          | 21,929    | 32,029    | (10,100)                                |
| Structures Grant Expenses                 | 0         | 2,619     | (2,619)                                 |
| Total Grants                              | 26,929    | 56,664    | (29,735)                                |
| Total Highway Division                    | 1,643,144 | 1,600,717 | 42,427                                  |
| Buildings & Grounds Division:             |           |           |   |
| Wages & Benefits:                         |           |           |   |
| Buildings & Grounds Wages                 | 92,323    | 90,587    | 1,736                                   |
| Overtime Wages                            | 5,000     | 8,159     | (3,159)                                 |
| Pager Compensation                        | 775       | 835       | (60)                                    |
| FICA Tax                                  | 7,063     | 5,897     | 1,166                                   |
| MEDI Tax                                  | 0         | 1,430     | (1,430)                                 |
| Health Insurance                          | 33,545    | 29,218    | 4,327                                   |
| Disability/Life Insurance                 | 1,036     | 936       | 100                                     |
| Dental Insurance                          | 924       | 652       | 272                                     |
| VT Retirement                             | 5,770     | 6,189     | (419)                                   |
| Total Wages & Benefits                    | 146,436   | 143,903   | 2,533                                   |
| Materials:                                |           |           |   |
| Garden Supplies & Plants                  | 1,576     | 966       | 610                                     |
| Total Materials                           | 1,576     | 966       | 610                                     |
| Contracted Services:                      |           |           |   |
| Uniforms                                  | 4,800     | 3,722     | 1,078                                   |
| Total Contracted Services                 | 4,800     | 3,722     | 1,078                                   |

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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|                                    | Budget   | Actual  | Variance<br>Favorable/<br>(Unfavorable) |
|------------------------------------|----------|---------|---|
| Equipment:                         |          |         |   |
| Outside Repairs                    | \$ 1,960 | \$ 0    | \$ 1,960                                |
| Parts & Supplies                   | 0        | 822     | (822)                                   |
| Total Equipment                    | 1,960    | 822     | 1,138                                   |
| Total Buildings & Grounds Division | 154,772  | 149,413 | 5,359                                   |
| Solid Waste Division:              |          |         |   |
| Wages & Benefits:                  |          |         |   |
| Transfer Station Wages             | 42,774   | 42,729  | 45                                      |
| FICA Tax                           | 3,272    | 2,530   | 742                                     |
| MEDI Tax                           | 0        | 602     | (602)                                   |
| Total Wages & Benefits             | 46,046   | 45,861  | 185                                     |
| Contracted Services:               |          |         |   |
| GUVSWMD Assessment                 | 37,554   | 37,554  | 0                                       |
| Municipal Solid Waste              | 48,923   | 47,846  | 1,077                                   |
| Recycling                          | 39,297   | 46,051  | (6,754)                                 |
| C&D Waste Disposal                 | 9,641    | 9,567   | 74                                      |
| Food Waste Disposal                | 6,850    | 17,476  | (10,626)                                |
| Total Contracted Services          | 142,265  | 158,494 | (16,229)                                |
| Equipment:                         |          |         |   |
| Parts & Supplies                   | 1,000    | 1,132   | (132)                                   |
| Repairs & Maintenance              | 3,000    | 31      | 2,969                                   |
| Small Equipment                    | 500      | 0       | 500                                     |
| Total Equipment                    | 4,500    | 1,163   | 3,337                                   |
| Transfer Station:                  |          |         |   |
| Purchased Services                 | 2,500    | 1,628   | 872                                     |
| Electricity                        | 2,000    | 1,791   | 209                                     |
| Propane                            | 600      | 390     | 210                                     |
| Telephone                          | 500      | 447     | 53                                      |
| Administration                     | 1,000    | 1,249   | (249)                                   |
| Franchise Tax to Vermont           | 2,000    | 417     | 1,583                                   |
| Total Transfer Station             | 8,600    | 5,922   | 2,678                                   |
| Total Solid Waste Division         | 201,411  | 211,440 | (10,029)                                |

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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|   | Budget           | Actual           | Variance<br>Favorable/<br>(Unfavorable) |
|---|------------------|------------------|---|
| Tracy Hall:   |                  |                  |   |
| Water Usage   | \$ 875           | \$ 739           | \$ 136                                  |
| Electricity   | 13,500           | 4,797            | 8,703                                   |
| Heating   | 11,500           | 17,822           | (6,322)                                 |
| Alarm Monitoring  | 200              | 950              | (750)                                   |
| Elevator Maintenance  | 3,300            | 4,551            | (1,251)                                 |
| Custodian Pager   | 775              | 0                | 775                                     |
| Building Supplies   | 4,200            | 3,621            | 579                                     |
| Repairs & Maintenance   | 10,000           | 8,166            | 1,834                                   |
| Bandstand & Sign Electricity                                      | 2,000            | 1,666            | 334                                     |
| Total Tracy Hall  | <u>46,350</u>    | <u>42,312</u>    | <u>4,038</u>                            |
| Total Public Works Department                                     | <u>2,045,677</u> | <u>2,003,882</u> | <u>41,795</u>                           |
| Debt Service Expenditures:  |                  |                  |   |
| Public Safety Facility Bond Principal                             | 47,000           | 47,000           | 0                                       |
| Public Safety Facility Bond Interest                              | 46,474           | 46,474           | 0                                       |
| Browns Schoolhouse Road Pedestrian Bridge                         | 14,040           | 28,611           | (14,571)                                |
| Public Safety Building/Highway Garage Bond                        | 52,330           | 53,660           | (1,330)                                 |
| Total Debt Service Expenditures                                   | <u>159,844</u>   | <u>175,745</u>   | <u>(15,901)</u>                         |
| Tax Adjustments & Abatements:                                     | <u>3,000</u>     | <u>452</u>       | <u>2,548</u>                            |
| Insurances:   |                  |                  |   |
| Unemployment Insurance  | 3,156            | 5,438            | (2,282)                                 |
| Property & Casualty Insurance                                     | 87,385           | 102,432          | (15,047)                                |
| Workers Compensation Insurance                                    | 94,397           | 85,884           | 8,513                                   |
| Miscellaneous   | 0                | 9                | (9)                                     |
| Total Insurances  | <u>184,938</u>   | <u>193,763</u>   | <u>(8,825)</u>                          |
| Transfer to Unanticipated Expenses and<br>Emergency Reserve Fund: | <u>750,000</u>   | <u>750,000</u>   | <u>0</u>                                |
| Transfer to Operational Performance and<br>Development Fund:      | <u>110,000</u>   | <u>110,000</u>   | <u>0</u>                                |

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TOWN OF NORWICH, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

|   | Budget              | Actual              | Variance<br>Favorable/<br>(Unfavorable) |
|---|---------------------|---------------------|---|
| Appropriations:   |                     |                     |   |
| Advance Transit   | \$ 13,514           | \$ 13,514           | \$ 0                                    |
| CATV  | 3,000               | 3,000               | 0                                       |
| Good Beginnings   | 3,000               | 3,000               | 0                                       |
| Green Mountain Economic Development Corp.   | 1,659               | 1,659               | 0                                       |
| Headrest  | 2,500               | 2,500               | 0                                       |
| Norwich American Legion   | 1,500               | 1,500               | 0                                       |
| Norwich Cemetery Association  | 20,000              | 20,000              | 0                                       |
| Norwich Child Care Scholarship  | 4,348               | 4,348               | 0                                       |
| Norwich Historical Society  | 8,000               | 8,000               | 0                                       |
| Norwich Lions Club Fireworks  | 3,500               | 30                  | 3,470                                   |
| Norwich Public Library  | 288,660             | 288,660             | 0                                       |
| Public Health Council of the Upper Valley   | 337                 | 337                 | 0                                       |
| Senior Solutions  | 1,200               | 1,200               | 0                                       |
| SEVCA   | 3,750               | 3,750               | 0                                       |
| Special Needs Support Center  | 2,000               | 2,000               | 0                                       |
| The Family Place  | 6,000               | 6,000               | 0                                       |
| Upper Valley Trails Alliance  | 2,000               | 2,000               | 0                                       |
| Visiting Nurse Association & Hospice  | 18,500              | 18,500              | 0                                       |
| White River Council on Aging  | 5,300               | 5,300               | 0                                       |
| Windsor County Mentors  | 1,000               | 1,000               | 0                                       |
| WISE  | 2,500               | 2,500               | 0                                       |
| Youth-in-Action   | 3,000               | 3,000               | 0                                       |
|   | <u>395,268</u>      | <u>391,798</u>      | <u>3,470</u>                            |
| Total Appropriations  | <u>395,268</u>      | <u>391,798</u>      | <u>3,470</u>                            |
| Total Expenditures  | <u>6,036,134</u>    | <u>5,967,987</u>    | <u>68,147</u>                           |
| Excess/(Deficiency) of Revenues   |                     |                     |   |
| Over Expenditures   | \$ <u>(860,000)</u> | (524,009)           | \$ <u>335,991</u>                       |
| Adjustments to Reconcile from the Budgetary Basis of Accounting<br>to the Modified Accrual Basis of Accounting: |                     |                     |   |
| Town Reappraisal Fund Income  |                     | 491                 |   |
| Town Reappraisal Fund Transfer In   |                     | 43,000              |   |
| Affordable Housing Fund Income  |                     | 189                 |   |
| Climate Emergency Fund Income   |                     | 163                 |   |
| Unanticipated Expenses and Emergency Reserve Fund Transfer In   |                     | 750,000             |   |
| Operational Performance and Development Fund Transfer In  |                     | <u>110,000</u>      |   |
| Net Change in Fund Balance  |                     | 379,834             |   |
| Fund Balance - July 1, 2021, As Restated/Reclassified   |                     | <u>1,410,543</u>    |   |
| Fund Balance - June 30, 2022  |                     | <u>\$ 1,790,377</u> |   |

The reconciling items are due to combining five (5) funds, the Town Reappraisal Fund, the Affordable Housing Fund, the Climate Emergency Fund, the Unanticipated Expenses and Emergency Reserve Fund and the Operational Performance and Development Fund, with the General Fund in order to comply with GASB Statement No. 54.

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TOWN OF NORWICH, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 VMERS DEFINED BENEFIT PLAN  
 JUNE 30, 2022

|  | 2022           | 2021           | 2020           | 2019           | 2018           | 2017           | 2016          | 2015         |
|--|----------------|----------------|----------------|----------------|----------------|----------------|---------------|--------------|
| Total Plan Net Pension Liability   | \$ 147,184,198 | \$ 252,974,064 | \$ 173,491,807 | \$ 140,675,892 | \$ 121,155,552 | \$ 128,696,167 | \$ 77,095,810 | \$ 9,126,613 |
| Town's Proportion of the Net Pension Liability   | 0.3945%        | 0.3613%        | 0.4225%        | 0.4146%        | 0.3957%        | 0.4003%        | 0.4098%       | 0.4059%      |
| Town's Proportionate Share of the Net Pension Liability  | \$ 580,629     | \$ 914,042     | \$ 732,989     | \$ 583,172     | \$ 479,378     | \$ 515,194     | \$ 315,943    | \$ 37,041    |
| Town's Covered Employee Payroll  | \$ 1,380,911   | \$ 1,225,087   | \$ 1,357,896   | \$ 1,240,363   | \$ 1,090,845   | \$ 1,024,685   | \$ 996,414    | \$ 956,992   |
| Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll | 42.0468%       | 74.6104%       | 53.9798%       | 47.0162%       | 43.9456%       | 50.2783%       | 31.7080%      | 3.8706%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 86.29%         | 74.52%         | 80.35%         | 82.60%         | 83.64%         | 80.95%         | 87.42%        | 98.32%       |

**Notes to Schedule**

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

TOWN OF NORWICH, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2022

|   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution (Actuarially Determined)          | \$ 76,397     | \$ 87,709     | \$ 74,885     | \$ 81,175     | \$ 72,611     | \$ 60,842     | \$ 57,825     | \$ 52,352     |
| Contributions in Relation to the Actuarially Determined Contributions | <u>76,397</u> | <u>87,709</u> | <u>74,885</u> | <u>81,175</u> | <u>72,611</u> | <u>60,842</u> | <u>57,825</u> | <u>52,352</u> |
| Contribution Excess/(Deficiency)                                      | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   |
| Town's Covered Employee Payroll                                       | \$ 1,166,122  | \$ 1,380,911  | \$ 1,225,087  | \$ 1,357,896  | \$ 1,240,363  | \$ 1,090,845  | \$ 1,024,685  | \$ 996,414    |
| Contributions as a Percentage of Town's Covered Employee Payroll      | 6.551%        | 6.352%        | 6.113%        | 5.978%        | 5.854%        | 5.578%        | 5.643%        | 5.254%        |

**Notes to Schedule**

Valuation Date: June 30, 2021

Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

TOWN OF NORWICH, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2022

|  | <u>Special<br/>Revenue<br/>Funds</u> | <u>Capital<br/>Projects<br/>Funds</u> | <u>Permanent<br/>Fund<br/>Trustees of<br/>Public Funds<br/>Fund</u> | <u>Total</u>        |
|--|--------------------------------------|---------------------------------------|---|---------------------|
| <u>ASSETS</u>                          |                                      |                                       |   |                     |
| Cash                                   | \$ 67,980                            | \$ 0                                  | \$ 225  | \$ 68,205           |
| Investments                            | 18,398                               | 0                                     | 198,946   | 217,344             |
| Due from Other Funds                   | <u>159,731</u>                       | <u>2,150,986</u>                      | <u>0</u>  | <u>2,310,717</u>    |
| Total Assets                           | <u>\$ 246,109</u>                    | <u>\$ 2,150,986</u>                   | <u>\$ 199,171</u>   | <u>\$ 2,596,266</u> |
| <u>LIABILITIES AND FUND BALANCES</u>   |                                      |                                       |   |                     |
| Liabilities:                           |                                      |                                       |   |                     |
| Accounts Payable                       | <u>\$ 3,743</u>                      | <u>\$ 11,069</u>                      | <u>\$ 0</u>   | <u>\$ 14,812</u>    |
| Total Liabilities                      | <u>3,743</u>                         | <u>11,069</u>                         | <u>0</u>  | <u>14,812</u>       |
| Fund Balances:                         |                                      |                                       |   |                     |
| Nonspendable                           | 0                                    | 0                                     | 105,669   | 105,669             |
| Restricted                             | 98,718                               | 0                                     | 93,502  | 192,220             |
| Committed                              | <u>143,648</u>                       | <u>2,139,917</u>                      | <u>0</u>  | <u>2,283,565</u>    |
| Total Fund Balances                    | <u>242,366</u>                       | <u>2,139,917</u>                      | <u>199,171</u>  | <u>2,581,454</u>    |
| Total Liabilities and<br>Fund Balances | <u>\$ 246,109</u>                    | <u>\$ 2,150,986</u>                   | <u>\$ 199,171</u>   | <u>\$ 2,596,266</u> |

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TOWN OF NORWICH, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Permanent<br>Fund<br>Trustees of<br>Public Funds<br>Fund | Total               |
|---|-----------------------------|------------------------------|--|---------------------|
| Revenues:   |                             |                              |  |                     |
| Charges for Services                                      | \$ 400                      | \$ 0                         | \$ 4,600   | \$ 5,000            |
| Permits, Licenses and Fees                                | 13,149                      | 0                            | 0  | 13,149              |
| Investment Income   | 1,170                       | 8,588                        | 1,709  | 11,467              |
| Donations   | <u>12,393</u>               | <u>0</u>                     | <u>0</u>   | <u>12,393</u>       |
| Total Revenues  | <u>27,112</u>               | <u>8,588</u>                 | <u>6,309</u>   | <u>42,009</u>       |
| Expenditures:   |                             |                              |  |                     |
| General Government  | 130,000                     | 0                            | 0  | 130,000             |
| Highways and Streets                                      | 0                           | 16,516                       | 0  | 16,516              |
| Cemetery  | <u>23,744</u>               | <u>0</u>                     | <u>0</u>   | <u>23,744</u>       |
| Total Expenditures  | <u>153,744</u>              | <u>16,516</u>                | <u>0</u>   | <u>170,260</u>      |
| Excess/(Deficiency) of Revenues<br>Over Expenditures      | <u>(126,632)</u>            | <u>(7,928)</u>               | <u>6,309</u>   | <u>(128,251)</u>    |
| Other Financing Sources/(Uses):                           |                             |                              |  |                     |
| Transfers In  | 29,225                      | 407,078                      | 0  | 436,303             |
| Transfers Out   | <u>(4,005)</u>              | <u>0</u>                     | <u>(4,225)</u>   | <u>(8,230)</u>      |
| Total Other Financing<br>Sources/(Uses)                   | <u>25,220</u>               | <u>407,078</u>               | <u>(4,225)</u>   | <u>428,073</u>      |
| Net Change in Fund Balances                               | (101,412)                   | 399,150                      | 2,084  | 299,822             |
| Fund Balances - July 1, 2021,<br>As Restated/Reclassified | <u>343,778</u>              | <u>1,740,767</u>             | <u>197,087</u>   | <u>2,281,632</u>    |
| Fund Balances - June 30, 2022                             | <u>\$ 242,366</u>           | <u>\$ 2,139,917</u>          | <u>\$ 199,171</u>  | <u>\$ 2,581,454</u> |

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TOWN OF NORWICH, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2022

|  | Conservation<br>Commission<br>Fund | Recreation<br>Facility<br>Fund | Land<br>Management<br>Council<br>Fund | Recreation<br>Scholarships<br>Fund | Granite<br>Bench<br>Fund | Records<br>Restoration<br>Fund | Cemetery<br>Commission<br>Fund | Total             |
|--|------------------------------------|--------------------------------|---------------------------------------|------------------------------------|--------------------------|--------------------------------|--------------------------------|-------------------|
| <u>ASSETS</u>                          |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| Cash                                   | \$ 0                               | \$ 0                           | \$ 0                                  | \$ 0                               | \$ 0                     | \$ 0                           | \$ 67,980                      | \$ 67,980         |
| Investments                            | 0                                  | 0                              | 0                                     | 0                                  | 0                        | 0                              | 18,398                         | 18,398            |
| Due from Other Funds                   | <u>4,656</u>                       | <u>71,218</u>                  | <u>16,727</u>                         | <u>1,634</u>                       | <u>10</u>                | <u>65,486</u>                  | <u>0</u>                       | <u>159,731</u>    |
| Total Assets                           | \$ <u>4,656</u>                    | \$ <u>71,218</u>               | \$ <u>16,727</u>                      | \$ <u>1,634</u>                    | \$ <u>10</u>             | \$ <u>65,486</u>               | \$ <u>86,378</u>               | \$ <u>246,109</u> |
| <u>LIABILITIES AND FUND BALANCES</u>   |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| Liabilities:                           |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| Accounts Payable                       | \$ <u>0</u>                        | \$ <u>0</u>                    | \$ <u>0</u>                           | \$ <u>0</u>                        | \$ <u>0</u>              | \$ <u>0</u>                    | \$ <u>3,743</u>                | \$ <u>3,743</u>   |
| Total Liabilities                      | <u>0</u>                           | <u>0</u>                       | <u>0</u>                              | <u>0</u>                           | <u>0</u>                 | <u>0</u>                       | <u>3,743</u>                   | <u>3,743</u>      |
| Fund Balances:                         |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| Restricted                             | 4,656                              | 71,218                         | 16,727                                | 1,634                              | 10                       | 4,473                          | 0                              | 98,718            |
| Committed                              | <u>0</u>                           | <u>0</u>                       | <u>0</u>                              | <u>0</u>                           | <u>0</u>                 | <u>61,013</u>                  | <u>82,635</u>                  | <u>143,648</u>    |
| Total Fund Balances                    | <u>4,656</u>                       | <u>71,218</u>                  | <u>16,727</u>                         | <u>1,634</u>                       | <u>10</u>                | <u>65,486</u>                  | <u>82,635</u>                  | <u>242,366</u>    |
| Total Liabilities and<br>Fund Balances | \$ <u>4,656</u>                    | \$ <u>71,218</u>               | \$ <u>16,727</u>                      | \$ <u>1,634</u>                    | \$ <u>10</u>             | \$ <u>65,486</u>               | \$ <u>86,378</u>               | \$ <u>246,109</u> |

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TOWN OF NORWICH, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

|   | Conservation<br>Commission<br>Fund | Recreation<br>Facility<br>Fund | Land<br>Management<br>Council<br>Fund | Recreation<br>Scholarships<br>Fund | Granite<br>Bench<br>Fund | Records<br>Restoration<br>Fund | Cemetery<br>Commission<br>Fund | Total             |
|---|------------------------------------|--------------------------------|---------------------------------------|------------------------------------|--------------------------|--------------------------------|--------------------------------|-------------------|
| Revenues:   |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| Charges for Services                                      | \$ 0                               | \$ 0                           | \$ 0                                  | \$ 0                               | \$ 0                     | \$ 0                           | \$ 400                         | \$ 400            |
| Permits, Licenses and Fees                                | 0                                  | 0                              | 0                                     | 0                                  | 0                        | 13,149                         | 0                              | 13,149            |
| Investment Income   | 544                                | 273                            | 68                                    | 21                                 | 7                        | 212                            | 45                             | 1,170             |
| Donations   | 500                                | 3,927                          | 0                                     | 442                                | 0                        | 0                              | 7,524                          | 12,393            |
| Total Revenues  | <u>1,044</u>                       | <u>4,200</u>                   | <u>68</u>                             | <u>463</u>                         | <u>7</u>                 | <u>13,361</u>                  | <u>7,969</u>                   | <u>27,112</u>     |
| Expenditures:   |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| General Government  | 130,000                            | 0                              | 0                                     | 0                                  | 0                        | 0                              | 0                              | 130,000           |
| Cemetery  | 0                                  | 0                              | 0                                     | 0                                  | 0                        | 0                              | 23,744                         | 23,744            |
| Total Expenditures  | <u>130,000</u>                     | <u>0</u>                       | <u>0</u>                              | <u>0</u>                           | <u>0</u>                 | <u>0</u>                       | <u>23,744</u>                  | <u>153,744</u>    |
| Excess/(Deficiency) of Revenues<br>Over Expenditures      | <u>(128,956)</u>                   | <u>4,200</u>                   | <u>68</u>                             | <u>463</u>                         | <u>7</u>                 | <u>13,361</u>                  | <u>(15,775)</u>                | <u>(126,632)</u>  |
| Other Financing Sources/(Uses):                           |                                    |                                |                                       |                                    |                          |                                |                                |                   |
| Transfers In  | 0                                  | 0                              | 0                                     | 0                                  | 0                        | 5,000                          | 24,225                         | 29,225            |
| Transfers Out   | 0                                  | 0                              | 0                                     | (4,005)                            | 0                        | 0                              | 0                              | (4,005)           |
| Total Other Financing<br>Sources/(Uses)                   | <u>0</u>                           | <u>0</u>                       | <u>0</u>                              | <u>(4,005)</u>                     | <u>0</u>                 | <u>5,000</u>                   | <u>24,225</u>                  | <u>25,220</u>     |
| Net Change in Fund Balances                               | (128,956)                          | 4,200                          | 68                                    | (3,542)                            | 7                        | 18,361                         | 8,450                          | (101,412)         |
| Fund Balances - July 1, 2021,<br>As Restated/Reclassified | <u>133,612</u>                     | <u>67,018</u>                  | <u>16,659</u>                         | <u>5,176</u>                       | <u>3</u>                 | <u>47,125</u>                  | <u>74,185</u>                  | <u>343,778</u>    |
| Fund Balances - June 30, 2022                             | <u>\$ 4,656</u>                    | <u>\$ 71,218</u>               | <u>\$ 16,727</u>                      | <u>\$ 1,634</u>                    | <u>\$ 10</u>             | <u>\$ 65,486</u>               | <u>\$ 82,635</u>               | <u>\$ 242,366</u> |

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TOWN OF NORWICH, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

|  | Highway<br>Equipment<br>Fund | Highway<br>Garage<br>Fund | Solid Waste<br>Equipment<br>Fund | Police<br>Station<br>Fund | Police<br>Cruiser<br>Fund | Tracy<br>Hall<br>Fund | General<br>Administration<br>Equipment<br>Fund | Recreation<br>Fund | Tennis Courts<br>Fund | Police<br>Special<br>Equipment<br>Fund |
|--|------------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|-----------------------|--|--------------------|-----------------------|--|
| <u>ASSETS</u>                          |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Due from Other Funds                   | \$ <u>159,311</u>            | \$ <u>102,664</u>         | \$ <u>34,187</u>                 | \$ <u>14,225</u>          | \$ <u>66,171</u>          | \$ <u>66,214</u>      | \$ <u>89,589</u>                               | \$ <u>1,303</u>    | \$ <u>23,103</u>      | \$ <u>8,031</u>                        |
| Total Assets                           | \$ <u>159,311</u>            | \$ <u>102,664</u>         | \$ <u>34,187</u>                 | \$ <u>14,225</u>          | \$ <u>66,171</u>          | \$ <u>66,214</u>      | \$ <u>89,589</u>                               | \$ <u>1,303</u>    | \$ <u>23,103</u>      | \$ <u>8,031</u>                        |
| <u>LIABILITIES AND FUND BALANCES</u>   |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Liabilities:                           |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Accounts Payable                       | \$ <u>11,069</u>             | \$ <u>0</u>               | \$ <u>0</u>                      | \$ <u>0</u>               | \$ <u>0</u>               | \$ <u>0</u>           | \$ <u>0</u>                                    | \$ <u>0</u>        | \$ <u>0</u>           | \$ <u>0</u>                            |
| Total Liabilities                      | <u>11,069</u>                | <u>0</u>                  | <u>0</u>                         | <u>0</u>                  | <u>0</u>                  | <u>0</u>              | <u>0</u>                                       | <u>0</u>           | <u>0</u>              | <u>0</u>                               |
| Fund Balances:                         |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Committed                              | <u>148,242</u>               | <u>102,664</u>            | <u>34,187</u>                    | <u>14,225</u>             | <u>66,171</u>             | <u>66,214</u>         | <u>89,589</u>                                  | <u>1,303</u>       | <u>23,103</u>         | <u>8,031</u>                           |
| Total Fund Balances                    | <u>148,242</u>               | <u>102,664</u>            | <u>34,187</u>                    | <u>14,225</u>             | <u>66,171</u>             | <u>66,214</u>         | <u>89,589</u>                                  | <u>1,303</u>       | <u>23,103</u>         | <u>8,031</u>                           |
| Total Liabilities and<br>Fund Balances | \$ <u>159,311</u>            | \$ <u>102,664</u>         | \$ <u>34,187</u>                 | \$ <u>14,225</u>          | \$ <u>66,171</u>          | \$ <u>66,214</u>      | \$ <u>89,589</u>                               | \$ <u>1,303</u>    | \$ <u>23,103</u>      | \$ <u>8,031</u>                        |

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TOWN OF NORWICH, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

|  | Fire<br>Station<br>Fund | Fire<br>Equipment<br>Fund | Fire<br>Apparatus<br>Fund | Sidewalk<br>Fund | Long-term<br>Facility<br>Study<br>Fund | DPW<br>Bridge<br>Fund | DPW<br>Paving<br>Fund | Buildings &<br>Grounds<br>Fund | Generator<br>Fund | Total        |
|--|-------------------------|---------------------------|---------------------------|------------------|--|-----------------------|-----------------------|--------------------------------|-------------------|--------------|
| <u>ASSETS</u>                          |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Due from Other Funds                   | \$ 5,027                | \$ 120,310                | \$ 602,514                | \$ 95,252        | \$ 549                                 | \$ 531,977            | \$ 160,762            | \$ 33,857                      | \$ 35,940         | \$ 2,150,986 |
| Total Assets                           | \$ 5,027                | \$ 120,310                | \$ 602,514                | \$ 95,252        | \$ 549                                 | \$ 531,977            | \$ 160,762            | \$ 33,857                      | \$ 35,940         | \$ 2,150,986 |
| <u>LIABILITIES AND FUND BALANCES</u>   |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Liabilities:                           |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Accounts Payable                       | \$ 0                    | \$ 0                      | \$ 0                      | \$ 0             | \$ 0                                   | \$ 0                  | \$ 0                  | \$ 0                           | \$ 0              | \$ 11,069    |
| Total Liabilities                      | 0                       | 0                         | 0                         | 0                | 0                                      | 0                     | 0                     | 0                              | 0                 | 11,069       |
| Fund Balances:                         |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Committed                              | 5,027                   | 120,310                   | 602,514                   | 95,252           | 549                                    | 531,977               | 160,762               | 33,857                         | 35,940            | 2,139,917    |
| Total Fund Balances                    | 5,027                   | 120,310                   | 602,514                   | 95,252           | 549                                    | 531,977               | 160,762               | 33,857                         | 35,940            | 2,139,917    |
| Total Liabilities and<br>Fund Balances | \$ 5,027                | \$ 120,310                | \$ 602,514                | \$ 95,252        | \$ 549                                 | \$ 531,977            | \$ 160,762            | \$ 33,857                      | \$ 35,940         | \$ 2,150,986 |

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF NORWICH, VERMONT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

|  | Highway<br>Equipment<br>Fund | Highway<br>Garage<br>Fund | Solid Waste<br>Equipment<br>Fund | Police<br>Station<br>Fund | Police<br>Cruiser<br>Fund | Tracy<br>Hall<br>Fund | General<br>Administration<br>Equipment<br>Fund | Recreation<br>Fund | Tennis Courts<br>Fund | Police<br>Special<br>Equipment<br>Fund |
|--|------------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|-----------------------|--|--------------------|-----------------------|--|
| Revenues:  |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Investment Income                                    | \$ 647                       | \$ 417                    | \$ 139                           | \$ 57                     | \$ 269                    | \$ 269                | \$ 157   | \$ 5               | \$ 93                 | \$ 32                                  |
| Total Revenues                                       | 647                          | 417                       | 139                              | 57                        | 269                       | 269                   | 157  | 5                  | 93                    | 32                                     |
| Expenditures:  |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Highways and Streets                                 | 11,069                       | 0                         | 0                                | 0                         | 0                         | 0                     | 0  | 0                  | 0                     | 0                                      |
| Total Expenditures                                   | 11,069                       | 0                         | 0                                | 0                         | 0                         | 0                     | 0  | 0                  | 0                     | 0                                      |
| Excess/(Deficiency) of Revenues<br>Over Expenditures | (10,422)                     | 417                       | 139                              | 57                        | 269                       | 269                   | 157  | 5                  | 93                    | 32                                     |
| Other Financing Sources:                             |                              |                           |                                  |                           |                           |                       |  |                    |                       |  |
| Transfers In   | 40,000                       | 25,000                    | 0                                | 0                         | 0                         | 0                     | 50,878   | 0                  | 10,200                | 0                                      |
| Total Other Financing<br>Sources                     | 40,000                       | 25,000                    | 0                                | 0                         | 0                         | 0                     | 50,878   | 0                  | 10,200                | 0                                      |
| Net Change in Fund Balances                          | 29,578                       | 25,417                    | 139                              | 57                        | 269                       | 269                   | 51,035   | 5                  | 10,293                | 32                                     |
| Fund Balances - July 1, 2021                         | 118,664                      | 77,247                    | 34,048                           | 14,168                    | 65,902                    | 65,945                | 38,554   | 1,298              | 12,810                | 7,999                                  |
| Fund Balances - June 30, 2022                        | \$ 148,242                   | \$ 102,664                | \$ 34,187                        | \$ 14,225                 | \$ 66,171                 | \$ 66,214             | \$ 89,589                                      | \$ 1,303           | \$ 23,103             | \$ 8,031                               |

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TOWN OF NORWICH, VERMONT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

|  | Fire<br>Station<br>Fund | Fire<br>Equipment<br>Fund | Fire<br>Apparatus<br>Fund | Sidewalk<br>Fund | Long-term<br>Facility<br>Study<br>Fund | DPW<br>Bridge<br>Fund | DPW<br>Paving<br>Fund | Buildings &<br>Grounds<br>Fund | Generator<br>Fund | Total        |
|--|-------------------------|---------------------------|---------------------------|------------------|--|-----------------------|-----------------------|--------------------------------|-------------------|--------------|
| Revenues:  |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Investment Income                                    | \$ 20                   | \$ 489                    | \$ 2,487                  | \$ 387           | \$ 2                                   | \$ 2,182              | \$ 653                | \$ 137                         | \$ 146            | \$ 8,588     |
| Total Revenues                                       | 20                      | 489                       | 2,487                     | 387              | 2                                      | 2,182                 | 653                   | 137                            | 146               | 8,588        |
| Expenditures:  |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Highways and Streets                                 | 0                       | 0                         | 0                         | 0                | 0                                      | 5,447                 | 0                     | 0                              | 0                 | 16,516       |
| Total Expenditures                                   | 0                       | 0                         | 0                         | 0                | 0                                      | 5,447                 | 0                     | 0                              | 0                 | 16,516       |
| Excess/(Deficiency) of Revenues<br>Over Expenditures | 20                      | 489                       | 2,487                     | 387              | 2                                      | (3,265)               | 653                   | 137                            | 146               | (7,928)      |
| Other Financing Sources:                             |                         |                           |                           |                  |  |                       |                       |                                |                   |              |
| Transfers In   | 0                       | 20,000                    | 20,000                    | 14,000           | 0                                      | 157,000               | 60,000                | 0                              | 10,000            | 407,078      |
| Total Other Financing<br>Sources                     | 0                       | 20,000                    | 20,000                    | 14,000           | 0                                      | 157,000               | 60,000                | 0                              | 10,000            | 407,078      |
| Net Change in Fund Balances                          | 20                      | 20,489                    | 22,487                    | 14,387           | 2                                      | 153,735               | 60,653                | 137                            | 10,146            | 399,150      |
| Fund Balances - July 1, 2021                         | 5,007                   | 99,821                    | 580,027                   | 80,865           | 547                                    | 378,242               | 100,109               | 33,720                         | 25,794            | 1,740,767    |
| Fund Balances - June 30, 2022                        | \$ 5,027                | \$ 120,310                | \$ 602,514                | \$ 95,252        | \$ 549                                 | \$ 531,977            | \$ 160,762            | \$ 33,857                      | \$ 35,940         | \$ 2,139,917 |

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# Sullivan, Powers & Co., P.C.

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Richard J. Brigham, CPA  
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Jordon M. Plummer, CPA  
VT Lic. #92-000180

Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with  
"Government Auditing Standards"

Selectboard  
Town of Norwich, Vermont  
300 Main Street  
P.O. Box 376  
Norwich, VT 05055

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Norwich, Vermont as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Norwich, Vermont's basic financial statements and have issued our report thereon dated February 24, 2023. We do not express opinions on the accompanying financial statements as we have not been able to obtain sufficient appropriate audit evidence as required by generally accepted auditing standards.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town of Norwich, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Norwich, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Norwich, Vermont's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified certain deficiencies that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Norwich, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2022-01 through 2022-04 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2022-05 through 2022-07 to be significant deficiencies.

### ***Report on Compliance and Other Matters***

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

### ***Town of Norwich, Vermont's Response to Findings***

"Government Auditing Standards" requires the auditor to perform limited procedures on the Town of Norwich, Vermont's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Norwich, Vermont's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of this Report***

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

*Sullivan, Powers & Co.*

February 24, 2023  
Montpelier, Vermont  
VT Lic. #92-000180

TOWN OF NORWICH, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

Deficiencies in Internal Control:

Material Weaknesses:

2022-01 Transfer Station Revenues

*Criteria:*

Internal controls over transfer station revenues should be in place so that no individual can both perpetrate and conceal errors or irregularities.

*Condition:*

The Town does not have adequate internal controls in place over transfer station revenues. Therefore, the Town cannot be sure that all of the cash collected is being handed over to them by the transfer station employees.

*Cause:*

Unknown.

*Effect:*

The collections at the transfer station are subject to misappropriation.

*Recommendation:*

Our primary recommendation is that the Town consider selling transfer station coupons off-site at the Town Treasurer's office and/or at local businesses. If sales take place at the transfer station, we recommend that the Town implement controls to ensure that all of the cash collected is being handed over to them by the transfer station employees.

2022-02 Reconciliation of Balance Sheet Accounts

*Criteria:*

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

*Condition:*

A number of balance sheet accounts such as receivables, prepaid expenses/items, inventory, property, plant and equipment, accumulated depreciation, accounts payable, unearned revenue and deferred inflows of resources were not reconciled prior to the audit to the actual balances at year end which resulted in various adjustments to revenue and expenses.

TOWN OF NORWICH, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

*Cause:*

Unknown.

*Effect:*

The Town's account balances were not completely reconciled which resulted in various adjustments to revenue and expenses.

*Recommendation:*

We recommend that all balance sheet accounts be reconciled to supporting documentation monthly in order to detect and correct errors.

2022-03 Capital Asset Tracking

*Criteria:*

Internal controls should be in place to ensure that all capital asset activity is accurately reported and reconciled with the general ledger.

*Condition:*

The Town does not have a consistent system in place for tracking capital assets to ensure that all capital asset activity is accurately reported and reconciled with the general ledger.

*Cause:*

Unknown.

*Effect:*

The Town's capital assets account balances were misstated resulting in various adjustments.

*Recommendation:*

We recommend that the Town implement controls to ensure that all capital asset activity is accurately reported and reconciled with the general ledger. In addition, we recommend the Town utilize the NEMRC platform for tracking capital asset activity.

2022-04 Property Tax Reconciliation

*Criteria:*

Internal controls should be in place to ensure property taxes have been reconciled to the general ledger at year-end.

TOWN OF NORWICH, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

*Condition:*

The Town did not have controls in place to ensure property taxes were reconciled to the general ledger at year-end.

*Cause:*

Unknown.

*Effect:*

The Town's property tax account balances were not completely reconciled which resulted in various adjustments to correct account balances.

*Recommendation:*

We recommend that the Town implement controls to ensure property taxes are reconciled to the general ledger at year-end.

Significant Deficiencies:

2022-05 Classification of Expenses

*Criteria:*

Internal controls should be in place to ensure expenses are posted to the correct accounts in the general ledger.

*Condition:*

The Town did not have controls in place to ensure expenses are posted to the correct accounts in the general ledger.

*Cause:*

Unknown.

*Effect:*

The Town's account balances were incorrect.

*Recommendation:*

We recommend that the Town implement controls to ensure expenses are posted to the correct accounts in the general ledger.



TOWN OF NORWICH, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

2022-06 Fund Classifications

*Criteria:*

Internal controls should be in place to ensure that all funds of the Town are classified and reported in the proper categories.

*Condition:*

The Town did not have internal controls in place to ensure that all funds of the Town were classified and reported in accordance with the pronouncements established by the Governmental Accounting Standards Board.

*Cause:*

Unknown.

*Effect:*

The Town had to reclassify a number of funds that were incorrectly categorized as special revenue funds and private-purpose trust funds in the prior year.

*Recommendation:*

We recommend that the Town implement controls to ensure that its funds and activities are classified and reported in accordance with the pronouncements established by the Governmental Accounting Standards Board.

2022-07 Signed Board Warrants

*Criteria:*

Internal controls should be in place to ensure that the Town retains signed Board warrants for all expenditures.

*Condition:*

The Town could not locate the signed Board warrants for several payments during the year.

*Cause:*

Unknown.

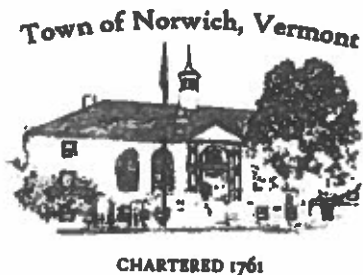
TOWN OF NORWICH, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

*Effect:*

The Town could be paying for items that were not approved by the Town.

*Recommendation:*

We recommend that the Town retain signed Board warrants for all expenditures.



February 23, 2023

Sullivan, Powers & Company  
77 Barre St  
P O Box 947  
Montpelier, VT 05602

We have reviewed the audited the financial statements of the Town of Norwich, Vermont as of and for the year ended June 30, 2022, and have issued the following responses to the findings noted therein.

**Deficiencies in Internal Control:**

**Material Weaknesses:**

**2022-01 Transfer Station Revenues**

**Criteria:** Internal controls over transfer station revenues should be in place so that no individual can both perpetrate and conceal errors or irregularities.

**Condition:** The Town does not have adequate internal controls in place over transfer station revenues. Therefore, the Town cannot be sure that all of the cash collected is being handed over to them by the transfer station employees.

**Cause:** Unknown.

**Effect:** The collections at the transfer station are subject to misappropriation.

**Recommendation:** Our primary recommendation is that the Town consider selling transfer station coupons off-site at the Town Treasurer's office and/or at local businesses. If sales take place at the transfer station, we recommend that the Town implement controls to ensure that all of the cash collected is being handed over to them by the transfer station employees.

**Response:** Trash coupons and tickets are kept at the finance office and are dispensed to the transfer station weekly as needed. Upon receipt of the cash for deposit a count is made of the remaining tickets held by the transfer station, the sales report provided by the transfer station and the cash received. Going forward the finance office will create a tracking workbook with an ongoing

reconciliation of the tickets dispensed, sold, remaining and with the cash received. The town clerk's office also sells coupons so coordination will need to be made with that office to incorporate these disbursements, sales and subsequent deposits made into the tracking workbook. As part of the month end processes this workbook can be used to reconcile the revenue received against the GL account. This process will need to be created, documented, and implemented.

The process for non-trash sales made at the Transfer Station will be reviewed and dual control measures implemented.

#### 2022-02 Reconciliation of Balance Sheet Accounts

**Criteria:** Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

**Condition:** Several balance sheet accounts such as receivables, prepaid expenses/items, inventory, property, plant and equipment, accumulated depreciation, accounts payable, unearned revenue and deferred inflows of resources were not reconciled prior to the audit to the actual balances at year end which resulted in various adjustments to revenue and expenses.

**Cause:** Unknown.

**Effect:** The Town's account balances were not completely reconciled which resulted in various adjustments to revenue and expenses.

**Recommendation:** We recommend that all balance sheet accounts be reconciled to supporting documentation monthly in order to detect and correct errors.

**Response:** The finance office has been working on a month-end reconciling processes. The process is intended to include both statement of activity, balance sheet and fund GL accounts. Documentation of the processes has also begun. The month-end reconciliation process will require the cooperation of the Treasurer and Town Clerk offices. At this time, this process does not include any Cemetery Commission or Trustee of Public Funds accounts as the finance department has no current responsibility over these records.

#### 2022-03 Capital Asset Tracking

**Criteria:** Internal controls should be in place to ensure that all capital asset activity is accurately reported and reconciled with the general ledger.

**Condition:** The Town does not have a consistent system in place for tracking capital assets to ensure that all capital asset activity is accurately reported and reconciled with the general ledger.

**Cause:** Unknown.

***Effect:*** The Town's capital assets account balances were misstated resulting in various adjustments.

***Recommendation:*** We recommend that the Town implement controls to ensure that all capital asset activity is accurately reported and reconciled with the general ledger. In addition, we recommend the Town utilize the NEMRC platform for tracking capital asset activity.

***Response:*** The finance department is committed to updating NEMRC fixed asset module to be able to accurately track the capital assets. As part of the new month-end processes, new assets should be added and fully depreciated assets completed and disposed of items removed. A procedure to maintain the module, is to be created, documented and implemented. This procedure will require the cooperation with all the department heads to receive timely information for the booking of capital assets and work in progress.

#### **2022-04 Property Tax Reconciliation**

***Criteria:*** Internal controls should be in place to ensure property taxes have been reconciled to the general ledger at year-end.

***Condition:*** The Town did not have controls in place to ensure property taxes were reconciled to the general ledger at year-end.

***Cause:*** Unknown.

***Effect:*** The Town's property tax account balances were not completely reconciled which resulted in various adjustments to correct account balances.

***Recommendation:*** We recommend that the Town implement controls to ensure property taxes are reconciled to the general ledger at year-end.

***Response:*** The finance department will reconcile the property tax accounts twice a year: in December, to include all adjusting entries received from the State and at the end of the fiscal year reflective of the entire tax year. Said reconciliation shall consist of receivables, payables, deferred revenue, revenues and expenses. The process needs to be created, documented and implemented. The process will require the cooperation of the Treasurer, Town Clerk and Listers offices for sharing of data.

#### **Significant Deficiencies:**

#### **2022-05 Classification of Expenses**

***Criteria:*** Internal controls should be in place to ensure expenses are posted to the correct accounts in the general ledger.

**Condition:** The Town did not have controls in place to ensure expenses are posted to the correct accounts in the general ledger.

**Cause:** Unknown.

**Effect:** The Town's account balances were incorrect.

**Recommendation:** We recommend that the Town implement controls to ensure expenses are posted to the correct accounts in the general ledger.

**Response:** The finance department will push all invoices received to the department managers to request the coding. Any expenses for capital purchases (as defined by the policies), grant work and fund activity will need documentation included to denote the approved spending source and said expenses will need to be reviewed by both the Finance Director and the Town Manager to receive approval. These new processes will need to be documented and implemented and will require the cooperation of all the department heads and the grant coordinator.

#### 2022-06 Fund Classifications

**Criteria:** Internal controls should be in place to ensure that all funds of the Town are classified and reported in the proper categories.

**Condition:** The Town did not have internal controls in place to ensure that all funds of the Town were classified and reported in accordance with the pronouncements established by the Governmental Accounting Standards Board.

**Cause:** Unknown.

**Effect:** The Town had to reclassify a number of funds that were incorrectly categorized as special revenue funds and private-purpose trust funds in the prior year.

**Recommendation:** We recommend that the Town implement controls to ensure that its funds and activities are classified and reported in accordance with the pronouncements established by the Governmental Accounting Standards Board.

**Response:** The finance department will restructure the system to follow current GASB rules. To do this we need to set up new Fund types in NEMRC and reassign the funds to the correct types. At this time the names on some of the funds will be relabeled to accurately reflect the purpose of the fund. A source document shall also be created that denotes the funds' title, type, purpose, manager, and expense process. This is to be a living document so as new funds are created or when a fund's purpose has been completed, the fund can be retired. Where projects need to be tracked in a fund, a series of GL sub-accounts related to the project are to be created in the fund

using a consistent suffix for all related project activity. A fund process document needs to be created and implemented.

2022-07 Signed Board Warrants

**Criteria:** Internal controls should be in place to ensure that the Town retains signed Board warrants for all expenditures.

**Condition:** The Town could not locate the signed Board warrants for several payments during the year.

**Cause:** Unknown


**Effect:** The Town could be paying for items that were not approved by the Town.

**Recommendation:** We recommend that the Town retain signed Board warrants for all expenditures.

**Response:** Getting warrants signed while the Selectboard meetings were being held remotely caused some warrants to go unsigned. Now that the Selectboard meetings are in-person, the warrants are to be signed at the meetings and then returned the next day to the Finance Department for filing. Payroll warrants are signed via DocuSign. Hard copy warrant files are set up in the finance department to house the Accounts Payable and Payroll warrants.

Respectfully submitted,

  
Cheryl A. Lindberg, Treasurer

  
R Brennan Duffy, Interim Town Manager