

TOWN OF NORWICH, VERMONT

AUDIT REPORT

JUNE 30, 2023

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

Selectboard
Town of Norwich, Vermont
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Norwich, VT 05055

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Norwich, Vermont as of and for the year ended June 30, 2023, 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Qualified
ARPA Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on the Governmental Activities and General Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the Town of Norwich, Vermont, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the ARPA Fund and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the ARPA Fund and the aggregate remaining fund information of the Town of Norwich, Vermont, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinions on the Governmental Activities and the General Fund

We did not audit the solid waste revenues because of inadequacies in the Town’s controls over solid waste receipts during the year. We were unable to obtain sufficient appropriate audit evidence about the completeness of the solid waste revenues in the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund (stated at \$179,144) by other auditing procedures.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2023, the Town implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”.

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. 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 opinion 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 December 14, 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.

December 14, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF NORWICH, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 3,172,275
Investments	2,230,128
Receivables	245,764
Prepaid Expenses	78,356
Inventory	73,881
Deposit on Fire Truck	260,455
Capital Assets:	
Land	653,559
Art	11,140
Construction in Progress	905,426
Other Capital Assets, (Net of Accumulated Depreciation)	<u>5,990,168</u>
Total Assets	<u>13,621,152</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>406,091</u>
Total Deferred Outflows of Resources	<u>406,091</u>
<u>LIABILITIES</u>	
Accounts Payable	267,844
Accrued Payroll and Benefits Payable	71,845
Unearned Revenue	33,238
Due to Fiduciary Fund	7,204
Accrued Interest Payable	9,094
Noncurrent Liabilities:	
Due within One Year	135,640
Due in More than One Year	<u>2,242,506</u>
Total Liabilities	<u>2,767,371</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	16
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>139,470</u>
Total Deferred Inflows of Resources	<u>139,486</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	6,222,373
Restricted:	
Non-Expendable:	
Trustees of Public Funds	142,464
Expendable:	
Trustees of Public Funds	66,264
Other	143,576
Unrestricted	<u>4,545,709</u>
Total Net Position	<u>\$ 11,120,386</u>

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

TOWN OF NORWICH, VERMONT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs:					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,831,641	\$ 84,688	\$ 16,835	\$ 0	\$ (1,730,118)
Public Safety	1,077,294	2,638	16,162	10,400	(1,048,094)
Highways and Streets	1,497,771	0	222,488	429,940	(845,343)
Culture and Recreation	500,192	98,603	4,275	0	(397,314)
Solid Waste	229,463	179,144	0	0	(50,319)
Cemetery	34,630	9,820	5,881	0	(18,929)
Interest on Long-term Debt	50,497	0	0	0	(50,497)
Total Primary Government	\$ 5,221,488	\$ 374,893	\$ 265,641	\$ 440,340	(4,140,614)
General Revenues:					
Property Taxes					4,633,849
Penalties and Interest on Delinquent Taxes					37,715
General State Grants					248,891
ARPA Funds					1,019,279
Unrestricted Investment Earnings					69,826
Insurance Proceeds					4,158
Other Revenues					3,019
Total General Revenues					6,016,737
Change in Net Position					1,876,123
Net Position - July 1, 2022					9,244,263
Net Position - June 30, 2023					\$ 11,120,386

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

TOWN OF NORWICH, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 3,097,322	\$ 0	\$ 74,953	\$ 3,172,275
Investments	2,007,643	0	222,485	2,230,128
Receivables	245,764	0	0	245,764
Due from Other Funds	0	0	2,057,106	2,057,106
Prepaid Items	78,356	0	0	78,356
Inventory	73,881	0	0	73,881
Deposit on Fire Truck	0	0	260,455	260,455
Total Assets	\$ 5,502,966	\$ 0	\$ 2,614,999	\$ 8,117,965
<u>LIABILITIES</u>				
Accounts Payable	\$ 256,929	\$ 0	\$ 10,915	\$ 267,844
Accrued Payroll and Benefits Payable	71,845	0	0	71,845
Due to Other Funds	2,064,310	0	0	2,064,310
Unearned Revenue	33,238	0	0	33,238
Total Liabilities	2,426,322	0	10,915	2,437,237
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	16	0	0	16
Unavailable Property Taxes, Penalties and Interest	97,223	0	0	97,223
Unavailable Grants	58,800	0	0	58,800
Total Deferred Inflows of Resources	156,039	0	0	156,039
<u>FUND BALANCES</u>				
Nonspendable	152,237	0	402,919	555,156
Restricted	0	0	209,840	209,840
Committed	354,336	0	1,991,325	2,345,661
Unassigned	2,414,032	0	0	2,414,032
Total Fund Balances	2,920,605	0	2,604,084	5,524,689
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,502,966	\$ 0	\$ 2,614,999	
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.				7,560,293
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.				156,023
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.				(2,387,240)
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.				266,621
Net Position of Governmental Activities				\$ 11,120,386

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, 2023

	General Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Property Taxes	\$ 4,619,626	\$ 0	\$ 0	\$ 4,619,626
Penalties and Interest on Delinquent Taxes	37,715	0	0	37,715
Intergovernmental	876,316	1,019,279	25,663	1,921,258
Charges for Services	312,784	0	9,820	322,604
Permits, Licenses and Fees	41,469	0	8,418	49,887
Fines and Forfeits	2,402	0	0	2,402
Investment Income	39,898	0	29,928	69,826
Donations	0	0	9,356	9,356
Other	3,019	0	0	3,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	5,933,229	1,019,279	83,185	7,035,693
Expenditures:				
General Government	1,770,764	0	27,831	1,798,595
Public Safety	960,434	0	3,110	963,544
Highways and Streets	1,064,227	0	7,239	1,071,466
Culture and Recreation	487,491	0	929	488,420
Solid Waste	228,505	0	0	228,505
Cemetery	0	0	34,630	34,630
Capital Outlay:				
Public Safety	0	0	190,697	190,697
Highways and Streets	734,260	0	203,281	937,541
Debt Service:				
Principal	122,500	0	0	122,500
Interest	51,095	0	0	51,095
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	5,419,276	0	467,717	5,886,993
Excess/(Deficiency) of Revenues Over Expenditures	<u> </u> 513,953	<u> </u> 1,019,279	<u> </u> (384,532)	<u> </u> 1,148,700
Other Financing Sources/(Uses):				
Insurance Proceeds	4,158	0	0	4,158
Transfers In	1,023,454	0	413,814	1,437,268
Transfers Out	(411,337)	(1,019,279)	(6,652)	(1,437,268)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources/(Uses)	616,275	(1,019,279)	407,162	4,158
Net Change in Fund Balances	1,130,228	0	22,630	1,152,858
Fund Balances - July 1, 2022	<u> </u> 1,790,377	<u> </u> 0	<u> </u> 2,581,454	<u> </u> 4,371,831
Fund Balances - June 30, 2023	<u> </u> \$ 2,920,605	<u> </u> \$ 0	<u> </u> \$ 2,604,084	<u> </u> \$ 5,524,689

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, 2023

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)	\$	1,152,858
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,128,238) is allocated over their estimated useful lives and reported as depreciation expense (\$459,809). This is the amount by which depreciation exceeded capital outlays in the current period.		668,429
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(58,640)
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 (\$122,500) 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.		122,500
Governmental funds report employer pension contributions as expenditures (\$88,330). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$154,007) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(65,677)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net difference in the treatment of these items from the previous year.		57,760
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. This amount is the net difference in the treatment of these items from the previous year.		<u>(1,107)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>1,876,123</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, 2023

	Private-Purpose Trust Fund <hr/> Citizen Assistance Fund <hr/>	<hr/> Custodial Fund Education Tax Fund <hr/>
<u>ASSETS</u>		
Due from Other Funds	\$ <u>7,204</u>	\$ <u>0</u>
Total Assets	<u>7,204</u>	<u>0</u>
<u>LIABILITIES</u>		
Total Liabilities	<u>0</u>	<u>0</u>
<u>NET POSITION</u>		
Restricted	<u>7,204</u>	<u>0</u>
Total Net Position	<u><u>\$ 7,204</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, 2023

	Private-Purpose Trust Fund	
	<u>Citizen Assistance Fund</u>	<u>Custodial Fund Education Tax Fund</u>
Additions:		
Education Taxes Collected for Other Governments	\$ 0	\$ 13,159,712
Investment Income	<u>89</u>	<u>0</u>
Total Additions	<u>89</u>	<u>13,159,712</u>
Deductions:		
Education Taxes Distributed to Other Governments	<u>0</u>	<u>13,159,712</u>
Total Deductions	<u>0</u>	<u>13,159,712</u>
Change in Net Position	89	0
Net Position - July 1, 2022	<u>7,115</u>	<u>0</u>
Net Position - June 30, 2023	<u>\$ 7,204</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, 2023

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.

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF NORWICH, VERMONT
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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.

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 – Subscription-Based Information Technology Arrangements

Effective June 30, 2023, the Town implemented GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, "Leases", as amended. The Town currently has no subscription-based information technology arrangements applicable to this Statement that are material to the financial statements.

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.

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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.

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, Prepaid Expenses/Items and Deposits

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 or deposits.

Reported inventories, prepaid items and deposits 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.

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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.

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 Threshold	Estimated 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.

TOWN OF NORWICH, VERMONT
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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.

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.

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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.

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, the Operational Performance and Development Fund and the Emerald Ash Borer Response Fund activity that is included with the General Fund, the unbudgeted county tax payment and related funding and unbudgeted transfers.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023 expenditures in the General Fund exceeded appropriations by \$460,325. These over-expenditures were funded by excess revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2023 consisted of the following:

Cash:		
Deposits with Financial Institutions		\$3,171,975
Cash on Hand		<u>300</u>
Total Cash		3,172,275
Investments:		
Certificates of Deposit		<u>2,230,128</u>
Total Cash and Investments		<u>\$5,402,403</u>

The Town has six (6) certificates of deposit at Mascoma Bank ranging from \$5,224 to \$2,007,643 with interest rates ranging from 0.25% to 4.64%. All certificates of deposit mature during fiscal year 2024.

TOWN OF NORWICH, VERMONT
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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 Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$2,257,643	\$2,257,643
Insured by Irrevocable Stand-by Letter of Credit Issued by Federal Home Loan Bank of Boston	<u>3,144,460</u>	<u>3,191,387</u>
Total	<u>\$5,402,103</u>	<u>\$5,449,030</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$3,171,975
Investments – Certificates of Deposit	<u>2,230,128</u>
Total	<u>\$5,402,103</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.

TOWN OF NORWICH, VERMONT
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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, 2023, as reported in the statement of net position, are as follows:

	<u>Governmental Activities</u>
Delinquent Taxes Receivable	\$ 119,741
Penalties and Interest Receivable	25,322
Grants Receivable	60,640
Accounts Receivable	<u>40,061</u>
Total	<u>\$ 245,764</u>

TOWN OF NORWICH, VERMONT
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C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 653,559	\$ 0	\$ 0	\$ 653,559
Art	11,140	0	0	11,140
Construction in Progress	<u>69,267</u>	<u>836,159</u>	<u>0</u>	<u>905,426</u>
Total Capital Assets, Not Being Depreciated	<u>733,966</u>	<u>836,159</u>	<u>0</u>	<u>1,570,125</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	4,223,831	44,878	0	4,268,709
Vehicles, Machinery, Equipment and Furniture	3,767,362	247,201	400,729	3,613,834
Infrastructure	<u>4,655,437</u>	<u>0</u>	<u>0</u>	<u>4,655,437</u>
Totals	<u>12,646,630</u>	<u>292,079</u>	<u>400,729</u>	<u>12,537,980</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	1,374,818	88,635	0	1,463,453
Vehicles, Machinery, Equipment and Furniture	2,512,234	142,558	342,089	2,312,703
Infrastructure	<u>2,543,040</u>	<u>228,616</u>	<u>0</u>	<u>2,771,656</u>
Totals	<u>6,430,092</u>	<u>459,809</u>	<u>342,089</u>	<u>6,547,812</u>
Total Capital Assets, Being Depreciated	<u>6,216,538</u>	<u>(167,730)</u>	<u>58,640</u>	<u>5,990,168</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,950,504</u>	<u>\$ 668,429</u>	<u>\$ 58,640</u>	<u>\$ 7,560,293</u>

Depreciation was charged as follows:

Governmental Activities:	
General Government	\$ 24,738
Public Safety	86,506
Highways and Streets	340,848
Culture and Recreation	6,759
Solid Waste	<u>958</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 459,809</u>

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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D. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2023 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 2,064,310
Non-Major Governmental Funds	2,057,106	0
Private-Purpose Trust Fund - Citizen Assistance Fund	7,204	0
Total	\$ 2,064,310	\$ 2,064,310

Interfund transfers during the year ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Town Reappraisal Fund	\$ 50,000	* Appropriation
General Fund	Emerald Ash Borer Response Fund	10,000	* 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	Police Cruiser Fund	35,000	Appropriation
General Fund	General Administration Equipment Fund	15,000	Appropriation
General Fund	Tennis Courts Fund	10,200	Appropriation
General Fund	Police Special Equipment Fund	5,000	Appropriation
General Fund	Fire Equipment Fund	10,000	Appropriation
General Fund	Fire Equipment Fund	21,137	Additional Funding for Fire Equipment from Vermont Department of Health COVID Staffing Grant
General Fund	Fire Apparatus Fund	60,000	Appropriation
General Fund	Sidewalk Fund	10,000	Appropriation
General Fund	DPW Bridge Fund	100,000	Appropriation
General Fund	DPW Paving Fund	45,000	Appropriation
General Fund	Generator Fund	15,000	Appropriation
ARPA Fund	General Fund	1,019,279	Revenue Replacement
Recreation Scholarships Fund	General Fund	2,330	Fund Recreation Programs
Recreation Fund	Emerald Ash Borer Response Fund	1,298	* Funding to Prepare for and Manage the Impacts of the Emerald Ash Borer
Long-term Facility Study Fund	Emerald Ash Borer Response Fund	547	* Funding to Prepare for and Manage the Impacts of the Emerald Ash Borer
Trustees of Public Funds Fund	Cemetery Commission Fund	2,477	Fund Cemetery Expenses
Total		\$ 1,497,268	

* The transfers from the General Fund to the Town Reappraisal Fund and the Emerald Ash Borer Response Fund are netted within the General Fund as these funds are consolidated within the General Fund and the transfers from the Recreation Fund and the Long-term Facility Study Fund to the Emerald Ash Borer Response Fund are included with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

E. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$73,335 from the difference between the expected and actual experience, \$158,535 from the net difference between the projected and actual investment earnings on pension plan investments, \$49,923 from changes in assumptions and \$35,968 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 \$88,330 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$406,091.

F. Unearned Revenue

Unearned revenue in the governmental activities and General Fund consists of \$33,238 of recreation fees received in advance.

G. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$139,470 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 \$16 of prepaid property taxes. Total deferred inflows of resources in the governmental activities is \$139,486.

Deferred inflows of resources in the General Fund consists of \$97,223 of delinquent property taxes, penalties and interest on those taxes and \$58,800 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 \$16 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$156,039.

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, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending 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 and Paid November, 2023	\$ 55,000	\$ 0	\$ 27,500	\$ 27,500
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	1,222,000	0	47,000	1,175,000
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	144,000	0	48,000	96,000
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, 2025. The Town Made the July 1, 2022 Payment in June, 2022.	<u>39,420</u>	<u>0</u>	<u>0</u>	<u>39,420</u>
Total	<u>\$1,460,420</u>	<u>\$ 0</u>	<u>\$122,500</u>	<u>\$1,337,920</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds Payable	\$ 1,277,000	\$ 0	\$ 74,500	\$ 1,202,500	\$ 74,500
Notes Payable	183,420	0	48,000	135,420	61,140
Compensated Absences Payable	62,023	1,705	0	63,728	0
Net Pension Liability	<u>580,629</u>	<u>395,869</u>	<u>0</u>	<u>976,498</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 2,103,072</u>	<u>\$ 397,574</u>	<u>\$ 122,500</u>	<u>\$ 2,378,146</u>	<u>\$ 135,640</u>

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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 June 30	Governmental Activities	
	Principal	Interest
2024	\$ 135,640	\$ 75,975
2025	108,140	45,029
2026	60,140	41,964
2027	47,000	40,244
2028	47,000	38,766
2029-2033	235,000	170,183
2034-2038	235,000	128,115
2039-2043	235,000	79,315
2044-2048	235,000	26,440
Total	<u>\$ 1,337,920</u>	<u>\$ 646,031</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.

TOWN OF NORWICH, VERMONT
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JUNE 30, 2023

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.

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	\$ 78,356
Nonspendable Inventories	<u>73,881</u>
Total General Fund	<u>152,237</u>

Non-Major Funds

Capital Projects Funds:

Deposit on Fire Truck	260,455
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Permanent Fund:

Nonspendable for Perpetual Care	<u>142,464</u>
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Total Non-Major Funds	<u>402,919</u>
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Total Nonspendable Fund Balances	<u>\$555,156</u>
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TOWN OF NORWICH, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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

Non-Major Funds

Special Revenue Funds:

Restricted for Conservation Commission Expenses by Donations (Source of Revenue is Donations)	\$ 4,715
Restricted for Kids Bridge Project by Donations (Source of Revenue is Donations)	13,265
Restricted for Recreation Facilities Expenses by Donations (Source of Revenue is Donations)	60,610
Restricted for Land Management Council Expenses by Donations (Source of Revenue is Donations)	16,936
Restricted for Recreation Scholarship Expenses by Donations (Source of Revenue is Donations)	116
Restricted for Granite Bench Expenses by Donations (Source of Revenue is Donations)	10
Restricted for Records Restoration Expenses by Statute (Source of Revenue is Recording Fees)	<u>47,924</u>
Total Special Revenue Funds	<u>143,576</u>

Permanent Fund:

Restricted for Trustees of Public Funds Fund Expenses by Sale of Lots and Donations (Source of Revenue is Cemetery Lot Sales and Donations)	<u>66,264</u>
Total Restricted Fund Balances	<u>\$209,840</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	\$ 143,239
Committed for Affordable Housing Fund Expenses by the Voters	47,068
Committed for Climate Emergency Fund Expenses by the Voters	40,664
Committed for Operational Performance and Development Fund Expenses by the Voters	111,373
Committed for Emerald Ash Borer Response Fund Expenses by the Voters	<u>11,992</u>
Total General Fund	<u>354,336</u>

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Non-Major Funds

Special Revenue Funds:

Committed for Cemetery Commission Expenses by the Voters	\$ <u>77,795</u>
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Capital Projects Funds:

Committed for Highway Equipment Expenditures by the Voters	150,449
Committed for Highway Garage Expenditures by the Voters	77,759
Committed for Solid Waste Equipment Expenditures by the Voters	34,614
Committed for Police Station Expenditures by the Voters	14,403
Committed for Police Cruiser Expenditures by the Voters	26,438
Committed for Tracy Hall Expenditures by the Voters	65,790
Committed for General Administration Equipment Expenditures by the Voters	105,894
Committed for Recreation Expenditures by the Voters	5
Committed for Tennis Courts Expenditures by the Voters	33,719
Committed for Police Special Equipment Expenditures by the Voters	13,194
Committed for Fire Station Expenditures by the Voters	5,090
Committed for Fire Equipment Expenditures by the Voters	59,593
Committed for Fire Apparatus Expenditures by the Voters	407,077
Committed for Sidewalk Expenditures by the Voters	106,566
Committed for Long-term Facility Study Expenditures by the Voters	2
Committed for DPW Bridge Expenditures by the Voters	568,723
Committed for DPW Paving Expenditures by the Voters	208,216
Committed for Buildings & Grounds Expenditures by the Voters	34,280
Committed for Generator Expenditures by the Voters	<u>1,718</u>

Total Capital Projects Funds	<u>1,913,530</u>
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Total Non-Major Funds	<u>1,991,325</u>
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Total Committed Fund Balances	<u>\$2,345,661</u>
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The General Fund unassigned fund balance includes \$759,361 for unanticipated expenses and emergency reserves as approved by the voters.

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

J. Restricted Net Position

The restricted net position of the Town as of June 30, 2023 consisted of the following:

Governmental Activities:

Restricted for Trustees of Public Funds Fund Expenses by Sale of Lots and Donations	\$208,728
Restricted for Conservation Commission Expenses by Donations	4,715
Restricted for Kids Bridge Project by Donations	13,265
Restricted for Recreation Facilities Expenses by Donations	60,610
Restricted for Land Management Council Expenses by Donations	16,936
Restricted for Recreation Scholarship Expenses by Donations	116
Restricted for Granite Bench Expenses by Donations	10
Restricted for Records Restoration Expenses by Statute	<u>47,924</u>
Total Governmental Activities	<u>\$352,304</u>

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, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 participating employers.

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

TOWN OF NORWICH, VERMONT
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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, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.3219% resulting in a net pension liability of \$976,498. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 0.3219% was a decrease of 0.0726 from its proportion measured as of the prior year.

For the year ended June 30, 2023, the Town recognized pension expense of \$154,007.

As of June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 73,335	\$ 0
Net difference between projected and actual investment earnings on pension plan investments	158,535	0
Changes in assumptions	49,923	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,968	139,470
Town's required employer contributions made subsequent to the measurement date	<u>88,330</u>	<u>0</u>
	<u>\$ 406,091</u>	<u>\$ 139,470</u>

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

The deferred outflows of resources resulting from the Town’s required employer contributions made subsequent to the measurement date in the amount of \$88,330 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2024	\$ 58,389
2025	38,199
2026	8,856
2027	<u>72,847</u>
Total	<u>\$178,291</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.

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.

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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 retirement 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.

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 allowance computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

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.

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 Contributions – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions with interest are refunded.

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

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Employer Contribution Rates – 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.

Inflation: 2.30% per year.

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.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

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.

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.

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.

TOWN OF NORWICH, VERMONT
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JUNE 30, 2023

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.

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	4.30%
Active Global Equities	5%	4.30%
Large Cap US Equities	4%	3.25%
Small/Mid Cap US Equities	3%	3.75%
Non-US Developed Market Equities	7%	5.00%
Private Equity	10%	6.50%
Emerging Market Debt	4%	3.50%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	6.00%
Core Fixed Income	19%	0.00%
Core Real Estate	3%	3.50%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	4%	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. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. 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, 2022. 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.

TOWN OF NORWICH, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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>
\$1,463,239	\$976,498	\$576,133

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.

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, 2023, property taxes became due and payable on August 12, 2022 and February 10, 2023. The penalty rate is eight percent (8%) after the February 10 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 2023 were as follows:

TOWN OF NORWICH, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.5916	.5916
County Tax	.0077	.0077
Voted Exemptions	.0024	.0024
Education	<u>1.9178</u>	<u>1.7372</u>
Total	<u>2.5195</u>	<u>2.3389</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.

The Town has an agreement with the Norwich School District to use a portion the Marion Cross School property for their recreation department. The agreement has a term of ten (10) years and will automatically renew for two consecutive five (5) year terms unless terminated by either party. The initial term expires on June 30, 2032. The agreement requires annual payments of \$15,730 for the first five (5) years for the added costs to the School District for the custodial, maintenance and security services incurred as a result of the extensive access provided to the Town. The Town and School District will mutually agree on an annual payment for the following five (5) years using the same cost methodology used to determine the payment for the initial period.

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues:			
Property Tax Revenues:			
Property Taxes	\$ 4,524,781	\$ 4,578,823	\$ 54,042
VT Land Use Tax (Hold Harmless Payment)	187,863	219,466	31,603
Property Tax Interest	30,000	10,305	(19,695)
Property Tax Collection Fee	<u>20,000</u>	<u>27,410</u>	<u>7,410</u>
Total Property Tax Revenues	<u>4,762,644</u>	<u>4,836,004</u>	<u>73,360</u>
License & Permit Revenue:			
Liquor License	600	600	0
Dog License	1,750	2,593	843
Hunting & Fishing Licenses	200	84	(116)
Peddler License	0	25	25
Building/Development Permits	8,000	7,880	(120)
Land Posting Permit	<u>200</u>	<u>215</u>	<u>15</u>
Total License & Permit Revenue	<u>10,750</u>	<u>11,397</u>	<u>647</u>
Intergovernmental Revenue:			
VT Highway Gas Tax	160,000	163,688	3,688
VT Act 60	13,750	15,495	1,745
PILOT Payments	10,000	13,930	3,930
VT Natural Resources	2,500	0	(2,500)
Education Tax Retainer	<u>27,000</u>	<u>30,127</u>	<u>3,127</u>
Total Intergovernmental Revenue	<u>213,250</u>	<u>223,240</u>	<u>9,990</u>
Service Fee Revenue:			
Recording Fee & Restoration	25,000	23,909	(1,091)
Document Copy Fee	2,100	3,696	1,596
Use of Records Fee	250	589	339
Vital Statistics Fee	800	1,610	810
Motor Vehicle Renewal Fee	50	30	(20)
Photocopying Fee	50	2	(48)
Tracy Hall Rental Fee	3,500	4,910	1,410
Police Report Fee	500	236	(264)
Recreation Program Fees	125,000	73,478	(51,522)
Transfer Station Stickers	40,000	46,255	6,255
Recycling Solid Waste Fees	3,500	0	(3,500)
E-Waste Revenue	3,500	3,456	(44)
Recycling Rebates	6,500	15,005	8,505
C&D Waste Revenue	10,000	13,458	3,458
Trash Coupon	<u>105,000</u>	<u>100,970</u>	<u>(4,030)</u>
Total Service Fee Revenue	<u>325,750</u>	<u>287,604</u>	<u>(38,146)</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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Grant Revenue:			
Highway Paving Grant Income	\$ 0	\$ 210,302	\$ 210,302
Tigertown Culvert Grant Income	0	219,638	219,638
Planning Grant Income	0	7,835	7,835
Historic Preservation Grant Income	0	9,000	9,000
Dry Hydrant Grant Income	0	7,991	7,991
Police Department Grant Income	0	8,171	8,171
Norwich Women's Club Grant Income	0	800	800
Total Grant Revenue	0	463,737	463,737
Other Town Revenues:			
Bank Interest	20,000	26,170	6,170
Insurance Claims	0	4,158	4,158
Athletic Field Rental	32,000	25,125	(6,875)
Transfer from Recreation Scholarships Fund	0	2,330	2,330
Total Other Town Revenues	52,000	57,783	5,783
Public Safety Revenues:			
Police Fine	10,000	2,402	(7,598)
Parking Fine	500	0	(500)
Dog Fine	125	0	(125)
Total Public Safety Revenues	10,625	2,402	(8,223)
Miscellaneous Revenue:	500	3,019	2,519
Total Revenues	5,375,519	5,885,186	509,667

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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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:			
Town Administration:			
Selectboard Stipend	\$ 2,500	\$ 2,500	\$ 0
Town Manager Wages	96,877	197,368	(100,491)
Treasurer Stipend	1,750	1,750	0
Administration Assistant Wages	58,458	63,780	(5,322)
FICA Tax	9,631	16,241	(6,610)
MEDI Tax	2,175	3,798	(1,623)
Health Insurance	43,929	37,611	6,318
Disability/Life Insurance	1,541	892	649
Dental Insurance	884	579	305
VT Retirement	10,485	17,150	(6,665)
Professional Services	17,500	8,568	8,932
Contracted Services	30,670	30,670	0
Legal	90,000	183,467	(93,467)
VLCT Membership	5,657	5,657	0
Town Report	3,750	4,046	(296)
Telephone	800	561	239
Town Manager Cell Phone	480	944	(464)
Postage	100	56	44
Advertising	1,000	2,149	(1,149)
Mileage	200	182	18
Office Supplies	1,500	1,768	(268)
Office Equipment	300	290	10
Dues/Meetings/Education	750	1,105	(355)
Selectboard Committee Expenses	0	118	(118)
Energy Committee Expenses	1,760	722	1,038
Miscellaneous	500	19,184	(18,684)
	<u>383,197</u>	<u>601,156</u>	<u>(217,959)</u>
Board of Civil Authority/Abatement:			
Justice Wages	500	0	500
Postage	150	0	150
Office Supplies	25	0	25
Dues/Meetings/Education	300	0	300
	<u>975</u>	<u>0</u>	<u>975</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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Statutory Meetings:			
Poll Workers Wages	\$ 700	\$ 0	\$ 700
Contracted Services	1,000	0	1,000
Postage	2,500	575	1,925
Advertising	200	290	(90)
Printing	5,000	2,298	2,702
Office Supplies	400	97	303
Voting Machine Expenses	75	0	75
Voting Machine Maintenance	650	0	650
Voting Machine Programming	3,500	1,589	1,911
Total Statutory Meetings	14,025	4,849	9,176
Town Clerk:			
Town Clerk Wages	75,848	91,523	(15,675)
Assistant Town Clerk Wages	49,982	54,656	(4,674)
FICA Tax	7,787	8,479	(692)
MEDI Tax	1,758	2,005	(247)
Health Insurance	30,633	29,892	741
Disability/Life Insurance	1,340	1,029	311
Dental Insurance	884	0	884
VT Retirement	8,478	9,545	(1,067)
Dog/Cat License	275	0	275
Vital Statistics	20	38	(18)
Advertising	200	0	200
Telephone	550	599	(49)
Postage	0	31	(31)
Office Supplies	1,200	682	518
Office Equipment	500	33	467
Software	3,600	3,900	(300)
Dues/Meetings/Education	175	125	50
Total Town Clerk	183,230	202,537	(19,307)

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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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Finance Department:			
Finance Assistant Wages	\$ 49,982	\$ 57,471	\$ (7,489)
Finance Officer Wages	83,428	164,769	(81,341)
FICA Tax	8,508	9,160	(652)
MEDI Tax	1,921	2,142	(221)
Health Insurance	37,522	15,388	22,134
Disability/Life Insurance	1,445	836	609
Dental Insurance	884	902	(18)
VT Retirement	9,005	5,908	3,097
Professional Services	3,000	2,627	373
Independent Audit	14,250	29,430	(15,180)
Telephone	1,000	894	106
Postage	0	2	(2)
Advertising	175	0	175
Printing	75	119	(44)
Office Supplies	1,750	1,067	683
Office Equipment	750	0	750
Software	1,425	4,586	(3,161)
Dues/Meetings/Education	525	20	505
Bank Charge	0	278	(278)
Total Finance Department	215,645	295,599	(79,954)
General Administration:			
Telephone	600	496	104
Postage Meter Rental	700	638	62
Postage	4,000	3,973	27
Office Supplies	1,250	755	495
Photocopier	1,600	1,695	(95)
Remote Meeting Services	0	6,550	(6,550)
Computer Equipment	1,400	4,363	(2,963)
Website Support	600	541	59
Server Maintenance	39,672	44,150	(4,478)
General Administration Equipment Fund	15,000	15,000	0
Total General Administration	64,822	78,161	(13,339)

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Board of Listers:			
Lister Wages	\$ 4,500	\$ 3,000	\$ 1,500
Assessing Clerk Wages	22,547	0	22,547
FICA Tax	1,677	186	1,491
MEDI Tax	663	44	619
Professional Assessor Services	35,000	34,834	166
Software Maintenance/Update	6,000	5,680	320
Telephone	530	530	0
Postage	150	442	(292)
Advertising	150	0	150
Printing	100	66	34
Mileage Reimbursement	100	11	89
Office Supplies	125	168	(43)
Office Equipment	125	1,393	(1,268)
Dues/Meetings/Education	100	20	80
Town Reappraisal Fund	50,000	50,000	0
	<u>121,767</u>	<u>96,374</u>	<u>25,393</u>
Planning/DRB Department:			
Planning Administrator Wages	78,874	28,612	50,262
Planning Department Wages	58,357	31,779	26,578
FICA Tax	8,508	2,801	5,707
MEDI Tax	1,921	655	1,266
Health Insurance	15,408	2,058	13,350
Disability/Life Insurance	779	113	666
Dental Insurance	442	72	370
VT Retirement	5,324	882	4,442
Planning Services	3,000	604	2,396
Two Rivers Planning Commission	5,223	5,707	(484)
U.V. Transportation Management	1,134	0	1,134
Mapping	2,000	822	1,178
Historic Preservation Grant Expenses	1,000	0	1,000
Rural Settlement Grant Expenses	0	4,340	(4,340)
Telephone	930	652	278
Postage	450	130	320
Advertising	500	1,061	(561)
Printing	200	0	200
Mileage Reimbursement	400	52	348
Office Supplies	350	254	96
Office Equipment	250	0	250
Dues/Meetings/Education	750	169	581
	<u>185,800</u>	<u>80,763</u>	<u>105,037</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation Department:			
Recreation Administration:			
Recreation Director Wages	\$ 71,796	\$ 77,712	\$ (5,916)
FICA Tax	4,451	5,219	(768)
MEDI Tax	1,005	1,220	(215)
Health Insurance	23,046	400	22,646
Disability/Life Insurance	756	738	18
Dental Insurance	442	84	358
VT Retirement	4,846	5,092	(246)
Telephone	1,005	956	49
Postage	50	12	38
Advertising	245	76	169
Printing	75	0	75
Dues/Meetings/Education	1,300	480	820
Office Equipment	50	0	50
Mileage Reimbursement	250	64	186
Office Supplies	225	0	225
	109,542	92,053	17,489
Total Recreation Administration			
Recreation Programs:			
Instructor Fee	25,000	14,564	10,436
Coaching Materials	800	500	300
Tee-shirt/Hat	3,000	2,507	493
Equipment	6,500	5,386	1,114
Program Wages	60,000	27,506	32,494
Referee/Umpire	4,000	6,552	(2,552)
Tournament Fees	2,500	535	1,965
Registration Fees	6,000	6,924	(924)
M. Cross School Rental Fee	0	18,730	(18,730)
Special Events/Supplies	2,500	229	2,271
FICA Tax	3,720	1,541	2,179
MEDI Tax	840	360	480
Uniform	1,200	1,634	(434)
	116,060	86,968	29,092
Total Recreation Programs			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation Facilities:			
Recreation Field Care	\$ 10,500	\$ 699	\$ 9,801
Huntley Line Marking	2,440	178	2,262
Portable Toilet	2,500	3,079	(579)
Ice Rink	3,500	2,727	773
Repairs & Maintenance	2,500	563	1,937
Water Usage	420	424	(4)
Norwich Women's Club Grant Expenses	2,500	800	1,700
Site Work	250	0	250
Tennis Courts Fund	10,200	10,200	0
	<u>34,810</u>	<u>18,670</u>	<u>16,140</u>
Total Recreation Facilities	<u>34,810</u>	<u>18,670</u>	<u>16,140</u>
Total Recreation Department	<u>260,412</u>	<u>197,691</u>	<u>62,721</u>
Public Safety Facility:			
Water Usage	1,100	939	161
Electricity	7,700	9,161	(1,461)
Heating	0	4,619	(4,619)
Administration Telephone & Internet	4,830	4,749	81
Supplies	650	568	82
Repairs & Maintenance	5,000	6,921	(1,921)
Alarm Monitoring	1,400	1,276	124
Cleaning	10,000	9,360	640
	<u>30,680</u>	<u>37,593</u>	<u>(6,913)</u>
Total Public Safety Facility	<u>30,680</u>	<u>37,593</u>	<u>(6,913)</u>
Police Department:			
Wages & Benefits:			
Police Chief Wages	85,761	72,929	12,832
Police Officer Wages	178,626	121,364	57,262
On-call Wages	5,472	4,875	597
Overtime Officer Wages	20,138	19,357	781
Administrative Wages	54,820	57,332	(2,512)
Part-time Officer Wages	3,250	0	3,250
Crossing Guard Wages	17,442	8,204	9,238
Governor's Highway Safety Grant Wages	0	181	(181)
FICA Tax	19,984	13,242	6,742
MEDI Tax	4,513	3,097	1,416
Health Insurance	69,648	53,028	16,620
Disability/Life Insurance	3,289	2,154	1,135
Dental Insurance	2,209	3,618	(1,409)
VT Retirement	21,757	22,419	(662)
	<u>486,909</u>	<u>381,800</u>	<u>105,109</u>
Total Wages & Benefits	<u>486,909</u>	<u>381,800</u>	<u>105,109</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Community Policing:			
Animal Control	\$ 2,750	\$ 1,036	\$ 1,714
Community Relations	650	386	264
Speed Signs	2,000	9,985	(7,985)
Total Community Policing	<u>5,400</u>	<u>11,407</u>	<u>(6,007)</u>
Equipment & Maintenance:			
Radio Maintenance	750	2,045	(1,295)
Petroleum Products	7,250	7,658	(408)
Cruiser Video Equipment	4,044	1,635	2,409
Cruiser Maintenance	8,250	11,340	(3,090)
Cruiser Supplies	500	374	126
Total Equipment & Maintenance	<u>20,794</u>	<u>23,052</u>	<u>(2,258)</u>
Support:			
Administration	4,000	4,457	(457)
VIBRS	3,000	3,615	(615)
Dispatch Services	73,000	72,911	89
Training	2,500	2,299	201
Training Supplies	2,000	2,697	(697)
Mileage Reimbursement	200	304	(104)
Dues/Meetings/Education	1,000	682	318
Uniforms	2,500	4,246	(1,746)
Uniforms Cleaning	1,500	919	581
Total Support	<u>89,700</u>	<u>92,130</u>	<u>(2,430)</u>
Designated Funds:			
Police Special Equipment Fund	5,000	5,000	0
Police Cruiser Fund	35,000	35,000	0
Total Designated Funds	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Police Department	<u>642,803</u>	<u>548,389</u>	<u>94,414</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire/Fast Department:			
Fire Wages & Benefits:			
Fire Chief Wages	\$ 70,761	\$ 77,183	\$ (6,422)
Fire Officer Stipend	2,100	2,100	0
Firefighters Wages	30,000	30,478	(478)
Full-time Drills/Meetings Wages	2,500	1,512	988
FICA Tax	6,532	6,739	(207)
MEDI Tax	1,528	1,576	(48)
Health Insurance	21,141	14,688	6,453
Disability/Life Insurance	736	719	17
VT Retirement	4,770	5,051	(281)
Dental Insurance	442	448	(6)
Total Fire Wages & Benefits	<u>140,510</u>	<u>140,494</u>	<u>16</u>
EMS Wages:			
Wages	5,000	7,722	(2,722)
Drill Wages	1,900	1,200	700
FICA Tax	428	420	8
MEDI Tax	100	98	2
Total EMS Wages	<u>7,428</u>	<u>9,440</u>	<u>(2,012)</u>
Education & Training:			
Fire Education/Training	750	909	(159)
EMS Education/Training	1,200	775	425
Fire Dues/Meetings/Education	500	480	20
Total Education & Training	<u>2,450</u>	<u>2,164</u>	<u>286</u>
Tools & Equipment:			
Fire Tools & Equipment	4,000	4,304	(304)
EMS Tools & Equipment	1,900	2,171	(271)
Radio Purchases/Repairs	750	1,785	(1,035)
Total Tools & Equipment	<u>6,650</u>	<u>8,260</u>	<u>(1,610)</u>
Maintenance:			
Fire Truck Repairs & Maintenance	13,000	21,169	(8,169)
Equipment Maintenance & Safety	4,000	1,106	2,894
Radio Maintenance	500	0	500
Software Maintenance	0	120	(120)
Vehicle Fuel	3,500	3,137	363
Total Maintenance	<u>21,000</u>	<u>25,532</u>	<u>(4,532)</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Support:			
Recruitment	\$ 100	\$ 179	\$ (79)
Postage	25	10	15
Fire Prevention Books & Materials	100	0	100
Firefighters Casualty Insurance	5,800	3,610	2,190
Telephone & Internet	0	1,226	(1,226)
Office Supplies	600	724	(124)
Dispatch Service	25,004	24,698	306
Uniforms	225	0	225
Hydrant Rental	34,000	34,000	0
Dry Hydrant	500	670	(170)
OSHA Compliance	1,000	665	335
	<u>67,354</u>	<u>65,782</u>	<u>1,572</u>
Total Support			
Designated Funds:			
Fire Apparatus Fund	60,000	60,000	0
Fire Equipment Fund	10,000	10,000	0
	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Total Designated Funds			
Grant Expenses:	<u>0</u>	<u>24,077</u>	<u>(24,077)</u>
Ambulance Expenditures:			
Ambulance Contract	152,925	149,212	3,713
Ambulance Liability Insurance	5,500	8,667	(3,167)
	<u>158,425</u>	<u>157,879</u>	<u>546</u>
Total Ambulance Expenditures			
Total Fire/Fast Department	<u>473,817</u>	<u>503,628</u>	<u>(29,811)</u>
Emergency Management:			
Debt Service on Tower Bond Principal	26,775	27,500	(725)
Debt Service on Tower Bond Interest	3,025	1,422	1,603
Tower Power	400	1,253	(853)
Emergency Management Administration	25	0	25
Emergency Management Supplies	50	24	26
Generator Fuel	100	248	(148)
Emergency Generator Maintenance	2,500	436	2,064
Generator Fund	15,000	15,000	0
	<u>47,875</u>	<u>45,883</u>	<u>1,992</u>
Total Emergency Management			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Conservation Commission:			
Dues/Meetings/Education	\$ 300	\$ 0	\$ 300
Speakers/Public Information	500	250	250
Publicity/Outdoor Student Programs	1,750	2,100	(350)
Trails	2,750	2,390	360
Milton Frye Nature Area	1,500	924	576
Natural Resources Inventory	1,000	490	510
Project Restoration	1,500	1,449	51
	<u>9,300</u>	<u>7,603</u>	<u>1,697</u>
Public Works Department:			
Highway Division:			
Wages & Benefits:			
Director of Public Works	87,664	95,647	(7,983)
Administrative Assistant, Part-time	22,385	1,221	21,164
Road Crew Wages	271,472	187,537	83,935
Road Crew Overtime	46,150	39,813	6,337
Pager Compensation	4,650	4,482	168
FICA Tax	26,884	19,842	7,042
MEDI Tax	6,071	4,641	1,430
Health Insurance	90,929	45,419	45,510
Disability/Life Insurance	3,859	2,685	1,174
Dental Insurance	2,651	1,902	749
VT Retirement	27,761	21,463	6,298
	<u>590,476</u>	<u>424,652</u>	<u>165,824</u>
Materials:			
Salt & Chemicals	115,000	116,830	(1,830)
Sand	115,000	97,094	17,906
Dust Control	22,500	10,115	12,385
Gravel & Stone	55,000	54,097	903
Culverts & Other Road Supplies	12,000	13,132	(1,132)
Asphalt Products	3,000	1,118	1,882
Bridge Repair & Maintenance	2,000	1,865	135
Other Projects	1,785	6,426	(4,641)
Signs	2,250	2,360	(110)
	<u>328,535</u>	<u>303,037</u>	<u>25,498</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Contracted Services:			
Plowing & Sanding	\$ 25,000	\$ 78,559	\$ (53,559)
Road Sweeping	0	2,480	(2,480)
Leaf Removal	3,000	0	3,000
Streetlights	13,000	14,109	(1,109)
Tree Cutting & Removal	10,000	8,650	1,350
Uniforms	12,000	13,000	(1,000)
Paving	7,500	4,648	2,852
Other Projects	15,500	13,014	2,486
Crack Sealing	15,000	18,000	(3,000)
Pavement Marking	38,000	20,105	17,895
Bridges	50,000	77,909	(27,909)
Total Contracted Services	189,000	250,474	(61,474)
Equipment:			
Outside Repairs	35,000	36,921	(1,921)
Parts & Supplies	50,000	53,007	(3,007)
Petroleum Products	70,000	32,626	37,374
Total Equipment	155,000	122,554	32,446
Highway Garage:			
Electricity	4,000	7,517	(3,517)
Propane	9,000	4,915	4,085
Telephone	6,500	4,507	1,993
Supplies	8,250	5,604	2,646
Alarm Monitoring	900	119	781
Repairs & Maintenance	7,750	11,811	(4,061)
Tools	7,250	635	6,615
Administration	5,000	10,546	(5,546)
Highway Garage Fund	25,000	25,000	0
Total Highway Garage	73,650	70,654	2,996
Capital Expenditures:			
Highway Equipment Fund	40,000	40,000	0
Sidewalk Fund	10,000	10,000	0
DPW Paving Fund	45,000	45,000	0
DPW Bridge Fund	100,000	100,000	0
Total Capital Expenditures	195,000	195,000	0

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Grants:			
Better Roads/Grants-in-Aid Grant Expenses	\$ 0	\$ 4,310	\$ (4,310)
Tigertown Culvert Grant Expenses	0	647,806	(647,806)
Total Grants	0	652,116	(652,116)
Total Highway Division	1,531,661	2,018,487	(486,826)
Buildings & Grounds Division:			
Wages & Benefits:			
Buildings & Grounds Wages	96,544	71,513	25,031
Overtime Wages	5,793	1,522	4,271
Pager Compensation	750	1,034	(284)
FICA Tax	6,478	4,749	1,729
MEDI Tax	1,463	1,111	352
Health Insurance	29,180	16,960	12,220
Disability/Life Insurance	1,089	694	395
Dental Insurance	884	735	149
VT Retirement	7,052	4,919	2,133
Total Wages & Benefits	149,233	103,237	45,996
Materials:			
Garden Supplies & Plants	1,575	418	1,157
Total Materials	1,575	418	1,157
Contracted Services:			
Uniforms	4,800	2,550	2,250
Total Contracted Services	4,800	2,550	2,250
Equipment:			
Outside Repairs	2,000	106	1,894
Parts & Supplies	2,500	2,682	(182)
Petroleum Products	2,800	616	2,184
Tools	500	136	364
Total Equipment	7,800	3,540	4,260
Total Buildings & Grounds Division	163,408	109,745	53,663

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste Division:			
Wages & Benefits:			
Transfer Station Wages	\$ 43,097	\$ 45,877	\$ (2,780)
FICA Tax	2,672	2,872	(200)
MEDI Tax	603	672	(69)
Total Wages & Benefits	<u>46,372</u>	<u>49,421</u>	<u>(3,049)</u>
Contracted Services:			
GUVSWMD Assessment	36,120	36,120	0
Municipal Solid Waste	51,250	45,393	5,857
Recycling	42,250	43,865	(1,615)
C&D Waste Disposal	10,250	14,362	(4,112)
Food Waste Disposal	21,250	24,654	(3,404)
Uniforms	500	0	500
Total Contracted Services	<u>161,620</u>	<u>164,394</u>	<u>(2,774)</u>
Equipment:			
Parts & Supplies	1,000	1,384	(384)
Repairs & Maintenance	3,000	6,390	(3,390)
Small Equipment	500	0	500
Total Equipment	<u>4,500</u>	<u>7,774</u>	<u>(3,274)</u>
Transfer Station:			
Purchased Services	2,500	825	1,675
Electricity	2,250	2,360	(110)
Propane	750	608	142
Telephone	500	448	52
Administration	1,000	1,960	(960)
Franchise Tax to Vermont	2,000	715	1,285
Total Transfer Station	<u>9,000</u>	<u>6,916</u>	<u>2,084</u>
Total Solid Waste Division	<u>221,492</u>	<u>228,505</u>	<u>(7,013)</u>

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Tracy Hall:			
Water Usage	\$ 875	\$ 714	\$ 161
Electricity	16,000	13,127	2,873
Heating	15,000	15,869	(869)
Alarm Monitoring	1,250	119	1,131
Elevator Maintenance	3,250	4,306	(1,056)
Custodian Pager	750	0	750
Building Supplies	4,200	2,801	1,399
Repairs & Maintenance	10,000	13,981	(3,981)
Bandstand & Sign Electricity	2,500	1,020	1,480
Total Tracy Hall	<u>53,825</u>	<u>51,937</u>	<u>1,888</u>
Total Public Works Department	<u>1,970,386</u>	<u>2,408,674</u>	<u>(438,288)</u>
Debt Service Expenditures:			
Public Safety Facility Bond Principal	47,000	47,000	0
Public Safety Facility Bond Interest	46,381	45,437	944
Browns Schoolhouse Road Pedestrian Bridge	14,000	0	14,000
Public Safety Building/Highway Garage Bond Principal	48,000	48,000	0
Public Safety Building/Highway Garage Bond Interest	7,500	4,236	3,264
Total Debt Service Expenditures	<u>162,881</u>	<u>144,673</u>	<u>18,208</u>
Tax Adjustments & Abatements:	<u>3,000</u>	<u>18,026</u>	<u>(15,026)</u>
Insurances:			
Unemployment Insurance	3,250	4,181	(931)
Property & Casualty Insurance	90,000	92,230	(2,230)
Workers Compensation Insurance	95,000	51,146	43,854
Miscellaneous	0	34	(34)
Total Insurances	<u>188,250</u>	<u>147,591</u>	<u>40,659</u>
Appropriations:			
Advance Transit	13,514	13,514	0
CATV	3,000	3,000	0
Emerald Ash Borer Response Fund	10,000	10,000	0
Good Beginnings	3,000	3,000	0
Green Mountain Economic Development Corp.	1,705	1,705	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

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STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Appropriations/(Cont'd):			
Norwich Lions Club Fireworks	\$ 3,500	\$ 3,500	\$ 0
Norwich Public Library	300,000	300,000	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
	416,654	416,654	0
Total Appropriations	416,654	416,654	0
	5,375,519	5,835,844	(460,325)
Total Expenditures	5,375,519	5,835,844	(460,325)
Excess of Revenues			
Over Expenditures	\$ <u>0</u>	49,342	\$ <u>49,342</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Town Reappraisal Fund Income		1,766	
Town Reappraisal Fund Expenses		(13,966)	
Town Reappraisal Fund Transfer In		50,000	
Affordable Housing Fund Income		580	
Climate Emergency Fund Income		501	
Unanticipated Expenses and Emergency Reserve Fund Income		9,361	
Operational Performance and Development Fund Income		1,373	
Emerald Ash Borer Response Fund Income		147	
Emerald Ash Borer Response Fund Transfer In		11,845	
Unbudgeted Property Taxes Appropriated for Windsor County Tax Payment		58,829	
Unbudgeted Windsor County Tax Payment		(58,829)	
Unbudgeted Transfer from ARPA Fund		1,019,279	
Net Change in Fund Balance		1,130,228	
Fund Balance - July 1, 2022		1,790,377	
Fund Balance - June 30, 2023		\$ 2,920,605	

The reconciling items are due to combining six (6) funds, the Town Reappraisal Fund, the Affordable Housing Fund, the Climate Emergency Fund, the Unanticipated Expenses and Emergency Reserve Fund, the Operational Performance and Development Fund and the Emerald Ash Borer Response Fund, with the General Fund in order to comply with GASB Statement No. 54, the unbudgeted county tax payment and related funding and unbudgeted transfers.

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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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 303,371,956	\$ 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	0.3219%	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	\$ 976,498	\$ 580,629	\$ 914,042	\$ 732,989	\$ 583,172	\$ 479,378	\$ 515,194	\$ 315,943	\$ 37,041
Town's Covered Employee Payroll	\$ 1,217,837	\$ 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	80.1830%	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	73.60%	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.

Changes in Plan Provisions: At the November 17, 2020 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.50% each year for a period of four years, beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022.

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

TOWN OF NORWICH, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 88,330	\$ 80,534	\$ 87,709	\$ 74,885	\$ 81,175	\$ 72,611	\$ 60,842	\$ 57,825	\$ 52,352
Contributions in Relation to the Actuarially Determined Contributions	<u>88,330</u>	<u>80,534</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>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 1,320,055	\$ 1,217,837	\$ 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	6.691%	6.613%	6.352%	6.113%	5.978%	5.854%	5.578%	5.643%	5.254%

Notes to Schedule

Valuation Date: June 30, 2022

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

TOWN OF NORWICH, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Trustees of Public Funds Fund	Total
<u>ASSETS</u>				
Cash	\$ 70,200	\$ 0	\$ 4,753	\$ 74,953
Investments	18,510	0	203,975	222,485
Due from Other Funds	143,576	1,913,530	0	2,057,106
Deposit on Fire Truck	<u>0</u>	<u>260,455</u>	<u>0</u>	<u>260,455</u>
Total Assets	<u>\$ 232,286</u>	<u>\$ 2,173,985</u>	<u>\$ 208,728</u>	<u>\$ 2,614,999</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	<u>\$ 10,915</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,915</u>
Total Liabilities	<u>10,915</u>	<u>0</u>	<u>0</u>	<u>10,915</u>
Fund Balances:				
Nonspendable	0	260,455	142,464	402,919
Restricted	143,576	0	66,264	209,840
Committed	<u>77,795</u>	<u>1,913,530</u>	<u>0</u>	<u>1,991,325</u>
Total Fund Balances	<u>221,371</u>	<u>2,173,985</u>	<u>208,728</u>	<u>2,604,084</u>
Total Liabilities and Fund Balances	<u>\$ 232,286</u>	<u>\$ 2,173,985</u>	<u>\$ 208,728</u>	<u>\$ 2,614,999</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, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Trustees of Public Funds Fund	Total
Revenues:				
Intergovernmental	\$ 0	\$ 25,663	\$ 0	\$ 25,663
Charges for Services	1,320	0	8,500	9,820
Permits, Licenses and Fees	8,418	0	0	8,418
Investment Income	1,904	24,490	3,534	29,928
Donations	9,356	0	0	9,356
Total Revenues	<u>20,998</u>	<u>50,153</u>	<u>12,034</u>	<u>83,185</u>
Expenditures:				
General Government	26,581	1,250	0	27,831
Public Safety	0	3,110	0	3,110
Highways and Streets	0	7,239	0	7,239
Culture and Recreation	929	0	0	929
Cemetery	34,630	0	0	34,630
Capital Outlay:				
Public Safety	0	190,697	0	190,697
Highways and Streets	0	203,281	0	203,281
Total Expenditures	<u>62,140</u>	<u>405,577</u>	<u>0</u>	<u>467,717</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(41,142)</u>	<u>(355,424)</u>	<u>12,034</u>	<u>(384,532)</u>
Other Financing Sources/(Uses):				
Transfers In	22,477	391,337	0	413,814
Transfers Out	(2,330)	(1,845)	(2,477)	(6,652)
Total Other Financing Sources/(Uses)	<u>20,147</u>	<u>389,492</u>	<u>(2,477)</u>	<u>407,162</u>
Net Change in Fund Balances	(20,995)	34,068	9,557	22,630
Fund Balances - July 1, 2022	<u>242,366</u>	<u>2,139,917</u>	<u>199,171</u>	<u>2,581,454</u>
Fund Balances - June 30, 2023	<u>\$ 221,371</u>	<u>\$ 2,173,985</u>	<u>\$ 208,728</u>	<u>\$ 2,604,084</u>

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TOWN OF NORWICH, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Conservation Commission Fund	Recreation Facility Fund	Land Management Council Fund	Recreation Scholarships Fund	Granite Bench Fund	Records Restoration Fund	Cemetery Commission Fund	Total
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,200	\$ 70,200
Investments	0	0	0	0	0	0	18,510	18,510
Due from Other Funds	<u>4,715</u>	<u>73,875</u>	<u>16,936</u>	<u>116</u>	<u>10</u>	<u>47,924</u>	<u>0</u>	<u>143,576</u>
Total Assets	\$ <u>4,715</u>	\$ <u>73,875</u>	\$ <u>16,936</u>	\$ <u>116</u>	\$ <u>10</u>	\$ <u>47,924</u>	\$ <u>88,710</u>	\$ <u>232,286</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>10,915</u>	\$ <u>10,915</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,915</u>	<u>10,915</u>
Fund Balances:								
Restricted	4,715	73,875	16,936	116	10	47,924	0	143,576
Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77,795</u>	<u>77,795</u>
Total Fund Balances	<u>4,715</u>	<u>73,875</u>	<u>16,936</u>	<u>116</u>	<u>10</u>	<u>47,924</u>	<u>77,795</u>	<u>221,371</u>
Total Liabilities and Fund Balances	\$ <u>4,715</u>	\$ <u>73,875</u>	\$ <u>16,936</u>	\$ <u>116</u>	\$ <u>10</u>	\$ <u>47,924</u>	\$ <u>88,710</u>	\$ <u>232,286</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, 2023

	Conservation Commission Fund	Recreation Facility Fund	Land Management Council Fund	Recreation Scholarships Fund	Granite Bench Fund	Records Restoration Fund	Cemetery Commission Fund	Total
Revenues:								
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,320	\$ 1,320
Permits, Licenses and Fees	0	0	0	0	0	8,418	0	8,418
Investment Income	59	911	209	12	0	601	112	1,904
Donations	0	2,675	0	800	0	0	5,881	9,356
Total Revenues	<u>59</u>	<u>3,586</u>	<u>209</u>	<u>812</u>	<u>0</u>	<u>9,019</u>	<u>7,313</u>	<u>20,998</u>
Expenditures:								
General Government	0	0	0	0	0	26,581	0	26,581
Culture and Recreation	0	929	0	0	0	0	0	929
Cemetery	0	0	0	0	0	0	34,630	34,630
Total Expenditures	<u>0</u>	<u>929</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,581</u>	<u>34,630</u>	<u>62,140</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>59</u>	<u>2,657</u>	<u>209</u>	<u>812</u>	<u>0</u>	<u>(17,562)</u>	<u>(27,317)</u>	<u>(41,142)</u>
Other Financing Sources/(Uses):								
Transfers In	0	0	0	0	0	0	22,477	22,477
Transfers Out	0	0	0	(2,330)	0	0	0	(2,330)
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,330)</u>	<u>0</u>	<u>0</u>	<u>22,477</u>	<u>20,147</u>
Net Change in Fund Balances	59	2,657	209	(1,518)	0	(17,562)	(4,840)	(20,995)
Fund Balances - July 1, 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>
Fund Balances - June 30, 2023	<u>\$ 4,715</u>	<u>\$ 73,875</u>	<u>\$ 16,936</u>	<u>\$ 116</u>	<u>\$ 10</u>	<u>\$ 47,924</u>	<u>\$ 77,795</u>	<u>\$ 221,371</u>

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TOWN OF NORWICH, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Highway Equipment Fund	Highway Garage Fund	Solid Waste Equipment Fund	Police Station Fund	Police Cruiser Fund	Tracy Hall Fund	General Administration Equipment Fund	Recreation Fund	Tennis Courts Fund	Police Special Equipment Fund
ASSETS										
Due from Other Funds	\$ 150,449	\$ 77,759	\$ 34,614	\$ 14,403	\$ 26,438	\$ 65,790	\$ 105,894	\$ 5	\$ 33,719	\$ 13,194
Deposit on Fire Truck	<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>	<u>0</u>
Total Assets	<u>\$ 150,449</u>	<u>\$ 77,759</u>	<u>\$ 34,614</u>	<u>\$ 14,403</u>	<u>\$ 26,438</u>	<u>\$ 65,790</u>	<u>\$ 105,894</u>	<u>\$ 5</u>	<u>\$ 33,719</u>	<u>\$ 13,194</u>
LIABILITIES AND FUND BALANCES										
Liabilities:	\$ <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>	\$ <u>0</u>
Fund Balances:										
Nonspendable	0	0	0	0	0	0	0	0	0	0
Committed	<u>150,449</u>	<u>77,759</u>	<u>34,614</u>	<u>14,403</u>	<u>26,438</u>	<u>65,790</u>	<u>105,894</u>	<u>5</u>	<u>33,719</u>	<u>13,194</u>
Total Fund Balances	<u>150,449</u>	<u>77,759</u>	<u>34,614</u>	<u>14,403</u>	<u>26,438</u>	<u>65,790</u>	<u>105,894</u>	<u>5</u>	<u>33,719</u>	<u>13,194</u>
Total Liabilities and Fund Balances	<u>\$ 150,449</u>	<u>\$ 77,759</u>	<u>\$ 34,614</u>	<u>\$ 14,403</u>	<u>\$ 26,438</u>	<u>\$ 65,790</u>	<u>\$ 105,894</u>	<u>\$ 5</u>	<u>\$ 33,719</u>	<u>\$ 13,194</u>

TOWN OF NORWICH, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Fire Station Fund	Fire Equipment Fund	Fire Apparatus Fund	Sidewalk Fund	Long-term Facility Study Fund	DPW Bridge Fund	DPW Paving Fund	Buildings & Grounds Fund	Generator Fund	Total
ASSETS										
Due from Other Funds	\$ 5,090	\$ 59,593	\$ 407,077	\$ 106,566	\$ 2	\$ 568,723	\$ 208,216	\$ 34,280	\$ 1,718	\$ 1,913,530
Deposit on Fire Truck	<u>0</u>	<u>0</u>	<u>260,455</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>260,455</u>
Total Assets	<u>\$ 5,090</u>	<u>\$ 59,593</u>	<u>\$ 667,532</u>	<u>\$ 106,566</u>	<u>\$ 2</u>	<u>\$ 568,723</u>	<u>\$ 208,216</u>	<u>\$ 34,280</u>	<u>\$ 1,718</u>	<u>\$ 2,173,985</u>
LIABILITIES AND FUND BALANCES										
Liabilities:	\$ <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>	\$ <u>0</u>
Fund Balances:										
Nonspendable	0	0	260,455	0	0	0	0	0	0	260,455
Committed	<u>5,090</u>	<u>59,593</u>	<u>407,077</u>	<u>106,566</u>	<u>2</u>	<u>568,723</u>	<u>208,216</u>	<u>34,280</u>	<u>1,718</u>	<u>1,913,530</u>
Total Fund Balances	<u>5,090</u>	<u>59,593</u>	<u>667,532</u>	<u>106,566</u>	<u>2</u>	<u>568,723</u>	<u>208,216</u>	<u>34,280</u>	<u>1,718</u>	<u>2,173,985</u>
Total Liabilities and Fund Balances	<u>\$ 5,090</u>	<u>\$ 59,593</u>	<u>\$ 667,532</u>	<u>\$ 106,566</u>	<u>\$ 2</u>	<u>\$ 568,723</u>	<u>\$ 208,216</u>	<u>\$ 34,280</u>	<u>\$ 1,718</u>	<u>\$ 2,173,985</u>

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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, 2023

	Highway Equipment Fund	Highway Garage Fund	Solid Waste Equipment Fund	Police Station Fund	Police Cruiser Fund	Tracy Hall Fund	General Administration Equipment Fund	Recreation Fund	Tennis Courts Fund	Police Special Equipment Fund
Revenues:										
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Investment Income	<u>1,854</u>	<u>1,134</u>	<u>427</u>	<u>178</u>	<u>359</u>	<u>826</u>	<u>1,305</u>	<u>0</u>	<u>416</u>	<u>163</u>
Total Revenues	<u>1,854</u>	<u>1,134</u>	<u>427</u>	<u>178</u>	<u>359</u>	<u>826</u>	<u>1,305</u>	<u>0</u>	<u>416</u>	<u>163</u>
Expenditures:										
General Government	0	0	0	0	0	1,250	0	0	0	0
Public Safety	0	0	0	0	170	0	0	0	0	0
Highways and Streets	0	6,161	0	0	0	0	0	0	0	0
Capital Outlay:										
Public Safety	0	0	0	0	74,922	0	0	0	0	0
Highways and Streets	<u>39,647</u>	<u>44,878</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 Expenditures	<u>39,647</u>	<u>51,039</u>	<u>0</u>	<u>0</u>	<u>75,092</u>	<u>1,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(37,793)</u>	<u>(49,905)</u>	<u>427</u>	<u>178</u>	<u>(74,733)</u>	<u>(424)</u>	<u>1,305</u>	<u>0</u>	<u>416</u>	<u>163</u>
Other Financing Sources/(Uses):										
Transfers In	40,000	25,000	0	0	35,000	0	15,000	0	10,200	5,000
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,298)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>40,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>15,000</u>	<u>(1,298)</u>	<u>10,200</u>	<u>5,000</u>
Net Change in Fund Balances	2,207	(24,905)	427	178	(39,733)	(424)	16,305	(1,298)	10,616	5,163
Fund Balances - July 1, 2022	<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>
Fund Balances - June 30, 2023	<u>\$ 150,449</u>	<u>\$ 77,759</u>	<u>\$ 34,614</u>	<u>\$ 14,403</u>	<u>\$ 26,438</u>	<u>\$ 65,790</u>	<u>\$ 105,894</u>	<u>\$ 5</u>	<u>\$ 33,719</u>	<u>\$ 13,194</u>

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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, 2023

	Fire Station Fund	Fire Equipment Fund	Fire Apparatus Fund	Sidewalk Fund	Long-term Facility Study Fund	DPW Bridge Fund	DPW Paving Fund	Buildings & Grounds Fund	Generator Fund	Total
Revenues:										
Intergovernmental	\$ 0	\$ 25,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,663
Investment Income	63	1,198	5,018	1,314	0	7,017	2,454	423	341	24,490
Total Revenues	63	26,861	5,018	1,314	0	7,017	2,454	423	341	50,153
Expenditures:										
General Government	0	0	0	0	0	0	0	0	0	1,250
Public Safety	0	2,940	0	0	0	0	0	0	0	3,110
Highways and Streets	0	0	0	0	0	1,078	0	0	0	7,239
Capital Outlay:										
Public Safety	0	115,775	0	0	0	0	0	0	0	190,697
Highways and Streets	0	0	0	0	0	69,193	0	0	49,563	203,281
Total Expenditures	0	118,715	0	0	0	70,271	0	0	49,563	405,577
Excess/(Deficiency) of Revenues Over Expenditures	63	(91,854)	5,018	1,314	0	(63,254)	2,454	423	(49,222)	(355,424)
Other Financing Sources/(Uses):										
Transfers In	0	31,137	60,000	10,000	0	100,000	45,000	0	15,000	391,337
Transfers Out	0	0	0	0	(547)	0	0	0	0	(1,845)
Total Other Financing Sources/(Uses)	0	31,137	60,000	10,000	(547)	100,000	45,000	0	15,000	389,492
Net Change in Fund Balances	63	(60,717)	65,018	11,314	(547)	36,746	47,454	423	(34,222)	34,068
Fund Balances - July 1, 2022	5,027	120,310	602,514	95,252	549	531,977	160,762	33,857	35,940	2,139,917
Fund Balances - June 30, 2023	\$ 5,090	\$ 59,593	\$ 667,532	\$ 106,566	\$ 2	\$ 568,723	\$ 208,216	\$ 34,280	\$ 1,718	\$ 2,173,985

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

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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 have audited, 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, 2023, 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 December 14, 2023. Our opinion on the governmental activities and the General Fund was qualified because of because of the inadequacies in the Town's controls over solid waste receipts.

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 2023-001 and 2023-002 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 2023-003 and 2023-004 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.

December 14, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF NORWICH, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2023

Financial Statement Findings:

Deficiencies in Internal Control:

Material Weaknesses:

2023-001 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.

Management's Response:

The finance office tracks the inventory of all tickets, coupons and stickers using the numbers printed on the items. As tickets, coupons and stickers are sold the cash/checks are collected at the transfer station and brought to the finance office where it is balanced with the inventory listing. Once reconciled, the money is deposited into the bank.

2023-002 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.

TOWN OF NORWICH, VERMONT
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Condition:

A number of balance sheet accounts such as receivables, prepaid expenses/items, deposits, accounts payable 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.

Management's Response:

A process has been implemented where all Balance Sheet accounts are reviewed and reconciled as part of the month-end processes.

Significant Deficiencies:

2023-003 Reconciliation of the General Operating Bank Statement

Criteria:

Internal controls should be in place to ensure that the general operating bank account is reconciled to the general ledger on a monthly basis.

Condition:

The Town does not have controls in place to ensure the general operating bank account is being reconciled to the general ledger. This resulted in variances that were required to be researched and adjusted.

Cause:

Unknown.

TOWN OF NORWICH, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2023

Effect:

The Town's financial records may not report the true cash position of the Town at a given date.

Recommendation:

We recommend that the Town implement controls to ensure that the general operating bank statement is reconciled to the general ledger on a monthly basis so that errors can be detected and corrected.

Management's Response:

In conjunction with the monthly bank statement reconciliation, the general ledger Operating account reconciliation is being completed.

2023-004 Transfers

Criteria:

Internal controls should be in place to ensure that transfer in and transfer out accounts are in balance.

Condition:

Transfer in and transfer out account balances were incorrect.

Cause:

Unknown.

Effect:

Adjustments had to be made to the Town's transfer in and transfer out accounts.

Recommendation:

We recommend that the Town reconcile their transfer in and transfer out accounts at least quarterly.

Response:

Processes have been tightened to allow for greater oversight to expense coding and therefore reduce/eliminate the need for reclassification of expenses that created the imbalances in the transfers.