NORWICH SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

NORWICH SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX- 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Norwich School District
Norwich, Vermont

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Norwich School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Norwich School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information – Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the School District's Proportionate Share of Net Pension Liability - VMERS,
- Schedule of School District Contributions – Pensions - VMERS,
- Schedule of the School District's Proportionate Share of Net Pension Liability - VSTRS,
- Schedule of School District Contributions – Pensions - VSTRS,
- Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability - VSTRS,

- Schedule of School District Contributions – Other Postemployment Benefits - VSTRS,
- Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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 Norwich School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

March 4, 2020

Plodzik & Sanderson
Professional Association

NORWICH SCHOOL DISTRICT
Norwich, Vermont

Management's Discussion And Analysis (MD&A) of the Annual Financial Report For The Year Ended June 30, 2019

The Superintendent of Schools and Business Administrator of School Administrative Unit (SAU) #70, as management of the Norwich School District, Norwich, Vermont (the District), offer readers of the District's annual financial statements this narrative discussion and analysis of the financial activities of the District for the fiscal year which ended June 30, 2019. This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statement 34 (GASB 34). We encourage readers to consider the information presented here in conjunction with additional information found within the body of the annual audit.

FINANCIAL HIGHLIGHTS

The District's total net position for the year ending June 30, 2019, was $3,064,037. The District's net position decreased by $241,565, or 7.31% between July 1, 2018 and June 30, 2019. This decrease was due to a planned drawdown in one of its long-term reserve funds and a considerable increase in accumulated appreciation. The District's total net position included $1,457,041 in capital assets net of depreciation. The District's long-term obligations of $514,038 consisted of $180,000 in long-term debt, $137,337 in post employment benefits, $3,661 in compensated absences and $193,040 in net pension liability. These liabilities are reflected as a reduction in net position. The District authorized a $450,000 building renovation project during the 2013-14 year, and is paying that off over ten years.

During the year, the District's consolidated expenses of $13,720,430 were $241,565 more than revenues of $13,478,865. Revenues consist of: charges for services; operating grants and contributions; and general revenues (which consist of local and state property tax assessments, state and federal grants, earned interest and contributions not restricted as to purpose).

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's annual financial report, which consists of basic financial statements, notes, and related financial and compliance information. The District's annual financial report consists of four elements: (1) government-wide financial statements; (2) fund financial statements; (3) notes to the financial statements; and (4) required supplementary information, including this discussion and analysis. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the District based upon measurement focus and basis of accounting. The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how the District's services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Financial Statements

The Government-wide Financial Statements show functions of the District that are principally supported by property taxes and intergovernmental revenues as Governmental Activities. Intergovernmental revenues include local, state, and federal monies. The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Taxes and intergovernmental revenues also support fixed assets and related debt.

Fund Financial Statements

A fund is a self-balancing group of related accounts that is used to maintain control over resources that the district segregates for specific activities or objectives. Fund definitions are part of a uniform accounting system and chart of accounts mandated by the federal and state governments for all school districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A detailed statement of financial activity is reported annually to the State of Vermont through the "Annual Statistical Report" and other periodic reports.

All of the funds of the District are reported herein as governmental funds. The General Fund, including expendable trust funds, as well as the special revenue funds: Food Service Fund, Grants Fund, Medicaid Fund, "Other" fund, and the Special Gifts Fund are all reported as Governmental Funds, and are consolidated in the governmental funds statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. The largest portion of the District's net position is unrestricted. The District uses capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. Summaries of the capital assets, depreciation and long-term debt obligations can be found in the Notes to Financial Statements. Depreciation is included by accounting convention, thus the depreciated value of a District asset, as reflected in these reports, does not reflect an asset's useful, market, or replacement value. Comparative Net Position for the periods ending June 30, 2018 and June 30, 2019 are shown below. On June 30, 2019, the district had no net position that was restricted. A portion of the net position is invested in capital assets. Unrestricted net position represents those assets that are available without constraint to finance day-to-day operations.

	2019	2018	Change 2018-2019	% Change 2018-2019
Assets				
Current Assets	$ 2,163,637	$ 2,242,819	$ (79,182)	-4%
Capital Assets	1,637,041	1,745,285	(108,244)	-6.20%
Total Assets	**3,800,678**	**3,988,104**	**(187,426)**	**-4.70%**
Deferred Outflows of Resources	99,998	91,827	8,171	8.90%
Liabilities				
Other Liabilities	277,364	212,661	64,703	30.43%
Long Term Liabilities	514,038	520,490	(6,452)	-1.24%
Total Liabilities	**791,402**	**733,151**	**58,251**	**7.95%**
Deferred Inflows of Resources	45,237	41,178	4,059	9.86%
Net Investment in Capital Assets	1,457,041	1,520,285	(63,244)	-4.16%
Unrestricted Net Position	1,606,996	1,785,317	(178,321)	-9.99%
Total Net Position	**$ 3,064,037**	**$ 3,305,602**	**$ (241,565)**	**-7.31%**

Comparative Statement of Activities

The Comparative Statement of Changes in Activities provides an important record of overall expenditures and revenues for the fiscal year. The government-wide financial statements provide a summary of governmental activities. The amounts discussed below are all displayed in the 2-year comparative table below. During 2018-19 the District's total revenues were $13,478,865; total expenses were $13,720,430 resulting in a decrease of net position of $241,565.

The largest part of the District's revenues, $11,309,105 [83.9%] came from the local property tax levy. Here, since it is nominally a state tax "returned" to the District, it is termed "Unrestricted Grants and Contributions". Other revenue sources include federal and various state categorical grant programs. This revenue statement includes all revenues from local, state, and federal sources. Program expenses increased by $81,998 or 0.60% from FY18 to FY19. Norwich's assessment to Dresden is based on a per-pupil cost pro-ration.

The District's expenditures were largely for instruction $5,128,793 and support services $1,713,797, or 49.9%. An intergovernmental transfer of $6,644,872 [48.4%] recognizes the cost of educating the District's 7th through 12th graders at the Dresden School District's Hanover High and Richmond Middle schools. Depreciation accounts for $134,423 of total expenses with facility updates, interest on long term debt and non-instructional services totaling the balance of $98,545.

Statement of Activities - Two Year Comparison

	June 30, 2019	June 30, 2018	Change	Change in %
Revenues				
Program Revenue				
Charges for Services	$ 21,724	$ 16,720	$ 5,004	29.93%
Operating Grants & Contributions	2,078,242	1,920,574	157,668	8.21%
General Revenue				
Unrestricted Grants and Contributions	11,309,105	11,275,305	33,800	0.30%
Unrestricted Investment Income	46,073	33,914	12,159	35.85%
Miscellaneous	23,721	18,005	5,716	31.75%
Total Revenues	**13,478,865**	**13,264,518**	**214,347**	**1.62%**
Program Expenses				
Instruction	5,128,793	4,993,112	135,681	2.72%
Support Services:				
Student	200,328	193,526	6,802	3.51%
Instructional Staff	168,013	166,941	1,072	0.64%
General Administration	35,428	49,162	(13,734)	-27.94%
Executive Administration	238,516	229,504	9,012	3.93%
School Administration	416,346	365,372	50,974	13.95%
Operation and Maintenance of Plant	353,845	325,826	28,019	8.60%
Student Transportation	301,321	281,950	19,371	6.87%
Noninstructional Services	41,988	42,455	(467)	-1.10%
Interest on Long-Term Debt	4,118	5,321	(1,203)	-22.61%
Facilities Acquisition and Construction	52,439	7,604	44,835	589.62%
Intergovernmental Transfers	6,644,872	6,847,499	(202,627)	-2.96%
Depreciation - unallocated	134,423	130,160	4,263	3.28%
Total Expenses	**13,720,430**	**13,638,432**	**81,998**	**0.60%**
Change in Net Position	(241,565)	(373,914)	132,349	-35.40%
Net Positon, beginning	3,305,602	3,679,516	(373,914)	-10.16%
Net Position, ending	**$ 3,064,037**	**$ 3,305,602**	**$ (241,565)**	**-7.31%**

FUND FINANCIAL STATEMENTS

General Fund

The Norwich School District governmental funds include the General Fund, the Grants Fund, and the Other Governmental Funds. The School District uses separate fund accounting for each of its funds to ensure and demonstrate compliance with finance-related legal requirements. Information from the fund accounting system is essential in managing budgets as the financial year progresses and is useful in assessing financial resource needs for future operation of the school. The General Fund is what most people think of as "the budget" since it is the focal point of the Annual District Meeting and largely supported by locally raised taxes.

Schedules 1, 2, and 3 detail general fund activity for FY2019. Budgeted revenues totaled $12,481,904 including the use of $158,018 from fund balance; actual revenues equaled $12,362,659. Revenue variances arose from the following sources: Transportation reimbursement $13,588 more than budgeted; Special Education reimbursement $20,200 more than budgeted; Extraordinary Aid Reimbursement: $15,791 less than budgeted; State Placed Student reimbursement: $15,200 more than budgeted; Tuition: $877 more than budgeted and Investment Earnings, rental fees and miscellaneous items: $23,755 more than budgeted. At $11,011,491, property taxes (here termed: "Homestead Tax Liability") comprise 89% of general fund revenues. Revenues ended with a positive variance of $38,773.

Exclusive of the assessment to the Dresden School District (a separate legal entity which is responsible for education of Norwich students in grades 7-12), the cost of Marion Cross Schools K-6 instruction makes up 67% of all general fund expenditures, while Support Services comprise 30.5% of local expenditures. The remaining 2.5% includes debt service, facilities upgrades and other outlays. Expenditures ended with a positive variance of $216,477.

Other Funds

Activity for the "Food Service", "Special Gifts", "Medicaid", and "Other" funds, is shown on Schedules 4 and 5. Ending fund balances for each of these funds were $0; $59,644; $27,617 and $0.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2019, the District reported capital assets of $1,637,041 (net of accumulated depreciation), on a range of capital assets, including land and improvements, buildings and improvements, and machinery and equipment. The District annually invests in new furnishings, computers and peripherals, printed media, and musical/athletic equipment.

Capital Assets - Two Year Comparison

	Governmental Activities 2019	Governmental Activities 2018	Increase (Decrease)	% Increase (Decrease)
Land	$ 2,500	$ 2,500	$ -	0.00%
Land Improvements	120,439	120,439	-	0.00%
Building & Building Improvements	4,402,202	4,378,457	23,745	0.54%
Equipment & Vehicles	130,730	297,576	(166,846)	-56.07%
Total Historical Costs	**4,655,871**	**4,798,972**	**(143,101)**	**-2.98%**
Total Accumulated Depreciation	(3,018,830)	(3,053,687)	34,857	-1.14%
Net Capital Assets	**$ 1,637,041**	**$ 1,745,285**	**$ (108,244)**	**-6.20%**

Long-Term Debt

The District has $180,000 of long-term debt outstanding. The District's liability for "Other Post Employment Benefits" (OPEB) at June 30, 2019 is reported at $137,337. The district has an additional $3,661 in compensated absences payable, and $193,040 in a pension related liability. The following table illustrates the changes and balances for all long-term liabilities.

Long Term Debt - Two Year Comparison

	Governmental Activities		Increase	% Increase
	2019	2018	(Decrease)	(Decrease)
Note payable	$ 180,000	$ 225,000	$ (45,000)	-20.00%
Compensated Absences	3,661	15,866	(12,205)	-76.93%
Other Postemployment Benefits	137,337	121,979	15,358	12.59%
Net Pension Liability	193,040	157,645	35,395	22.45%
Total Long Term Debt	**$ 514,038**	**$ 520,490**	**$ (6,452)**	**-1.24%**

FUTURE BUDGETARY IMPLICATIONS

Norwich residents have a long history of strong support for the education of their children and for providing sufficient resources for quality education. There is no indication of any change in this support. Nonetheless, funding for education is a matter of concern in view of a changing economy and state legislation. School policymakers constantly struggle with the challenges of operating the District's programs. With a state financing system that relies heavily on a statewide property tax, changing property values in Norwich when compared with values elsewhere will put upward pressure on tax obligations, regardless of the level of local spending on schools. Further, since the system is based on per pupil, rather than total, costs, flat or declining enrollments will also put upward pressure on tax rates. Further budgetary challenges will undoubtedly include increases in health insurance, necessary infrastructure upgrades including technology, tightening the building envelope and waste disposal. School administrators are constantly mindful of the financial impact of school budgets on taxpayers. The administration and school board are committed to continually looking for ways to contain cost increases and to keep budgets as low as possible, while at the same time not compromising services to students. Residents have shown patience in that they have not let taxation issues detract from their financial support of their schools.

Contacting School District's Financial Management

Questions regarding this report should be directed to Jay Badams, PhD, Superintendent of Schools or to Jamie Teague, Business Administrator, at (603)-643-6050 or by mail at:

Norwich School District
c/o School Administrative Unit #70
41 Lebanon Street, Suite 2
Hanover, New Hampshire 03755

BASIC FINANCIAL STATEMENTS

EXHIBIT A
NORWICH SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,918,248
Investments	23,728
Intergovernmental receivable	216,441
Prepaid items	5,220
Capital assets, not being depreciated	2,500
Capital assets, net of accumulated depreciation	1,634,541
Total assets	3,800,678
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	97,061
Amounts related to other postemployment benefits	2,937
Total deferred outflows of resources	99,998
LIABILITIES	
Accounts payable	34,517
Accrued salaries and benefits	233,476
Intergovernmental payable	7,638
Accrued interest payable	1,733
Noncurrent obligations:	
Due within one year	45,000
Due in more than one year	469,038
Total liabilities	791,402
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - donations	5,300
Unavailable revenue - student balances	192
Amounts related to pensions	5,549
Amounts related to other postemployment benefits	34,196
Total deferred inflows of resources	45,237
NET POSITION	
Net investment in capital assets	1,457,041
Unrestricted	1,606,996
Total net position	$ 3,064,037

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT B
NORWICH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:				
Instruction	$ 5,128,793	$ 877	$ 1,939,319	$ (3,188,597)
Support services:				
Student	200,328	-	-	(200,328)
Instructional staff	168,013	-	-	(168,013)
General administration	35,428	-	-	(35,428)
Executive administration	238,516	-	-	(238,516)
School administration	416,346	-	-	(416,346)
Operation and maintenance of plant	353,845	-	-	(353,845)
Student transportation	301,321	-	132,143	(169,178)
Noninstructional services	41,988	20,847	6,780	(14,361)
Interest on long-term debt	4,118	-	-	(4,118)
Facilities acquisition and construction	52,439	-	-	(52,439)
Intergovernmental transfers	6,644,872	-	-	(6,644,872)
Depreciation unallocated	134,423	-	-	(134,423)
Total governmental activities	$ 13,720,430	$ 21,724	$ 2,078,242	(11,620,464)
General revenues:				
Grants and contributions not restricted to specific programs				11,309,105
Interest				46,073
Miscellaneous				23,721
Total general revenues				11,378,899
Change in net position				(241,565)
Net position, beginning				3,305,602
Net position, ending				$ 3,064,037

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-1
NORWICH SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2019

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,808,899	$ -	$ 109,349	$ 1,918,248
Investments	23,728	-	-	23,728
Intergovernmental receivable	132,014	84,427	-	216,441
Interfund receivables	84,427	-	-	84,427
Prepaid items	5,220	-	-	5,220
Total assets	$ 2,054,288	$ 84,427	$ 109,349	$ 2,248,064
LIABILITIES				
Accounts payable	$ 12,621	$ -	$ 21,896	$ 34,517
Accrued salaries and benefits	233,476	-	-	233,476
Intergovernmental payable	7,638	-	-	7,638
Interfund payable	-	84,427	-	84,427
Total liabilities	253,735	84,427	21,896	360,058
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - donations	5,300	-	-	5,300
Unavailable revenue - student balances	-	-	192	192
Total deferred inflows of resources	5,300	-	192	5,492
FUND BALANCES				
Nonspendable	5,220	-	-	5,220
Restricted	-	-	27,617	27,617
Committed	1,298,739	-	59,644	1,358,383
Unassigned	491,294	-	-	491,294
Total fund balances	1,795,253	-	87,261	1,882,514
Total liabilities, deferred inflows of resources, and fund balances	$ 2,054,288	$ 84,427	$ 109,349	$ 2,248,064

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-2
NORWICH SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2019

Total fund balances of governmental funds (Exhibit C-1)		$ 1,882,514
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	$ 4,655,871	
Less accumulated depreciation	(3,018,830)	
		1,637,041
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	$ 97,061	
Deferred inflows of resources related to pensions	(5,549)	
Deferred outflows of resources related to OPEB	2,937	
Deferred inflows of resources related to OPEB	(34,196)	
		60,253
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	$ (84,427)	
Payables	84,427	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(1,733)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Note	$ 180,000	
Compensated absences	3,661	
Net pension liability	193,040	
Other postemployment benefits	137,337	
		(514,038)
Net position of governmental activities (Exhibit A)		$ 3,064,037

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-3
NORWICH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
Other local	$ 70,671	$ -	$ 52,904	$ 123,575
State	12,078,645	10,875	-	12,089,520
Federal	-	215,737	47,855	263,592
Total revenues	12,149,316	226,612	100,759	12,476,687
EXPENDITURES				
Current:				
Instruction	3,769,173	225,612	80,175	4,074,960
Support services:				
Student	200,328	-	-	200,328
Instructional staff	168,013	-	-	168,013
General administration	35,428	-	-	35,428
Executive administration	238,516	-	-	238,516
School administration	422,240	-	-	422,240
Operation and maintenance of plant	352,721	-	-	352,721
Student transportation	301,321	-	-	301,321
Noninstructional services	2,738	1,000	38,250	41,988
Debt service:				
Principal	45,000	-	-	45,000
Interest	4,551	-	-	4,551
Facilities acquisition and construction	76,184	-	-	76,184
Total expenditures	5,616,213	226,612	118,425	5,961,250
Excess (deficiency) of revenues over (under) expenditures	6,533,103	-	(17,666)	6,515,437
OTHER FINANCING SOURCES (USES)				
Transfers in	880	-	11,623	12,503
Transfers out	(11,623)	-	(880)	(12,503)
Intergovernmental transfers out	(6,644,872)	-	-	(6,644,872)
Total other financing sources (uses)	(6,655,615)	-	10,743	(6,644,872)
Net change in fund balances	(122,512)	-	(6,923)	(129,435)
Fund balances, beginning	1,917,765	-	94,184	2,011,949
Fund balances, ending	$ 1,795,253	$ -	$ 87,261	$ 1,882,514

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-4

NORWICH SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net change in fund balances of total governmental funds (Exhibit C-3)		$ (129,435)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	$ 46,487	
Depreciation expense	(154,731)	
		(108,244)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	$ (12,503)	
Transfers out	12,503	
		-
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of note		45,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	$ 433	
Decrease in compensated absences payable	12,205	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(26,880)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	(34,644)	
		(48,886)
Change in net position of governmental activities (Exhibit B)		$ (241,565)

EXHIBIT D

NORWICH SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Other local	$ 28,050	$ 28,050	$ 52,682	$ 24,632
State	12,065,384	12,065,384	12,078,645	13,261
Total revenues	12,093,434	12,093,434	12,131,327	37,893
EXPENDITURES				
Current:				
Instruction	3,982,690	3,982,690	3,765,300	217,390
Support services:				
Student	197,949	197,949	200,128	(2,179)
Instructional staff	189,139	189,139	168,013	21,126
General administration	29,375	29,375	34,228	(4,853)
Executive administration	238,516	238,516	238,516	-
School administration	400,325	400,325	422,240	(21,915)
Operation and maintenance of plant	357,420	358,020	352,713	5,307
Student transportation	286,106	286,106	301,321	(15,215)
Debt service:				
Principal	45,000	45,000	45,000	-
Interest	4,114	4,114	4,551	(437)
Facilities acquisition and construction	31,800	31,200	74,184	(42,984)
Noninstructional	1,800	1,800	2,738	(938)
Total expenditures	5,764,234	5,764,234	5,608,932	155,302
Excess of revenues over expenditures	6,329,200	6,329,200	6,522,395	193,195
OTHER FINANCING SOURCES (USES)				
Transfers in	230,452	230,452	231,332	880
Transfers out	(12,000)	(12,000)	(11,623)	377
Intergovernmental transfers out	(6,705,670)	(6,705,670)	(6,644,872)	60,798
Total other financing sources (uses)	(6,487,218)	(6,487,218)	(6,425,163)	62,055
Net change in fund balance	$ (158,018)	$ (158,018)	97,232	$255,250
Increase in nonspendable fund balance			(3,421)	
Unassigned fund balance, beginning			397,483	
Unassigned fund balance, ending			$ 491,294	

The notes to the basic financial statements are an integral part of this statement.

NORWICH SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

DETAILED NOTES ON ALL FUNDS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Norwich School District, in Hanover, New Hampshire (the School District), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1-A Reporting Entity

The Norwich School District is a municipal corporation governed by an elected 5-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

The following is a summary of the more significant accounting policies:

1-B Government-wide and Fund Financial Statements

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government. Generally, the effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported through assessments and intergovernmental revenues.

The *Statement of Net Position* presents the financial position of the School District at year-end. This Statement includes all of the School District's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Assessments and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Fund Financial Statements – Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds, and are presented in the other governmental column of the fund financial statements.

In the governmental fund financial statements, expenditures are reported by character: current, debt service or facilities acquisition and construction. Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Debt service includes both interest and principal outlays related to notes. Capital outlay includes expenditures for equipment, real property, or infrastructure.

Other Financing Sources (Uses) – These additions to and reductions from resources in governmental fund financial statements normally result from transfers from/to other funds. Transfers are reported when incurred as "transfers in" by the receiving fund and as "transfers out" by the disbursing fund.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus and Basis of Accounting – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. District assessments, intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Financial Statement Presentation – A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The School District reports the following major governmental funds:

> **General Fund** – is the School District's primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include district assessments, state and federal grants, and other local sources. The primary expenditures are for instruction, support services, debt service, and facilities acquisition and construction. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the expendable trust funds are consolidated in the general fund.
>
> **Grants Fund** – accounts for the resources received from various federal and state agencies. The resources are restricted to accomplishing the various objectives of the grantor agencies.

Nonmajor Funds – The School District also reports four nonmajor governmental funds.

1-D Cash and Cash Equivalents

The School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

1-E Investments

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the School District.

Fair Value Measurement of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using the net asset value (NAV) as a practical expedient to estimate fair value, the School District categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

> **Level 1** – Inputs that reflect quoted prices (unadjusted) in active markets for identical assets and liabilities that the School District has the ability to access at the measurement date. The School District's certificates of deposit would be examples of Level 1 investments.
>
> **Level 2** – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2.
>
> **Level 3** – Unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative financial instruments.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level of the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the School District and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified as Level 1. Corporate fixed income securities and certain government securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair value for shares in registered mutual funds and exchange traded funds are based on published share prices and classified in Level 1.

1-F Receivables

Receivables in the government-wide and governmental fund financial statements represent amounts due to the School District at June 30, recorded as revenue, which will be collected in the future and consist primarily of accounts and intergovernmental receivables.

1-G Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

1-H Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The School District has established a threshold of $5,000 or more and an estimated useful life in excess of one year for capitalization of depreciable assets.

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

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the School District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

In the government-wide financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

Capital assets of the School District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Class:	Years
Land improvements	20-40
Buildings and building improvements	20-40
Equipment and vehicles	5

1-I Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2019.

1-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

1-L Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

1-M Compensated Absences

General leave for the School District includes vacation stipend pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

1-N Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by the Vermont Municipal Employees' Retirement System and Vermont State Teachers' Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

1-O Postemployment Benefits Other Than Pensions (OPEB)

The School District maintains two separate other postemployment benefit plans, as follows:

Vermont State Teachers' Retirement System Plan (VSTRS) – The School District is a member of VSTRS, a cost-sharing multiple employer OPEB plan with a special funding situation as defined in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The State of Vermont is the sole contributor to the plan, and is considered a nonemployer contributing entity. Employer contributions are required by statute to be made by the State on behalf of member employers. Since the School District does not contribute directly to VSTRS, there is no net OPEB liability, deferred inflows of resources, or deferred outflows of resources to report in the School District's financial statements. The School District does disclose their portion of the State's total proportionate share of the collective net OPEB liability, deferred outflows of resources, and deferred inflows of resources as noted in Note 11-A. The School District recognizes pension expense and revenue equal to the amount of the State's total proportionate share of the collective OPEB expense associated with the School District.

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the School District's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-P Net Position/Fund Balances

Government-wide statements – Equity is classified as net position and displayed in two components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of notes attributable to the acquisition, construction, or improvement of those assets.

Unrestricted Net Position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (School District Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the Board delegating this responsibility to the Superintendent and Business Administrator through the budgetary process.

Unassigned – The portion of fund balance that has not been restricted, committed, or assigned for a specific purpose.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

1-Q Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing the collectability of accounts receivable, recoverability of inventory, and the useful lives of capital assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District's operations. At its annual meeting, the School District adopts a budget for the current year for the general fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2019, $158,018 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the School District reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual is presented for each major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	$ 12,362,659
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Revenue related to the blended expendable trust funds	17,989
To remove transfer from blended expendable trust fund to the general fund	(230,452)
Per Exhibit C-3 (GAAP Basis)	$ 12,150,196
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	$ 12,265,427
Adjustments:	
Basis difference:	
Encumbrances, beginning	7,281
Per Exhibit C-3 (GAAP basis)	$ 12,272,708

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first $250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over $250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was $1,918,248 and the bank balances totaled $2,066,739. Petty cash totaled $400.

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the School District funds. The School District holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the School District's mission, the School District determines that the disclosures related to these investments only need to be disaggregated by major type. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The School District's investment balance of $23,728 is entirely invested in certificates of deposits with five-year maturity dates. These certificates of deposit are considered Level 1 inputs.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019, consisted of accounts and intergovernmental amounts arising from tuition, grants, and school lunch program. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 consisted of the following:

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	$ 2,500	$ -	$ -	$ 2,500
Being depreciated:				
Land improvements	120,439	-	-	120,439
Buildings and building improvements	4,378,457	23,745	-	4,402,202
Equipment and vehicles	297,576	22,742	(189,588)	130,730
Total capital assets being depreciated	4,796,472	46,487	(189,588)	4,653,371
Total capital assets	4,798,972	46,487	(189,588)	4,655,871
Less accumulated depreciation:				
Land improvements	(88,842)	(2,415)	-	(91,257)
Buildings and building improvements	(2,712,393)	(127,796)	-	(2,840,189)
Equipment and vehicles	(252,452)	(24,520)	189,588	(87,384)
Total accumulated depreciation	(3,053,687)	(154,731)	189,588	(3,018,830)
Net book value, capital assets being depreciated	1,742,785	(108,244)	-	1,634,541
Net book value, all capital assets	$ 1,745,285	$ (108,244)	$ -	$ 1,637,041

Depreciation expense was charged to functions of the School District based on their usage of the related assets. The amounts allocated to each function are as follows:

Instruction	$ 20,308
Unallocated	134,423
Total depreciation expense	$ 154,731

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	$ 84,427

Interfund transfers during the year ended June 30, 2019 are as follows:

	Transfers In:		
	General Fund	Nonmajor Fund	Total
Transfers out:			
General fund	$ -	$11,623	$ 11,623
Nonmajor fund	880	-	880
Total	$ 880	$11,623	$ 12,503

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2019 are as follows:

	Governmenta Activities
Amounts related to pensions, see Note 10	$ 97,061
Amounts related to OPEB, see Note 11	2,937
Total deferred inflows of resources	$ 99,998

Deferred inflows of resources at June 30, 2019 are as follows:

	Governmental Activities	General Fund	Nonmajor Governmental Funds
Donations collected in advance of eligible expenditures being made	$ 5,300	$5,300	$ -
Student lunch fees collected in advance	192	-	192
Amounts related to pensions, see Note 10	5,549	-	-
Amounts related to OPEB, see Note 11	34,196	-	-
Total deferred inflows of resources	$ 45,237	$5,300	$ 192

NOTE 9 – LONG-TERM LIABILITIES

Changes in the School District's long-term liabilities consisted of the following for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Note payable	$ 225,000	$ -	$ (45,000)	$ 180,000	$ 45,000
Compensated absences	15,866	-	(12,205)	3,661	-
Pension related liability	157,645	35,395	-	193,040	-
Net other postemployment benefits	121,979	15,358	-	137,337	-
Total long-term liabilities	$ 520,490	$ 50,753	$ (57,205)	$ 514,038	$ 45,000

The long-term note is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2019
Note payable:					
HVAC Project	$ 270,000	2017	2023	2.15%	$ 180,000

The annual requirements to amortize all the note outstanding as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 45,000	$ 3,626	$ 48,626
2021	45,000	2,667	47,667
2022	45,000	1,691	46,691
2023	45,000	724	45,724
Totals	$ 180,000	$ 8,708	$ 188,708

All debt is general obligation debt of the School District, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

10-A Vermont Municipal Employees' Retirement System (VMERS)

Plan Description – The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal 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 an 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. The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125. The general administration and responsibility for formulating administrative policy and procedures of VMERS 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 elected 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 Board Association. The System issues a publicly available financial report that may be obtained by writing the Vermont State Treasurer's Office, 133 State Street, Montpelier, VT 05633.

Benefits Provided – The Pension Plan is divided into four membership groups:

- Group A – general employees whose legislative bodies have not elected to become a member of Group B or Group C.
- Group B & C – general employees who legislative bodies have elected to become members of Group B or Group C.
- Group D – sworn police officers, firefighters and emergency medical personnel.

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, and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal Retirement (no reduction)	Age 65 with 5 years of service, or age 55 with 35 years of service	Age 62 with 5 years of service, or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years

(Continued)

Benefits provided continued:

VMERS	Group A	Group B	Group C	Group D
Benefit Formula	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service: 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service: 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service: 1.4% x Group A service x AFC; 1.7% x Group B service x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 62**	6% per year from age 65**	N/A	No reduction

Contributions: Contribution requirements for the Vermont Municipal Employees' Retirement System – Group A were 2.5% of gross salaries for employees and 4.0% from the School District (no state contribution). Employer contributions for the plan were $27,572 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the School District reported a liability of $193,040 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2018, the School District's proportion was 0.1372% which was an increase of 0.0071% in its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized pension expense of $54,352. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 8,971	$ 2,462
Net difference between projected and actual investment earnings on pension plan investments	22,373	-
Changes in assumptions	21,377	-
Differences between expected and actual experience	16,768	3,087
Contributions subsequent to the measurement date	27,572	-
Total	$ 97,061	$ 5,549

The $27,572 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2019	$ 36,396
2020	15,844
2021	5,964
2022	5,734
2023-2027	-
Thereafter	-
Totals	$ 63,938

***Actuarial Assumptions*:** The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 with update procedures used to roll forward the total pension liability to June 30, 2018.

Long–term Rates 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 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.

Asset Class	Target Asset Allocation	Long-term expected real rate of return
US Equity	18.00%	6.10%
Non-US Equity	16.00%	7.45%
Global Equity	9.00%	6.74%
Fixed Income	26.00%	2.25%
Real Estate	8.00%	5.11%
Private Markets	15.00%	7.60%
Hedge Funds	8.00%	3.86%
Total	100.00%	

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Vermont Municipal Employees' Retirement System. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 68.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
June 30, 2018	$ 326,966	$ 193,040	$ 84,121

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Vermont Municipal Employees' Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

10-B Vermont State Teachers' Retirement System (VSTRS)

Plan Description – The Vermont State Teachers' Retirement System (VSTRS) is a cost-sharing, multi-employer defined benefit plan with a special funding situation. It covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered in classes is a condition of employment. The plan was created in 1947, and is governed by Title 16, V.S.A. Chapter 55. Management of the plan is vested in the VSTRS Board of Trustees, which consists of the Secretary of Education (ex-officio); the State Treasurer (ex-officio); the Commissioner of Financial Regulation (ex-officio); two trustees and one alternate who are members of the system (each elected by the system under rules adopted by the Board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

Benefits Provided – The Pension Plan is divided into the following membership groups:

- Group A – for public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A.
- Groups C – for public school teachers employed within the State of Vermont on or after July 1, 1990, or hired before July 1, 1990 and were a member of Group B at that time.

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, and are summarized below:

VSTRS	Group A	Group C - Group #1*	Group C - Group #2++
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave, and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula - normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 6/30/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 6/30/90 X AFC + 1.67% x service after 7/1/90 x AFC after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement, minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5; minimum of 1% after 12 months of normal retirement age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction

(Continued)

Benefits provided continued:

VSTRS	Group A	Group C - Group #1*	Group C - Group #2++
Disability Benefit	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC
Death-in-Service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

*Group #1 are members who were within 5 years of normal retirement (age 62 or 30 years of service) on June 30, 2010.

++ Group #2 are members who were less than 57 years of age or had less than 25 years of service on June 30, 2010.

Members of all groups may quality for vested deferred allowance, disability allowances, and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC and service

Contributions: Contribution requirements for the Vermont Teachers' Retirement System were 5.0% of gross salary from employees only (no employer contribution; state contributes 100% of employer portion based on actuarial recommendation) with the State contributing $417,908 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. For the year ended June 30, 2019, the School District recorded pension expense of $833,172, which has also been recognized as both a pension expense and intergovernmental revenue on the Statement of Activities. At June 30, 2018, the School District's proportion was 0.3787% which was an increase of 0.0048% in its proportion measured as of June 30, 2017.

At June 30, 2019, the School District disclosed a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the School District. The State's portion of the collective net pension liability that was associated with the District was $5,721,033.

At June 30, 2019, the School District disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 52,959	$ 65,122
Net difference between projected and actual investment earnings on pension plan investments	179,531	-
Changes in assumptions	351,905	100,444
Differences between expected and actual experience	196,039	-
Total	$ 780,434	$ 165,566

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

Fiscal Year Ending June 30,	
2019	$ 322,045
2020	282,275
2021	7,796
2022	2,753
2023-2027	-
Thereafter	-
Totals	$ 614,869

Actuarial Assumptions: The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 with update procedures used to roll forward the total pension liability to June 30, 2018.

Long–term Rates 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 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.

Asset Class	Target Asset Allocation	Long-term expected real rate of return
US Equity	18.00%	6.10%
Non-US Equity	16.00%	7.45%
Global Equity	9.00%	6.74%
Fixed Income	26.00%	2.25%
Real Estate	8.00%	5.11%
Private Markets	15.00%	7.60%
Hedge Funds	8.00%	3.86%
Total	100.00%	

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Vermont State Teachers' Retirement System. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 68.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
June 30, 2018	$ 6,908,449	$ 5,721,033	$ 4,532,397

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Vermont State Teachers' Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

At June 30, 2019, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the School District. The amount recognized by the School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$ 193,040
State's proportionate share of the net pension liability associated with the School District	5,721,033
Total	$ 5,914,073

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

11-A Vermont State Teachers' Retirement System (VSTRS)

Plan Description - The Vermont State Teachers' Retirement System (VSTRS) is a cost-sharing, multiple-employer postemployment benefit (OPEB) plan with a special funding situation (the Plan). The Plan provides postemployment benefits to eligible VSTRS employees who retire from the System.

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2018, the plan consisted of 225 participating employers.

Vermont Statute Title 16 Chapter 55 assigns the authority to VSTRS to establish and amend the benefits provisions of the Plan and to establish maximum obligations of the Plan members to contribute to the Plan. Management of the Plan is vested in the Vermont State Teachers' Retirement System Board of Trustees, which consists of the Secretary of Education (es-officio); the State Treasurer (ex-officio); the Commissioner of Financial Regulation (ex-officio); two trustees and one alternate who are members of the system (each elected by the system under rules adopted by the Board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

All assets of the Plan are held in a single trust and are available to pay OPEB benefits to all members.

VSTRS does not issue stand-alone financial reports but are instead included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed at the State's Department of Finance and Management website at: http://finance.vermont.gov/reports-and-publications/cafr.

Summary of Plan:

Eligibility

VSTRS retirees and their spouses are eligible for health coverage if the retiree is eligible for pension benefits. Pension eligibility requirements are below:

Group A - Public school teachers employed within the State of Vermont prior to July 1,1981 and elected to remain in Group A

- Retirement: Attainment of 30 years of creditable service, or age 55

Group C - Public school teachers employed within the State of Vermont on or after July 1,1990. Teachers hired before July 1,1990 and were Group B members in service on July 1,1990 are now Group C members. Grandfathered participants are Group C members who were within five years of normal retirement eligibility as defined prior to July 1,2010.

- Retirement Group C Grandfathered: Attainment of age 62, or 30 years creditable service, or age 55 with 5 years of creditable service.
- Retirement Group C Non-grandfathered: Attainment of age 65, or age plus creditable service equal to 90, or age 55 with 5 years of creditable service.

Vesting and Disability	5 years of creditable service. Participants who terminate with 5 years of service under the age of 55 may elect coverage upon receiving pension benefits.
Benefit Types	Medical and prescription drug. Retirees pay the full cost for dental benefits.
Duration of Coverage	Lifetime
Spousal Benefits	Same benefits as for retirees.
Spousal Coverage	Lifetime

Retiree Contributions:

Retired before June 30, 2010 - Retirees with at least 10 years of service pay premium costs in excess of an 80% VSTRS subsidy. Retirees with less than 10 years of service do not receive any premium subsidy. Spouses do not receive any premium subsidy, regardless of the retiree's service.

Retired after June 30, 2010 - Retirees pay premium costs in excess of the following VSTRS subsidy, based on service:

Retiree Subsidy Level	Subsidy
Years of service at June 30, 2010:	
10 years or more	80.00%
Less than 10 years	
Less than 15 years at retirement	0.00%
15-19.99 years at retirement	60.00%
20-24.99 years at retirement	70.00%
25 or more years at retirement	80.00%

Spouses of retirees can receive an 80% subsidy, if they meet the following requirements:

Spouse Coverage with 80% Subsidy	
Years of service at June 30, 2010:	Required years of serviced at retirement:
Less than 10 years	25 years of service at retirement
Between 10 and 14.99 years	25 years of service at retirement
Between 15 and 24.99 years	10 additional years from June 30, 2010
Between 25 and 29.99 years	35 years of service at retirement
30 or more years	5 additional years from June 30, 2010

Spouses of retirees who do not meet the above requirements for an 80% subsidy can receive unsubsidized coverage.

Premium Reduction Option - Participants retiring on or after January 1, 2007 with a VSTRS premium subsidy have a one-time option to reduce the VSTRS subsidy percentage during the retiree's life so that a surviving spouse may continue to receive the same VSTRS subsidy for the spouse's lifetime. If the retiree elects the joint and survivor pension option but not the Premium Reduction Option, spouses are covered for the spouse's lifetime but pay 100% of the plan premium after the retiree's death.

***Contributions*:** The State of Vermont, as a non-employer contributing entity makes 100% of the contributions to the VSTRS, there are no employee or employer contributions. Contributions are actuarially determined, but the State has elected to appropriate State contributions to fund current year retiree health expenses on a pay-as-you-go basis.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2019, the School District disclosed a liability of $3,004,951 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. For the year ended June 30, 2019, the School District recorded OPEB expense of $169,006, which has been recognized as both an OPEB expense and intergovernmental revenue on the Statement of Activities.

At June 30, 2018, the School District disclosed deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 25,726	$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	8,522
Changes in assumptions	-	178,069
Differences between expected and actual experience	103,356	-
Total	$ 129,082	$ 186,591

Amounts disclosed as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Fiscal Year Ending June 30,	
2019	$ (22,097)
2020	(22,097)
2021	(11,115)
2022	(2,200)
2023-2027	-
Thereafter	-
Totals	$ (57,509)

Actuarial Assumptions The total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 with update procedures used to roll forward the total pension liability to June 30, 2018.

The Total OPEB Liability used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate — 3.87% based on the 20-year Bond Buyer GO index at June 30, 2018.

Salary Increase Rate — Varies by age. Representative values of the assumed annual rates of future salary increases are as follows:

Service	Annual Rate of Salary Increase (%)
25	7.78%
30	6.47%
35	5.60%
40	4.92%
45	4.43%
50	4.09%
55	3.85%
60	3.75%

Inflation — 2.75%

Healthcare Cost Trend Rates — Non-Medicare - 7.15% graded to 4.50% over 12 years
Medicare - 7.15% graded to 4.50% over 11 years

Retiree Contributions	Equal to health trend
Pre-retirement Mortality	98% of RP-2006 White Collar Employee with generational projection using Scale SSA-2017
Post-retirement Mortality	98% of RP-2006 With Collar Annuitant with generational projection using Scale SSA-2017
Disabled Mortality	RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017
Actuarial Cost Method	Entry-Age Normal, Level Percentage of Pay
Asset Valuation Method	Market Value
Measurement Date	June 30, 2018
Actuarial Valuation Date	June 30, 2017

Per Capita Cost Development:

Medical and Prescription Drug - Per capita claims costs were based on claims for the period July 1,2015 through June 30, 2018. Claims were separated by non-Medicare and Medicare retirees, and by medical and prescription drug. Claims were separated by plan year, then adjusted as follows:

- Total claims were divided by the number of adult members to yield a per capita claim,
- The per capita claim was trended to the midpoint of the valuation year at assumed trend rates, and
- The per capita claim was adjusted for the effect of any plan changes.

Per capita claims for each plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Administrative Expenses - Per capita claims costs were based on claims for the period July 1,2015 through June 30, 2018. Claims were separated by plan year, then adjusted as described above to yield a combined weighted average per capita claims cost.

Per Capita Health Costs: Medical and prescription drug claims for the year beginning July 1, 2018 are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

	Medical				Prescription Drugs			
	Retiree		Spouse		Retiree		Spouse	
Age	Male	Female	Male	Female	Male	Female	Male	Female
50	$ 8,206	$ 9,347	$ 5,732	$ 7,505	$ 1,562	$ 1,780	$ 1,091	$ 1,429
55	9,745	10,061	7,670	8,687	1,855	1,916	1,460	1,654
60	11,573	10,845	10,268	10,075	2,204	2,065	1,955	1,918
64	13,278	11,505	12,962	11,340	2,528	2,190	2,468	2,159
65	1,491	1,267	1,491	1,267	2,060	1,751	2,060	1,751
70	1,728	1,366	1,728	1,366	2,388	1,887	2,388	1,887
75	1,862	1,470	1,862	1,470	2,573	2,031	2,573	2,031

Administrative Expenses: An annual administrative expense of $558 per participant with health and welfare coverage increasing at 3.0% per year was added to projected incurred claim costs in developing the benefit obligations.

Health Care Cost Trend Rates: Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are "net" and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year's cost to yield the next year's projected cost.

Year Ending June 30,	Health Costs
2018	7.150%
2019	6.925%
2020	6.700%
2021	6.475%
2022	6.250%
2023	6.025%
2024	5.800%
2025	5.575%
2026	5.350%
2027	5.125%
2028	4.900%
2029	4.675%
2030+	4.500%

The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using the data sources such as the 2019 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P and Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

Retiree Contribution Increase Rate: Retiree contributions were assumed to increase with health trends. Retiree contribution rates were based on 2018 premiums. Plan premiums were weighted by actual retiree and dependent enrollment, separately for non-Medicare and Medicare.

Health Care Reform Assumption: The Plan is assumed to be in compliance with the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 as of the valuation date. The valuation includes the projected effect of the Act's provision which imposes an excise tax on high cost employer-sponsored health coverage beginning in 2022. The excise tax limit is assumed to increase by 2.5% each year after 2018.

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

Asset Class	Target Asset Allocation	Long-term expected real rate of return
Large cap equity	20.00%	5.92%
International equity	15.00%	6.71%
Emerging international equity	5.00%	9.70%
Core bonds	60.00%	1.38%
Total	100.00%	

Discount Rate – The projection of cash flow used to determine the discount rate assumed by the plan's contributions would be made at rates equal to the projected benefit payments for the upcoming year. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be exhausted within the first year Therefore, the long-term bond rate expected rate of return of 3.87% on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The 3.87% is based on the 20-year Bond Buyer GO index at June 30, 2018. The discount rate used in the prior year was 3.58%.

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The June 30, 2017 actuarial valuation was prepared using a discount rate of 3.87%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to $2,615,138 or by (12.97%). If the discount rate were 1% lower than what was used the OPEB liability would increase to $3,484,489 or by 15.96%.

Discount Rate Actuarial Valuation Date	1% Decrease 2.87%	Current Single Rate Assumption 3.87%	1% Increase 4.87%
June 30, 2018	$3,484,489	$ 3,004,951	$2,615,138

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The June 30, 2017 actuarial valuation was prepared using an initial trend rate of 7.15%. If the trend rate were 1% higher than what was used the OPEB liability would increase to $3,580,274 or by 19.15%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to $2,553,993 or by (15.01%).

Actuarial Valuation Date	1% Decrease	Health Cost Trend Rate	1% Increase
June 30, 2018	$2,553,993	$ 3,004,951	$3,580,274

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Vermont State Teachers' Retirement System Actuarial Valuation and Review of Other Postemployment Benefits Report.

11-B Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided – The School District provides postemployment healthcare benefits for certain eligible retirees. The School District provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At July 1, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	235
Total participants covered by OPEB plan (SAU No. 70 wide)	242

Total OPEB Liability – The School District's total OPEB liability of $137,337 was measured as of June 30, 2019, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability of $137,337 in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.87%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Second Year Trend	7.00%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2029
Salary Increases:	3.25%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of July 1, 2017.

Mortality rates were based on the RP-2000 Combined Health Participant Table Projected 10 years using Projection Scale AA.

Changes in the Total OPEB Liability

	June 30,	
	2018	2019
Total OPEB liability beginning of year	$ 128,217	$ 121,979
Changes for the year:		
Service cost	7,231	7,733
Interest	4,768	5,685
Assumption changes and difference between actual and expected expererience	(13,684)	5,352
Benefit payments	(4,553)	(3,412)
Total OPEB liability end of year	$ 121,979	$ 137,337

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The July 1, 2018 actuarial valuation was prepared using a discount rate of 3.51%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to $127,856 or by (6.90%). If the discount rate were 1% lower than what was used the OPEB liability would increase to $147,395 or by 7.32%.

	Discount Rate		
	1% Decrease	Baseline 3.51%	1% Increase
Total OPEB Liability	$ 147,395	$ 137,337	$ 127,856

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2018 actuarial valuation was prepared using an initial trend rate of 7.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to $150,868 or by 9.85%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to $125,473 or by (8.64%).

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.50%	1% Increase
Total OPEB Liability	$ 125,473	$ 137,337	$ 150,868

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2019, the School District recognized OPEB expense of $9,875. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 2,762	$ 2,508
Differences between expected and actual experience	175	31,688
Total	$ 2,937	$ 34,196

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

Fiscal Year Ending June 30,	
2020	$ (5,490)
2021	(5,490)
2022	(5,490)
2023	(5,490)
2024	(5,490)
Thereafter	(3,809)
Totals	$ (31,259)

NOTE 12 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at June 30, 2019 include the following:

Net investment in capital assets:	
Net book value of all capital assets	$1,637,041
Less:	
Note payable	(180,000)
Total net investment in capital assets	1,457,041
Unrestricted	1,606,996
Total net position	$3,064,037

None of the net position is restricted by enabling legislation.

NOTE 13 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2019 consist of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid	$ 5,220	$ -	$ 5,220
Restricted:			
Medicaid	-	27,617	27,617

(Continued)

Governmental fund balances continued:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed:			
Expendable trust	1,298,739	-	1,298,739
Special gifts	-	59,644	59,644
Total committed fund balance	1,298,739	59,644	1,358,383
Unassigned	491,294	-	491,294
Total governmental fund balances	$ 1,795,253	$ 87,261	$ 1,882,514

NOTE 14 – CONTINGENT LIABILITIES

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the School District believes such disallowances, if any, will be immaterial.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through March 4, 2020, the date the June 30, 2019 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
NORWICH SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
Vermont Municipal Employees' Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2019

	June 30,					
	2014	2015	2016	2017	2018	2019
School District's:						
Proportion of the net pension liability	0.1481%	0.1481%	0.1242%	0.1181%	0.1310%	0.1372%
Proportionate share of the net pension liability	$ 53,933	$ 13,514	$ 95,766	$ 151,943	$ 157,645	$ 193,040
Covered payroll	$ 444,545	$ 477,514	$ 434,100	$ 448,600	$ 531,225	$ 600,900
Proportionate share of the net pension liability as a percentage of its covered payroll	12.13%	2.83%	22.06%	33.87%	29.68%	32.13%
Plan fiduciary net position as a percentage of the total pension liability	92.71%	98.32%	87.42%	80.95%	83.64%	82.60%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

EXHIBIT F
NORWICH SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
Vermont Municipal Employees' Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2019

	June 30,					
	2014	2015	2016	2017	2018	2019
Contractually required contribution	$ 17,782	$ 19,101	$ 17,364	$ 17,944	$ 21,249	$ 24,036
Contributions in relation to the contractually required contributions	17,782	19,101	17,364	17,944	21,249	24,036
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$444,545	$477,514	$434,100	$448,600	$531,225	$600,900
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

EXHIBIT G
NORWICH SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
Vermont State Teachers' Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2019

	June 30,					
	2014	2015	2016	2017	2018	2019
School District's proportion of the net pension liability	0.3743%	0.3527%	0.3966%	0.3726%	0.3739%	0.3787%
State of Vermont's proportionate share of the net pension liability	$3,784,217	$3,380,090	$4,705,506	$4,878,768	$5,542,108	$5,721,033
School District's covered payroll	$2,109,652	$1,999,116	$2,211,790	$2,413,439	$2,470,483	$2,560,140
State of Vermont's proportionate share of the net pension liability as a percentage of School District covered payroll	179.38%	169.08%	212.75%	202.15%	224.33%	223.47%
Plan fiduciary net position as a percentage of the total pension liability	60.59%	64.02%	58.22%	55.31%	53.98%	54.81%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

EXHIBIT H
NORWICH SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
Vermont State Teachers' Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2019

	June 30,					
	2014	2015	2016	2017	2018	2019
Contractually required contribution	$ 178,477	$ 181,410	$ 289,146	$ 272,808	$ 294,092	$ 417,908
Contributions in relation to the contractually required contributions	178,477	181,410	289,146	272,808	294,092	417,908
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$2,109,652	$1,999,116	$2,211,790	$2,413,439	$2,470,483	$2,560,140
Contributions as a percentage of covered payroll	8.46%	9.07%	13.07%	11.30%	11.90%	16.32%

The Note to the Required Supplementary Information -- Pension Liability is an integral part of this schedule.

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Schedule of the School District's Proportionate Share of Net Pension Liability and Schedule of School District Contributions – Pensions

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits E, F, G, and H represent the actuarial determined costs associated with the School District's pension plan at June 30, 2019. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

There were no changes to benefit terms or assumptions in the current actuarial valuation report.

VMERS: Methods and Assumptions

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	21 years beginning July 1, 2017 (30 years beginning July 1, 2008)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.50% per year
Wage Inflation	1.15% per year
Salary Increases	5.00% per year
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.50% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Various RP-2006 generational mortality table for males and females, adjusted for mortality improvements using Scale SSA-2017, based in the last experience study.

VSTRS: Methods and Assumptions

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	21 years beginning July 1, 2017 (30 years beginning July 1, 2008)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.50% per year
Wage Inflation	2.55% per year
Salary Increases	Varies by age
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.50% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Various RP-2006 generational mortality table for males and females, adjusted for mortality improvements using Scale SSA-2017, based in the last experience study.

EXHIBIT I
NORWICH SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
Vermont State Teachers' Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2019

	June 30,	
	2018	2019
School District's proportion of the net OPEB liability	0.31141%	0.31489%
State of Vermont's proportionate share of the net OPEB liability (asset)	$ 2,903,200	$ 3,004,951
School District's covered payroll	$ 1,826,080	$ 1,912,499
State of Vermont's proportionate share of the net OPEB liability (asset) as a percentage of School District covered payroll	158.99%	157.12%
Plan fiduciary net position as a percentage of the total OPEB liability	(2.94)%	(2.85)%

The Notes to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

EXHIBIT J
NORWICH SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
Vermont State Teachers' Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2019

	June 30,	
	2018	2019
Contractually required contribution	$ - *	$ - *
Contributions in relation to the contractually required contribution	- *	- *
Contribution deficiency (excess)	$ -	$ -
School District's covered payroll	$1,826,080	$1,912,499
Contributions as a percentage of covered payroll	0.00%	0.00%

*State of Vermont has elected to appropriate State contributions to fund current year retiree health expenses on a pay-as-you-go basis, rather than funding existing liability.

The Notes to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

EXHIBIT K
NORWICH SCHOOL DISTRICT
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2019

	June 30, 2018	June 30, 2019
OPEB liability, beginning of year	$ 128,217	$ 121,979
Changes for the year:		
Service cost	7,231	7,733
Interest	4,768	5,685
Assumption changes and difference between actual and expected experience	(13,684)	5,352
Benefit payments	(4,553)	(3,412)
OPEB liability, end of year	$ 121,979	$ 137,337
Covered payroll	$ 410,422	$ 489,338
Total OPEB liability as a percentage of covered payroll	29.72%	28.07%

The Notes to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

NORWICH SCHOOL DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of School District Contributions – Other Postemployment Benefits

As required by GASB Statement No. 75, Exhibits I and J represent the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2019. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

There were no changes to benefit terms or assumptions in the current actuarial valuation report.

VSTRS: Methods and Assumptions

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	29 years beginning July 1, 2019 (30 years beginning July 1, 2018)
Asset Valuation Method	Market value
Price Inflation	2.75% per year
Wage Inflation	2.75% per year
Salary Increases	Varies by age
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.50% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Various RP-2006 generational mortality table for males and females, adjusted for mortality improvements using Scale SSA-2017, based in the last experience study.

Schedule of Changes in School District's Total Other Postemployment Benefits Liability and Related Ratios

As required by GASB Statement No. 75, Exhibit K represents the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2019. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1

NORWICH SCHOOL DISTRICT

Major General Fund

Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended June 30, 2019

	Estimated	Actual	Variance Positive (Negative)
Local sources:			
Tuition	$ -	$ 877	$ 877
Investment earnings	14,000	28,084	14,084
Miscellaneous	14,050	23,721	9,671
Total from other local sources	28,050	52,682	24,632
State sources:			
Educational spending fund	11,031,427	11,011,491	(19,936)
Transportation	118,555	132,143	13,588
Block grant	265,557	265,557	-
Vocational aid	32,126	32,126	-
Essential early education	39,482	39,482	-
Extraordinary reimbursement	44,820	29,029	(15,791)
Special education reimbursement	533,417	553,617	20,200
State placed student - special reimbursement	-	15,200	15,200
Total from state sources	12,065,384	12,078,645	13,261
Other financing sources:			
Transfers in	230,452	231,332	880
Total revenues and other financing sources	12,323,886	$ 12,362,659	$ 38,773
Use of fund balance to reduce school district assessment	158,018		
Total revenues, other financing sources, and use of fund balance	$ 12,481,904		

SCHEDULE 2

NORWICH SCHOOL DISTRICT

Major General Fund

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended June 30, 2019

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
Instruction:				
Regular programs	$ 3,873	$ 2,641,632	$ 2,644,513	$ 992
Special programs	-	1,341,058	1,124,660	216,398
Total instruction	3,873	3,982,690	3,769,173	217,390
Support services:				
Student	200	197,949	200,328	(2,179)
Instructional staff	-	189,139	168,013	21,126
General administration	1,200	29,375	35,428	(4,853)
Executive administration	-	238,516	238,516	-
School administration	-	400,325	422,240	(21,915)
Operation and maintenance of plant	8	358,020	352,721	5,307
Student transportation	-	286,106	301,321	(15,215)
Total support services	1,408	1,699,430	1,718,567	(17,729)
Debt service:				
Principal of long-term debt	-	45,000	45,000	-
Interest on long-term debt	-	4,114	4,551	(437)
Total debt service	-	49,114	49,551	(437)
Facilities acquisition and construction	2,000	31,200	76,184	(42,984)
Noninstructional	-	1,800	2,738	(938)
Other financing uses:				
Transfers out	-	12,000	11,623	377
Intergovernmental transfers out	-	6,705,670	6,644,872	60,798
Total other financing uses	-	6,717,670	6,656,495	61,175
Total appropriations, expenditures, other financing uses, and encumbrances	$ 7,281	$ 12,481,904	$ 12,272,708	$ 216,477

SCHEDULE 3
NORWICH SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2019

Unassigned fund balance, beginning		$397,483
Changes:		
Unassigned fund balance used to reduce school district assessment		(158,018)
2018-2019 Budget summary:		
Revenue surplus (Schedule 1)	$38,773	
Unexpended balance of appropriations (Schedule 2)	216,477	
2018-2019 Budget surplus		255,250
Increase in nonspendable fund balance		(3,421)
Unassigned fund balance, ending		$491,294

SCHEDULE 4
NORWICH SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds				
	Food Service	Special Gifts	Medicaid	Other	Total
ASSETS					
Cash and cash equivalents	$ 1,818	$ 79,114	$ 28,417	$ -	$ 109,349
LIABILITIES					
Accounts payable	$ 1,626	$ 19,470	$ 800	$ -	$ 21,896
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - student balances	192	-	-	-	192
FUND BALANCES					
Restricted	-	-	27,617	-	27,617
Committed	-	59,644	-	-	59,644
Total fund balances	-	59,644	27,617	-	87,261
Total liabilities, deferred inflows of resources, and fund balances	$ 1,818	$ 79,114	$ 28,417	$ -	$ 109,349

SCHEDULE 5
NORWICH SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds				
	Food Service	Special Gifts	Medicaid	Other	Total
REVENUES					
Other local	$ 20,847	$ 32,057	$ -	$ -	$ 52,904
Federal	5,780	-	42,075	-	47,855
Total revenues	26,627	32,057	42,075	-	100,759
EXPENDITURES					
Current:					
Instruction	-	30,600	49,575	-	80,175
Noninstructional services	38,250	-	-	-	38,250
Total expenditures	38,250	30,600	49,575	-	118,425
Excess (deficiency) of revenues over (under) expenditures	(11,623)	1,457	(7,500)	-	(17,666)
OTHER FINANCING SOURCES (USES)					
Transfers in	11,623	-	-	-	11,623
Transfers out	-	-	-	(880)	(880)
Total other financing sources (uses)	11,623	-	-	(880)	10,743
Net change in fund balances	-	1,457	(7,500)	(880)	(6,923)
Fund balances, beginning	-	58,187	35,117	880	94,184
Fund balances, ending	$ -	$ 59,644	$ 27,617	$ -	$ 87,261