

NORWICH BOARD OF SCHOOL DIRECTORS
PUBLIC HEARING and BUDGET ADOPTION
THURSDAY, JANUARY 17, 2013
7:00 P.M., MARION CROSS SCHOOL MULTIPURPOSE ROOM

AGENDA

This meeting will be convened in a public session. Other topics arising after the posting of this notice may be discussed and acted upon.

1. Call to order: 7:00 p.m., Marion Cross School Multipurpose Room
2. Public Input
3. Agenda Review
4. Public Hearing on Proposed 2013-14 Budget
5. Business requiring discussion
 - a. Maintenance needs at Marion Cross
6. Business requiring action
 - a. Adoption of 2013-14 Budget
 - b. Adoption of School District Warning
 - c. Approve resolution to authorize long-term borrowing
7. Report of Chair
8. Executive session in accordance with Title 1, Section 313, for discussion of personnel matters.
9. Adjournment

NEXT REGULAR MEETING: Wednesday, February 6, 2013

Minutes of this meeting will be available for public inspection within five business days after the meeting (RSA 91-A:2). Such minutes may be reviewed in the office of the Superintendent of Schools, 41 Lebanon Street, Suite 2, Hanover, NH.

NORWICH SCHOOL DISTRICT
Budget Changes Sheet
2013-14

REVENUE SIDE CHANGES

Original "Other" Revenue Total: \$1,322,682

Account	Description	Original Budget	New Budget	Incr/ (Decr)
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Revenue Changes				0

<i>New Revenue Budget Proposal:</i>	\$1,322,682
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APPROPRIATION SIDE CHANGES

Original Expenditure Budget Proposal: \$5,165,448

Account	Description	Original Budget	New Budget	Incr/ (Decr)
4600.400	Building Improvements	36,600	8,000	(28,600)
5100.800	Interfund Transfer Out	55,000	0	(55,000)
	Debt Service Expense	0	56,700	56,700
	Transfer to Building Maint Rsv	0	25,000	25,000
	Transfer to Spec Ed Rsv	0	25,000	25,000
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Appropriation Changes				23,100

<i>New Appropriation Budget Proposal:</i>	\$5,188,548
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Current Year Budget Total: \$4,902,189
% change: 5.84%

IMPACT ON DISTRICT ASSESSMENT

Original District Assessment (i.e. "Ed Spending") Total: \$10,356,088

Revenue Side Changes	0
Appropriation Side Changes	23,100
Dresden Assessment Changes	-52,001

New District Assessment (i.e. "Ed Spending"): \$10,327,187
"New" FY14 Tax Rate: \$1.7622
FY13 Tax Rate: 1.753
% Chge: 0.52%

NORWICH SCHOOL DISTRICT
2013-14 Proposed Budget

Revenues & Net Assessment				
Item	2012-13	2013-14	\$ Chg	% Chg
Appropriations				
Marion Cross School	4,902,189	5,165,448	263,259	5.37%
<i>Deficit Reduction Article</i>	25,000	0		
<i>Budget Changes</i>	0	23,100		
Dresden Assessment (adopted, not actual assessed)	6,445,721	6,453,933	8,212	0.13%
total	11,372,910	11,642,481	269,571	2.37%
Revenues (subtracted from appropriations to arrive at net assessment)				
<i>Local Sources</i>				
Tuition Income	35,166	0	(35,166)	
Interest on investments	9,000	4,000	(5,000)	
Other Local	24,000	24,000	0	
<i>subtotal</i>	68,166	28,000	(40,166)	
<i>State Sources</i>				
Vocational Aid	9,259	9,259	0	
Transportation Aid	114,487	111,587	(2,900)	
Spec Ed Block Grant	254,583	257,935	3,352	
Spec Ed Exp Reimbursement	394,327	411,545	17,218	
Spec Ed Extraordinary Aid	92,700	216,856	124,156	
Essential Early Educ	39,103	44,062	4,959	
Federal Ed Jobs Funding Grant	0	0	0	
<i>subtotal</i>	904,459	1,051,244	146,786	
<i>Interfund Transfer</i>				
Transfer from Spec Ed Rsf Fund	0	0	0	
Transfer from Maint Rsv Fund	0	0	0	
Transfer from Const Fund	270,456	245,309	(25,147)	
<i>subtotal</i>	270,456	245,309	(25,147)	
total Budgeted Revenues	1,243,081	1,324,553	81,473	6.55%
from Prior Year Fund Balance	0	0	0	n/a
Net Assessment	\$10,129,829	\$10,317,928	188,098	1.86%

NORWICH SCHOOL DISTRICT
2013-14
Estimated Tax Rate Calculation

	Item	Actual 2012-13	Estimated 2013-14	Chg	% Chg
	1 Marion Cross School	\$4,902,189	\$5,165,448	263,259	5.37%
	1a <i>Deficit Reduc Article/Budget Chges</i>	\$25,000	\$23,100		
	2 plus Dresden Assessment	6,445,721	6,453,933	8,212	0.13%
	2a Total Expenditures	11,372,910	11,642,481	269,571	2.37%
	3 less Revenues and Fund Balance (excl Voc Aid)	1,233,822	1,315,294	81,473	6.60%
	4 equals Education Spending	\$10,139,088	\$10,327,187	188,098	1.86%
	5 Estimated equalized pupils	632.50	633.24	0.74	0.12%
Calculation of Excess Spending Obligation	6 Adjusted ES/Eq Pupil	\$16,030	\$16,308	\$278	1.74%
	6a Net Debt per Eq pupil	\$1,384	\$1,422		
	7 Adjusted ES/Eq Pupil for purposes of Excess Spending	\$14,646	\$14,887		
	8 Excess Spending Threshold	\$14,841	\$15,456	\$615	4.14%
	9 Per Pupil Spending above/(below) Threshold	(195)	(569)		
	10 Per pupil figure for Calculating District Adjustment	\$16,030	\$16,308		
	11 Base Amount	\$8,723	\$8,723	\$0	0.00%
	12 District Spending Adjustment	183.769%	186.959%	3.190%	1.74%
	13 Statewide Ed Tax Rate	\$0.89	\$0.940	\$0.05	5.62%
	13a Equalized Homestead Tax	\$1.6355	\$1.7574	0.1219	7.45%
	14 Common level of appraisal	93.30%	99.73%	6.4%	6.89%
	15 Estimated nominal tax rate	\$1.7530	\$1.7622	0.0092	0.52%
	16 Income Sensitivity Percentage	3.31%	3.37%	0.06%	1.81%
	17 Non Residential Tax Rate	\$1.38	\$1.43	0.05	3.62%
	18 Divide by CLA	93.30%	99.73%	6.43%	6.89%
	19 Nominal Non-Residential Tax Rate	\$1.4791	\$1.4339	(0.0452)	-3.06%

Note: Tax rate info preliminary and subject to state legislative changes.

WARNING ARTICLES

NORWICH SCHOOL DISTRICT

March 4 and 5, 2013

ARTICLE 1: Elect a Moderator of the Town and School District meeting for one year.

ARTICLE 2: Elect Town and School District Officers for terms starting in 2013.

ARTICLE 3: Hear and act on the reports of the officers of the Town and Town School District.

ARTICLE 4: To authorize the Board of School Directors to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year in accordance with the provisions of 16 VSA § 526(9).

ARTICLE 5: The Board of School Directors proposes to incur indebtedness for the purpose of making improvements to the Marion W. Cross School at an aggregate estimated cost of \$_____. Due to a legislative moratorium, no state school construction aid will be available as a partial funding source for these improvements. The District is responsible for all costs incurred with any borrowing done in anticipation of receipt of school construction aid.

Shall general obligation bonds of the Norwich Town School District in an amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) be issued for the purpose of financing the cost of making repairs, renovations and upgrades to the Marion W. Cross School Building, namely, HVAC and energy recovery unit replacements, and roof section replacement, the estimated cost of such improvements being _____ Dollars (\$_____)?

ARTICLE 6: In the event the proposition of incurring bonded indebtedness for school building improvements shall be disapproved at the March 5, 2013 special district meeting, shall the sum of \$85,000 be appropriated for building repairs during the 2013-2014 school year?

ARTICLE 7: Shall the voters of the Norwich Town School District appropriate \$25,000 to be deposited in the District's Reserve Fund for Special Education?

ARTICLE 8: Shall the voters of the Norwich Town School District appropriate \$25,000, to be deposited in the District's Reserve Fund for Repairs and Capital Maintenance?

ARTICLE 9: Shall the voters of the Norwich Town School District determine and fix the salaries of the School Board members in the sum of \$500 each per year in accordance with the provisions of 16 VSA § 562(5)?

ARTICLE 10: Shall the voters of the Norwich Town School District appropriate \$_____, necessary for the support of its school for the year beginning July 1, 2013, and ending June 30, 2014?

ARTICLE 11: Transact any other business that may legally come before the annual meeting of the Norwich Town School District.

Date: January 17, 2013

RESOLUTION CERTIFICATE

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I certify that I am the duly elected and qualified Clerk of the Norwich Town School District, a municipal corporation located in the County of Windsor, State of Vermont; that I have the custody of the books, records and seal of said District; and that the following is a true and exact copy of a Resolution duly adopted at a meeting of the Board of School Directors of the District, duly called, noticed and held on January 17, 2013, at which a quorum of members was present and voting; that the same remains in full force and effect, and has not been amended, rescinded, abridged, modified or contested in any way:

RESOLVED, that the public interest and necessity demand that certain public school building improvements be made to the Marion W. Cross School, viz: HVAC and energy recovery unit replacements, and roof section replacements, at an estimated cost of \$450,000; and

BE IT FURTHER RESOLVED, that the cost of said public school building improvements, after application of available state and federal grants-in-aid and other available resources, will be too great to be paid out of the annual revenue of the District; and

BE IT FURTHER RESOLVED, that a proposal for providing such improvements and the issuance of general obligation bonds of the District in the aggregate amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) to pay for its costs of the same, subject to reduction through the receipts of any state or federal grants-in-aid or other sources of funding and subsidized debt repayment, should be submitted to the legal voters of the District at the annual meeting thereof to be called and held on March 5, 2013; and

BE IT FURTHER RESOLVED, that all acts relating to the proposition of incurring bonded indebtedness and the issuance of general obligation bonds of the District for the purpose of financing such improvements, as well as the construction, maintenance and operation of such improvements within the corporate limits of the District, be in accordance with the provisions of Chapter 9 of Title 16, and Chapter 53 of Title 24, Vermont Statute Annotated; and

BE IT FURTHER RESOLVED, that the attached Article text adopted for use in connection with consideration of the above-stated proposition of making said public improvements and incurring bonded indebtedness therefore.

Dated: January 17, 2013

ATTEST:

SEAL

Clerk, Norwich Town School District

Received for record and recorded this 18th day of January, 2013, in the records of the Norwich Town School District.

Clerk, Norwich Town School District

NORWICH TOWN SCHOOL DISTRICT
ANNUAL TOWN SCHOOL DISTRICT MEETING
MARCH 5, 2013

ARTICLE

The Board of School Directors proposes to incur indebtedness for the purpose of making improvements to the Marion W. Cross School at an aggregate estimated cost of \$_____. Due to a legislative moratorium, no state school construction aid will be available as a partial funding source for these improvements. The District is responsible for all costs incurred with any borrowing done in anticipation of receipt of school construction aid.

Shall general obligation bonds of the Norwich Town School District in an amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) be issued for the purpose of financing the cost of making repairs, renovations and upgrades to the Marion W. Cross School Building, namely, HVAC and energy recovery unit replacements, and roof section replacement, the estimated cost of such improvements being _____ Dollars (\$_____)?

DECLARATION OF OFFICIAL INTENT
OF NORWICH TOWN SCHOOL DISTRICT
TO REIMBURSE CERTAIN EXPENDITURES
FROM PROCEEDS OF INDEBTEDNESS

WHEREAS, the Norwich Town School District, Vermont (the "Issuer") intends to construct public school building improvements to be considered by the Issuer at the annual meeting thereof to be held on March 5, 2013 (the "Project"); and

WHEREAS, the Issuer expects to pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that for that part of the Project consisting of design and construction costs, debt obligations in an amount not expected to exceed \$450,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Issuer declares its reasonable official intent to reimburse prior expenditures for the above-described part of the Project with proceeds of a subsequent borrowing:

NOW THEREFORE, the Issuer declares:

Section 1. The Issuer finds and determines that the foregoing recitals are true and correct, and that all of the capital expenditures covered by this Resolution were or will be made not earlier than 60 days prior to the date of this Resolution.

Section 2. This declaration is made solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures, within 18 months of either the date of the first expenditure of funds by Issuer for such Project or the date that such Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of Issuer funds for such Project), and to allocate an amount not to exceed \$450,000 of the proceeds thereof to reimburse itself for its expenditures in connection with the Project.

Section 4. The Issuer's debt obligations for the aforementioned purpose will not be "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986.

Section 5. All prior actions of the officials and agents of Issuer that are in conformity with the purpose and intent of this Resolution and in furtherance of the Project shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 6. All other resolutions of the legislative body of the Issuer, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

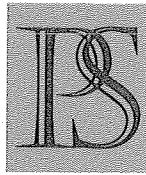
Section 7. It is hereby found that all discussions and deliberations of the legislative body of the Issuer leading to the adoption of this Resolution occurred at one or more meetings of the legislative body conducted pursuant to public notice and open to public attendance.

Section 8. This declaration shall take effect from and after its adoption.

The undersigned, District Clerk of the Issuer, hereby certifies that the foregoing is a full, true and correct copy of the declaration of the legislative body of said Issuer duly made at a meeting thereof held on the date, specified below, and that said declaration has not been amended, modified or revoked.

District Clerk

January 17, 2013



RECEIVED

JAN 17 2013

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Stephen D. Plodzik, PA

December 28, 2012

Edward T. Perry, CPA

To the Members of the School Board
Norwich School District
41 Lebanon Street, Suite 2
Hanover, NH 03755

James A. Sojka, CPA

Gregory A. Colby, CPA

Sheryl A. Pratt, CPA

Dear Members of the School Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Norwich School District for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 30, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Melodie A. Frazer, CPA

Donna M. LaClair, CPA*

Kathryn C. Sanders, CPA

Ashley J. Miller, CPA

Tyler A. Paine, CPA

Kyle G. Gingras, CPA

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Norwich School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Norwich School District's financial statements was:

Management's estimate of the capital asset useful lives which is based on historical information and guidance from GASB Statement No. 34. We evaluated the key factors and assumptions used to develop the useful lives of the capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Adjustments proposed and approved were primarily of a routine nature which management expects the auditors to record as part of their year-end procedures. These adjustments in the general fund totaled \$10,335.

PLODZIK & SANDERSON
Professional Association | Accountants & Auditors

The government-wide financial statements were prepared by the independent auditors and likewise approved by management. This practice is consistent with previous years.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 28, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of members of the School Board and management of Norwich School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Plodzik & Sanderson

PLODZIK & SANDERSON
Professional Association

