



**TOWN OF HARTFORD, VERMONT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



Prepared by:

**Andrew J. Larkin**  
Finance Director

**TOWN OF HARTFORD, VERMONT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

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**INTRODUCTORY SECTION**





# TOWN OF HARTFORD

## MUNICIPAL OFFICES

171 Bridge Street  
White River Junction, Vermont 05001

Telephone: 802/295-9353 ★ Fax: 802/295-6382  
website: [www.hartford-vt.org](http://www.hartford-vt.org)



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Serving the Villages of Hartford ★ West Hartford ★ White River Junction ★ Wilder ★ Quechee

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December 21, 2012

To the Board of Selectmen and the Citizens of the Town of Hartford, Vermont

We are pleased to present the Comprehensive Annual Financial Report(CAFR) of the Town of Hartford, Vermont, for the year ended June 30, 2012. This comprehensive annual financial report fulfills the requirement that the Town issue a report annually on its financial position and activity.

This report consists of management's representations concerning the finances of the Town of Hartford, Vermont. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Hartford has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with generally accepted accounting principles (GAAP). Because of the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Hartford's financial statements have been audited by Sullivan, Powers & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Hartford, Vermont, for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an "unqualified" opinion that the Town of Hartford, Vermont's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

The Single Audit Act of 1984 (as amended in 1996) requires recipients of federal funds in excess of \$500,000 in a particular year to undergo a "Single Audit" that is specifically designed to meet the auditing requirements of all federal grantor agencies, instead of performing multiple grant audits that meet the needs of each individual agency. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Hartford's separately issued Single Audit Report.

### **Profile of the Town**

The Town of Hartford, Vermont, chartered on July 4, 1761, is located on the eastern edge of the state, bordering the Connecticut River and at the junction of two interstate highways. The Town has a land area of 39 square miles and a population of 9,952 as of the 2010 Census, making Hartford the biggest Town in Windsor County and the ninth-

largest municipality in the state. The Town is empowered by state statutes to levy a property tax on all real property located within its borders.

The Town has operated under the Town Manager system of government since 1940. Policy making and legislative authority rests with a seven-member Select Board. The Board is responsible, among other things, for passing ordinances, adopting budgets, appointing committees and commissions, and hiring the Town's Manager. The Manager is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments. Board members are elected to staggered terms, with three members elected to two year terms and four members elected to three year terms. All members are elected at large rather than from particular districts.

The Town provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; general administrative services; and recreational activities and cultural events. Through its enterprise funds, the Town provides additional services, including the Wendell A. Barwood Arena; the solid waste and recycling facility; and water and wastewater treatment facilities. Enterprise funds are designed to be self-supporting through the collection of user fees.

The annual budget serves as the foundation for the Town of Hartford's financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town Manager on or before the middle of October. The Manager uses these requests as the starting point for developing a proposed budget. The Manager then presents this proposed budget to the Select Board at the beginning of December. The Board then holds a series of budget workshops on the proposed budget, and adopts a final budget by mid-January. The General Fund budget must also be approved by the voters at the Annual Town Meeting held at the beginning of March.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make adjustments to appropriations within their departments. Adjustments to appropriations between departments require the approval of the Town Manager. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented in Schedule 1 as part of required supplementary information. For other funds with appropriated annual budgets, these comparisons are presented as statements in the supplementary information section of this report.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Hartford operates.

**Local economy.** The Town still enjoys an economic environment that is better than the economy in much of the State and the nation. All indicators point to this environment continuing. The State maintains several offices in Town, including the District Court, employment and training offices, and other social welfare services. The federal government has located a regional mail-sorting facility, a Naval Training Center, and a Veteran's hospital in Town. Several large, under-utilized buildings in town have been purchased recently and have undergone substantial renovations and improvements, and three new office buildings have been constructed in the downtown area. Unemployment continues at near record lows. Business growth has improved, with a concentration of banking and professional services and automobile sales, although there continues to be some impact from the proximity to the State of New Hampshire and its lack of a sales tax.

**Initiatives for the fiscal year.** The Town's staff, following directives of the Select Board and the Town's Manager, has been involved in a variety of projects throughout the year. These projects reflect the Town's commitment to provide for the needs of its citizens. Some of the larger projects include efforts to repair damages left from Hurricane Irene, continued upgrades to roads and bridges, the replacement of necessary equipment for public safety and public works departments, completion of projects to enhance bike and pedestrian travel through areas of Town, revitalization of the White River Junction downtown area, maintenance and improvement of parks and recreation facilities, and the creation and maintenance of adequate reserves and fund balances to provide future financial stability.

The Town started off fiscal year 2012 with a bit of difficulty as Hurricane Irene hit in August 2011, the second month of the fiscal year. See the Management, Discussion, & Analysis and Note V.H to the financial statements included with this report for information regarding recovery from the hurricane.

For many years, budget restrictions forced a reduction in maintenance of Town roads and bridges. During the year ended June 30, 2012, the Town spent in excess of \$900,000 to improve local roads. The reconstruction effort involves the reclamation of old pavement on many roads and the construction of an adequate base layer, as well as the application of new pavement to other roads. The Town continued implementation of the bridges & culverts capital improvement plan(CIP) created during fiscal year 2011. As planned, approx. \$233,000 was spent repairing and reinforcing the Hartford Village Bridge(Bridge #7).

The Town continued the scheduled replacement of vehicles and equipment, with the purchase of two police cruisers, a new ambulance, and a new excavator and 10-wheel dump truck for the Highway and Public Works departments.

The Town began two engineering studies to assess renovations for enhanced biker and pedestrian pass-through on Christian street and underneath the underpass at 1-91 exit 11. Funding for both studies is largely through state grants. After the studies, if the projects are approved, the Town will seek additional grant funding to cover a large percentage of the construction costs.

The Town continued expenditures to revitalize and improve infrastructure within the White River Junction downtown area. These efforts included purchasing a portion of land known as the Gates Street Parking Lot and Extension for \$180,000 in order to provide parking to Hartford residents and business-owners within the downtown White River Junction area.

In addition to other services provided to the public, the Town's Recreation & Parks department maintains thirteen parks located throughout the Town. Several of these parks were damaged significantly when Hurricane Irene hit. Other projects were put on hold and work began right away to restore the parks including debris removal, turf restoration, and other necessary repairs. The Town worked with the Federal Emergency Management Association(FEMA) and other federal agencies to fund these restorations. The majority of repairs were completed before June 30, 2012 with the remainder of the work continuing into the new fiscal year. The Town anticipates that all parks will be completely restored for the Summer 2013.

Capital acquisitions in prior years had often been paid for through added debt, or when paid for through property taxes, such acquisitions either caused the deferral of other projects or an increase in the tax rate. The Town has made it a priority to create adequate reserves so that capital projects can be funded through the reserves and never through tax rate increases or added debt. As of June 30, 2012, the Town had over \$3 million in capital reserve accounts in various funds assigned for future capital needs. In addition, the Town has adopted a fund balance policy in order that each fund has a certain amount of unassigned or undesignated fund balance available for emergencies and to maintain stability in property tax rates and user fees. The policy calls for a minimum fund balance of 10% of expenditures for the General Fund, and 5% of expenditures for all Enterprise Funds. All funds met this goal as of June 30, 2012, with the exception of the Outdoor Facilities Fund. This fund was profitable for the year ended June 30, 2012 and has plans to build up the undesignated net assets balance by trimming expenses to increase profitability.

**Long-term financial planning.** The Select Board continues to invest in the Town's infrastructure, with \$990,000 budgeted for paving and road reclamation in the 2012-2013 budget, as well as over \$233,000 in funds for construction of new sidewalks and \$300,000 for downtown White River Junction revitalization projects.

The Town continues to fund its capital reserves for equipment replacement, with money being added to the highway reserve funds for maintenance and repairs to bridges and culverts, to the public works reserve fund for replacement of trucks and other heavy equipment, to the public safety reserve fund for replacement of ambulance and fire apparatus, and to enterprise fund reserve funds for equipment and utility improvements.

Over the next one to two years, the Town's various departments will be working to update existing capital improvement plans and to develop and formalize new capital improvement plans so that all major future capital needs of the Town are addressed.

**Cash management policies and practices.** Cash balances during the year are invested in bank money market accounts as allowed by State statutes. Interest rates on money market accounts ranged from .05% to .06% during the year.

The primary goal of the Town's cash management policy is to minimize the risk of loss. To that end, the Town uses a combination of federal depository insurance and collateralization. The Town's primary financial institution provides full collateralization for all funds on deposit in excess of insurance limits. The collateral consists of U.S. government securities held by the bank's agent in the Town's name. During the year ended June 30, 2012, 100% of the Town's deposits were protected in this manner.

**Risk management.** The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund to protect itself against risk of loss from such exposures as theft of, damage to, and destruction of assets; injuries to employees; natural disasters; errors and omissions; and lawsuits. Settled claims have not exceeded this coverage in any of the past five fiscal years. The Town has elected to fund unemployment claims on a current basis instead of participating in an unemployment insurance program. The Town paid \$10,861 in unemployment claims in fiscal year 2012.

**Pension and other postemployment benefits.** The Town offers its employees a defined contribution pension plan administered by the International City Manager's Association (ICMA) Retirement Corporation. Members of the Town's police, emergency services and public works departments as well as other town employees hired after April 1, 2007, participate in the Vermont Municipal Retirement System's Group C Defined Benefit Plan in lieu of the ICMA plan. The Town also offers a deferred compensation plan under Internal Revenue Code Section 457, also administered by the ICMA Retirement Corporation. The Town has no obligation in connection with the benefits offered through these plans beyond its contractual payments into the plan.

The Town provides postretirement health care benefits for certain retirees. As of the end of the current fiscal year, there were forty-four former employees receiving these benefits, which are financed through annual appropriations. The Town hired an actuary to determine the present value of the future benefits of the plan as well as the annual required contribution (ARC).

See Note V.D through V.G to the financial statements included with this report for more information regarding pension and postemployment benefits.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the various departments of the Town. We would like to express our appreciation to all who assisted and contributed to the preparation of this report.

Respectfully submitted,

*Andrew J. Larkin*

Andrew J. Larkin  
Finance Director

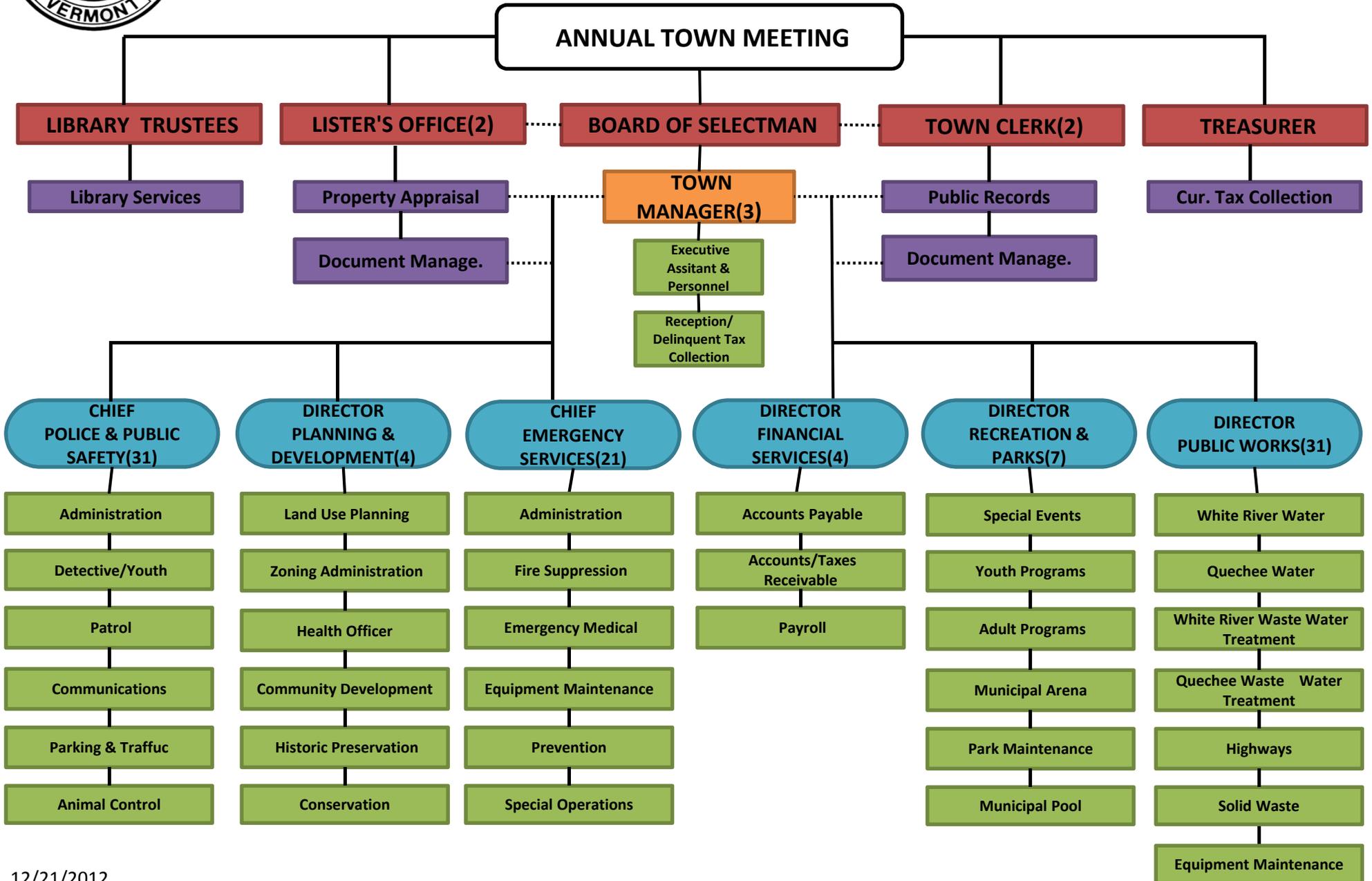
*Hunter F. Rieseberg*

Hunter F. Rieseberg  
Town Manager



# TOWN OF HARTFORD, VERMONT ORGANIZATIONAL CHART

**KEY:** Direct or Day to Day Responsibility ———  
 Indirect Responsibility .....  
 (#) Refers to F/T Employees Only



**TOWN OF HARTFORD, VERMONT  
PRINCIPAL ELECTED AND APPOINTED OFFICIALS  
JUNE 30, 2012**

Elected Officials

Board of Selectmen

Kenneth Parker  
Sabino Romano  
Alex DeFelice  
Simon Dennis  
Sonia Knight  
F.X. Flinn

Town Clerk  
Town Treasurer  
Lister's Office

Bethany Fleishman  
Mary E. Hill  
John C. Clerkin  
Emile Grodin  
Theresa A. Chesbro  
Chip Jameson

Appointed Officials

Town Manager  
Director - Financial Services  
Acting Chief - Police & Public Safety  
Chief - Emergency Services  
Director - Public Works  
Utilities Superintendent  
Highway Superintendent  
Director - Recreation & Parks  
Director - Planning & Development

Hunter F. Rieseberg  
Andrew J. Larkin  
Leonard Roberts  
Steven A. Locke  
Richard B. Menge  
John C. Choate  
Allyn R. Ricker  
John "Tad" Nunez  
Lori Hirshfield



**FINANCIAL SECTION**



# Sullivan, Powers & Co.

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL CORPORATION

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Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
[VT Lic. #92-000180](http://www.vermontcpa.org)

## Independent Auditor's Report

To the Board of Selectmen  
Town of Hartford, Vermont

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hartford, Vermont, as of and for the year ended June 30, 2012, which collectively comprise the Town of Hartford, Vermont's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hartford, Vermont's management. Our responsibility is to express our 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 and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

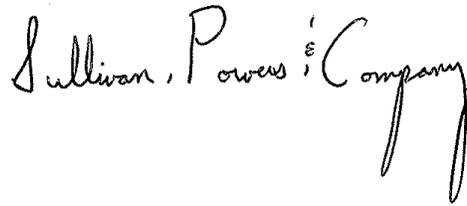
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hartford, Vermont, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison for the General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the Town of Hartford, Vermont's basic financial statements. The combining and individual fund financial statements and schedules of revenues and expenses ó budget (non-GAAP budgetary basis) and actual for proprietary fund types are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with óGovernment Auditing Standardsö, we have also issued our report dated December 21, 2012 on our consideration of the Town of Hartford, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit conducted in accordance with óGovernment Auditing Standardsö and should be considered in assessing the results of our audit.

December 21, 2012  
Montpelier, Vermont  
Vt Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' and 'C'.

## Management's Discussion and Analysis

As management of the Town of Hartford, we offer readers of the Town of Hartford's financial statements this narrative overview and analysis of the financial activities of the Town of Hartford for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

### Financial Highlights

- The assets of the Town of Hartford exceeded its liabilities at the close of the most recent fiscal year by \$44,930,849 (*net assets*). Of this amount, \$6,301,153 (*unrestricted net assets*) may be used by the various funds of the Town to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's total net assets increased by \$310,946. Of this amount, net assets attributable to governmental activities increased by \$406,841, and net assets attributable to business-type activities decreased by \$95,895.
- As of the close of the current fiscal year, the Town of Hartford's governmental funds reported combined ending fund balances of \$5,781,304, a decrease of \$892,908 in comparison with the prior year. Of this total amount, \$629,706 is *available for spending* at the government's discretion. Of this balance, \$720,305 represents negative fund balances for funds where revenues were received after June 30, 2012, and \$1,350,011 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,350,011 or 10.2 percent of unassigned general fund expenditures and operating transfers. The Town's fund balance policy requires that the Town maintain an unassigned general fund balance of 10.0 percent of general fund regular expenditures and operating transfers, or \$1,323,975 as of the current fiscal year. Due to a changing economy and budgetary challenges, the Town anticipates utilizing a portion of the fund balance when preparing the budget for the year ending June 30, 2014.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Hartford's basic financial statements. The Town of Hartford's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Hartford's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town of Hartford's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Hartford is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Hartford that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Hartford include general government, public safety, public works, health and social services, recreation and parks, conservation and development, cultural, and public improvements. The business-type activities of the Town of Hartford include the municipal arena, solid waste, water and wastewater operations.

The government-wide financial statements are designed to include not only the Town of Hartford itself (known as the *primary government*), but also any legally separate entities for which the Town of Hartford is financially accountable (known as *component units*). The Town of Hartford has no such entities that qualify as component units.

The government-wide financial statements can be found in Exhibits A and B of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hartford, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Hartford can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Hartford maintains sixteen individual governmental funds, including the General Fund, four Special Revenue Funds, nine Capital Projects Funds, one Debt Service Fund, and one Permanent Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Hurricane Irene Fund, which are considered to be a major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found in Exhibits C through E of this report.

**Proprietary funds.** The Town of Hartford maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Hartford uses enterprise funds to account for its Outdoor Facilities Fund, its Solid Waste Fund, its Water Fund, and its Wastewater Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Fund, the Water Fund, and the Wastewater Fund, all of which are considered to be major funds of the Town of Hartford. Although not required, the Town of Hartford has elected to present separate information in the proprietary fund financial statements for the Outdoor Facilities Fund, which is considered to be a non-major proprietary fund.

The basic proprietary fund financial statements can be found in Exhibits F through H of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Hartford's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town has no fiduciary funds.

**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. The notes to the financial statements can be found immediately following the basic financial statements in this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* to provide additional financial information not included in the basic financial statements. This supplementary information includes combining statements for various funds, and budgetary comparison statements. The supplementary information can be found immediately following the notes to the financial statements in this report.

## Government-wide Financial Analysis

### TOWN OF HARTFORD, VERMONT'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 7,764,071	\$ 7,667,460	\$ 6,330,440	\$ 5,683,947	\$ 14,094,511	\$ 13,351,407
Capital assets	<u>22,019,256</u>	<u>21,141,337</u>	<u>30,875,989</u>	<u>30,880,127</u>	<u>52,895,245</u>	<u>52,021,464</u>
Total Assets	<u>29,783,327</u>	<u>28,808,797</u>	<u>37,206,429</u>	<u>36,564,074</u>	<u>66,989,756</u>	<u>65,372,871</u>
Long-term liabilities outstanding	3,488,619	3,383,329	15,923,316	14,174,176	19,411,935	17,557,505
Other liabilities	<u>1,636,466</u>	<u>1,174,067</u>	<u>1,010,506</u>	<u>2,021,396</u>	<u>2,646,972</u>	<u>3,195,463</u>
Total Liabilities	<u>5,125,085</u>	<u>4,557,396</u>	<u>16,933,822</u>	<u>16,195,572</u>	<u>22,058,907</u>	<u>20,752,968</u>
Net Assets						
Invested in capital assets, net of related debt	20,238,216	19,175,461	15,107,523	16,019,130	35,345,739	35,194,591
Restricted	2,223,943	2,731,295	1,060,014	1,050,297	3,283,957	3,781,592
Unrestricted	<u>2,196,083</u>	<u>2,344,645</u>	<u>4,105,070</u>	<u>3,299,075</u>	<u>6,301,153</u>	<u>5,643,720</u>
Total Net Assets	<u>\$ 24,658,242</u>	<u>\$ 24,251,401</u>	<u>\$ 20,272,607</u>	<u>\$ 20,368,502</u>	<u>\$ 44,930,849</u>	<u>\$ 44,619,903</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Hartford, assets exceeded liabilities by \$44,930,849 at the close of the most recent fiscal year.

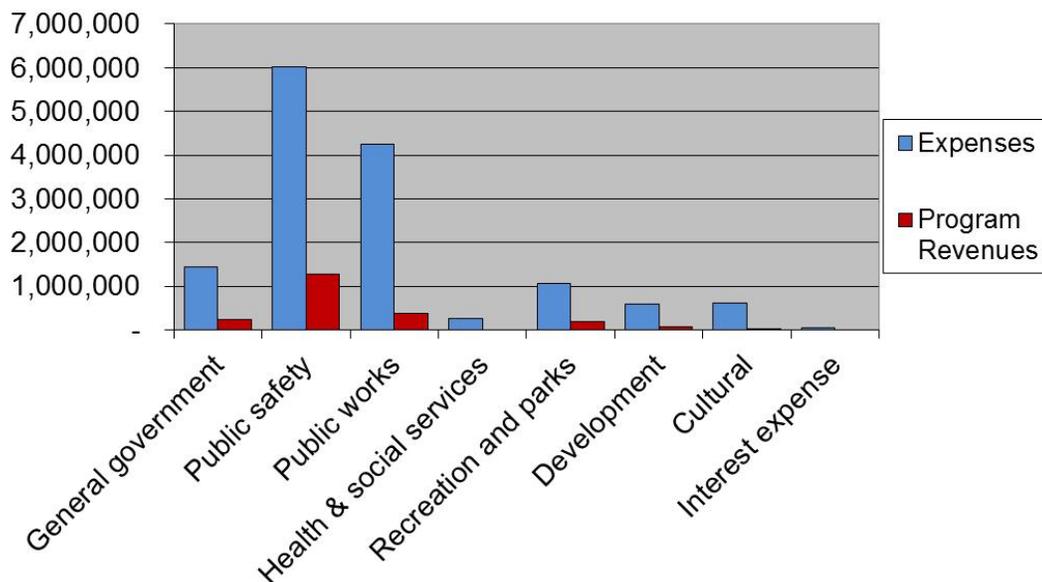
By far the largest portion of the Town of Hartford's net assets (79%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Hartford uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the Town of Hartford'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.

An additional portion of the Town of Hartford's net assets (7%) represents resources that are subject to external restriction on how they may be used. The remaining balance of *unrestricted net assets* (\$6,301,153) may be used to meet the government's ongoing obligations to citizens and creditors. Included in unrestricted net assets are amounts that management has assigned for particular purposes, such as capital reserve funds and reserves for expenditures in subsequent years.

At the end of the current fiscal year, the Town of Hartford is able to report positive balances in all three categories of net assets for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities.** Governmental activities increased the Town of Hartford's net assets by \$406,841 during the current fiscal year. Investment in capital assets, net of related debt, increased by \$1,062,755. This increase resulted from the net effect of a decrease as a result of depreciation exceeding capital outlays expense by \$881,328, an increase as a result of principal payments on long-term bonds, notes, and leases of \$202,066, and a \$20,639 change in retainage payable. Restricted net assets decreased by \$507,352, primarily as a result of pay out of impact fees to the school and use of Maxfield Property funds which both decreased the amount restricted. Unrestricted net assets decreased by \$148,562, primarily as a result of created contributions of assets to the restricted category.

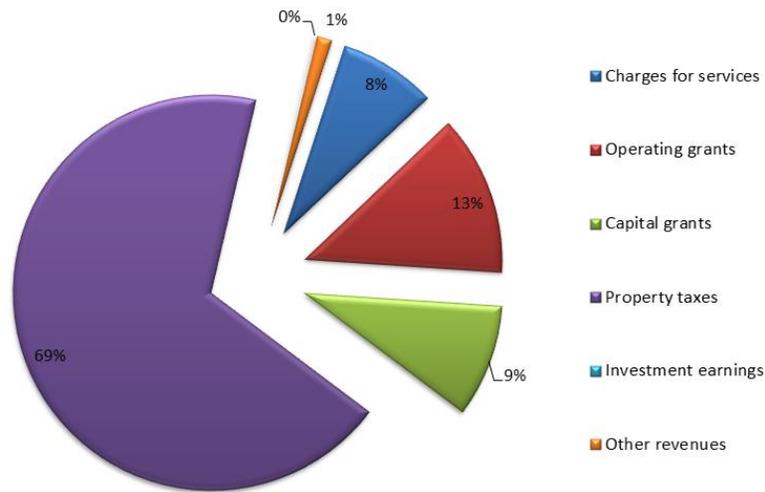
### Expenses and Program Revenues - Governmental Activities



**TOWN OF HARTFORD, VERMONT'S CHANGES IN NET ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 1,188,295	\$ 1,080,881	\$ 4,373,375	\$ 4,136,846	\$ 5,561,670	\$ 5,217,727
Operating grants and contributions	1,948,987	822,379	219,693	4,852	2,168,680	827,231
Capital grants and contributions	1,376,618	226,734	-	-	1,376,618	226,734
<b>General revenues</b>						
Property taxes	10,195,119	10,516,674	-	-	10,195,119	10,516,674
Unrestricted investment earnings	15,181	20,875	1,701	17,540	16,882	38,415
Other revenues	186,292	256,030	70,883	-	257,175	256,030
<b>Total Revenues</b>	<b>14,910,492</b>	<b>12,923,573</b>	<b>4,665,652</b>	<b>4,159,238</b>	<b>19,576,144</b>	<b>17,082,811</b>
<b>Expenses</b>						
<b>Governmental activities</b>						
<b>General government</b>						
Administration	705,490	783,920	-	-	705,490	783,920
Elections and vital statistics	150,775	173,731	-	-	150,775	173,731
Finance	396,849	338,367	-	-	396,849	338,367
Valuation	191,393	192,705	-	-	191,393	192,705
<b>Public safety</b>						
Police	2,524,202	2,439,384	-	-	2,524,202	2,439,384
Fire and ambulance	2,819,565	2,754,876	-	-	2,819,565	2,754,876
Dispatch	671,409	662,283	-	-	671,409	662,283
<b>Public works</b>						
Highways	4,068,137	3,208,529	-	-	4,068,137	3,208,529
Public works administration	174,541	108,512	-	-	174,541	108,512
<b>Health and social services</b>						
Health and social services	255,821	258,891	-	-	255,821	258,891
<b>Recreation and parks</b>						
Recreation administration	183,384	200,480	-	-	183,384	200,480
Recreation programs	309,571	299,097	-	-	309,571	299,097
Parks	576,322	294,495	-	-	576,322	294,495
<b>Conservation and development</b>						
Conservation and development	600,520	528,671	-	-	600,520	528,671
<b>Cultural</b>						
Cultural	605,248	255,007	-	-	605,248	255,007
<b>Education</b>						
Education	-	10	-	-	-	10
Interest on long-term debt	38,974	42,807	-	-	38,974	42,807
<b>Business-type activities</b>						
Outdoor facilities	-	-	193,511	185,388	193,511	185,388
Solid waste	-	-	903,486	856,217	903,486	856,217
Water and wastewater	-	-	3,896,000	3,234,763	3,896,000	3,234,763
<b>Total Expenses</b>	<b>14,272,201</b>	<b>12,541,765</b>	<b>4,992,997</b>	<b>4,276,368</b>	<b>19,265,198</b>	<b>16,818,133</b>
Change in net assets before transfers	638,291	381,808	( 327,345)	( 117,130)	310,946	264,678
Transfers	( 231,450)	( 235,063)	231,450	235,063	-	-
Change in net assets	406,841	146,745	( 95,895)	117,933	310,946	264,678
Net assets - beginning of year	24,251,401	24,104,656	20,368,502	20,250,569	44,619,903	44,355,225
Net assets - end of year	<u>\$ 24,658,242</u>	<u>\$ 24,251,401</u>	<u>\$ 20,272,607</u>	<u>\$ 20,368,502</u>	<u>\$ 44,930,849</u>	<u>\$ 44,619,903</u>

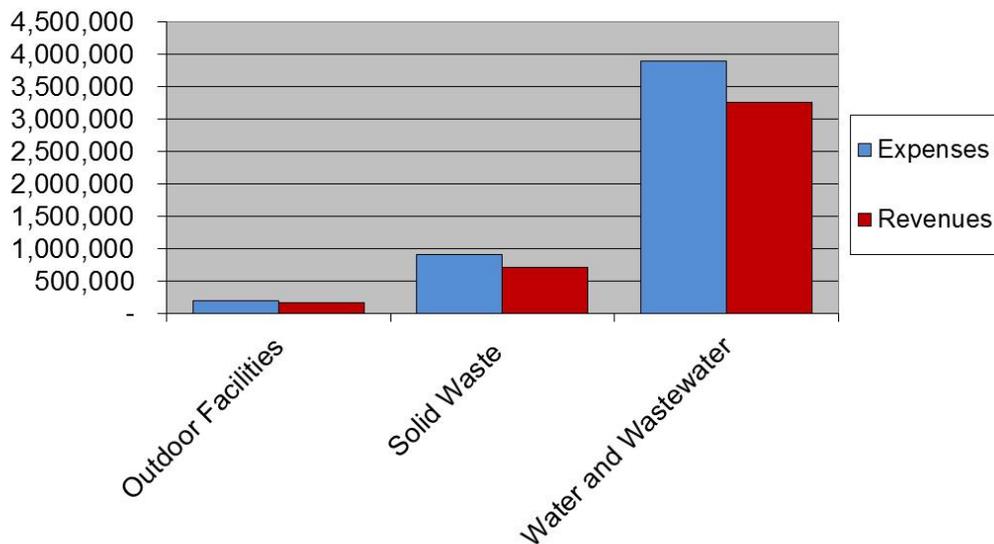
### Revenues by Source - Governmental Activities



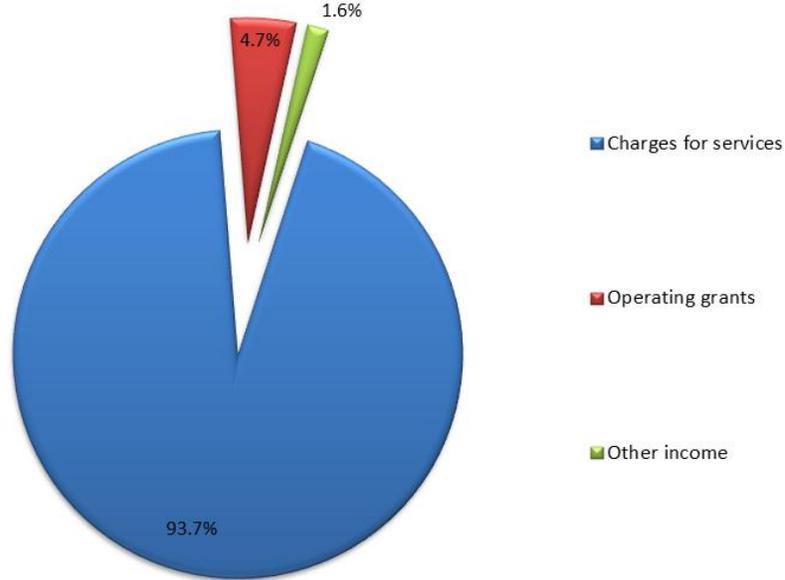
**Business-type activities.** Business-type activities decreased the Town of Hartford’s net assets by \$95,895 during the current fiscal year. Key elements of this change are as follows:

- Charges for services increased by 5.7%. Charges for services in the Water Fund remained relatively stable. Charges for services in the Wastewater Fund increased by 14.0% Charges for services in the Solid Waste Fund increased by 4.4%.
- Operating expenses (before depreciation) increased by 6.4%.
- Total depreciation expense for business-type activities is \$1,589,438, a 53% increase from the prior year.

### Expenses and Program Revenues - Business-type Activities



## Revenues by Source - Business-type Activities



### Financial Analysis of the Government's Funds

As noted earlier, the Town of Hartford, Vermont, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town of Hartford's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Hartford's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town of Hartford's governmental funds reported combined ending fund balances of \$5,781,304, an decrease of \$892,908 in comparison to the prior year. Of this total amount, \$30,212 is non-spendable (permanent fund principal and equipment deposit) and \$2,193,731 is restricted to indicate that it is not available for discretionary spending, because it is otherwise restricted by grant agreements, statutes, or bond covenants. Of the remaining amount, \$2,927,655 has been assigned by the Town for various purposes, and \$629,706 is unassigned and available for spending at the government's discretion.

The general fund is the chief operating fund of the Town of Hartford. At the end of the current fiscal year, unassigned fund balance was \$1,350,011, and assigned fund balance was \$2,220,207. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and operating transfers. Unassigned fund balance represents 8.8 percent of general fund expenditures and operating transfers, while total fund balance represents 23.5 percent of that same amount.

The fund balance of the Town of Hartford's general fund decreased by \$572,392 during the current fiscal year. Key factors in this change are as follows:

- The Town recognized an expenditure of \$369,772 for impact fee paid to the school
- Transfers to other funds included \$266,533 to the Debt Service Fund, \$154,500 to the Solid Waste Fund, and \$50,000 to the Outdoor Facilities Fund.

- The Town transferred \$103,000 to the Quechee Bridge Capital Project Fund which is outside the general fund
- The Town transferred \$441,000 to the W. Hartford Library Capital Project Fund which is outside the general fund

On August 28, 2011, the State of Vermont, including the Town of Hartford, was struck by Tropical Storm Irene, causing catastrophic damage to several areas of the Town. A new capital project fund was setup to track revenue and expenditures related to the hurricane. The fund deficit of this fund was \$338,893 as of June 30, 2012 due to revenue lagging behind expenditures significantly.

Special revenue funds consist primarily of community development funds (\$436,341) and impact fee funds (\$146,904). Use of community development funds is restricted by grant close-out agreements, and use of impact fee funds is restricted by the impact fee statute. Capital projects funds consist primarily of amounts to be used in the construction of the public works facility and stormwater runoff projects and for infrastructure and other land improvements to the Maxfield property. In addition, three new capital project funds were established during 2012. One for tracking construction of the new Quechee Bridge, one for tracking construction of the new W. Hartford Library, and one major fund for Hurricane Irene(see above). Debt service funds consist of amounts restricted for payment of final balloon payments on interest-free loans from the state for construction of stormwater separation systems.

**Proprietary funds.** The Town of Hartford's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Solid Waste Fund amounted to \$421,815 and those of the Water Fund amounted to \$1,367,104. Unrestricted net assets of the Outdoor Facilities Fund amounted to \$65,469 and those of the Wastewater Fund amounted to \$2,250,682. Unrestricted net assets of the Solid Waste Fund increased by \$44,802, those of the Water Fund decreased \$189,642 and those of the Wastewater Fund increased by \$913,636. Unrestricted net assets of the Outdoor Facilities Fund increased by \$37,199. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town of Hartford's business-type activities.

### **General Fund Budgetary Highlights**

Differences between budgeted amounts and actual amounts can be briefly summarized as follows:

- Intergovernmental revenue was \$524,064(91%) higher than budgeted. This is the result of several new additional grants that were recognized during the year.
- The Town recognized an unbudgeted expenditure of \$369,772 for impact fee paid to the school
- Revenue for delinquent tax penalties was \$36,528 below budget because significantly more taxpayers paid their tax on time compared to the prior year
- Interest income was below budget by \$13,413.
- Highway capital expenditures were over budget by \$88,203

### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Hartford's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounted to \$35,345,739 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, roads and bridges, and water and wastewater distribution and collection systems. The investment in net assets increased by 5.5 percent for governmental activities, and decreased 5.7 percent for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Engineering and design for the new Quechee Bridge(\$221,869)

- Public Safety communication equipment paid primarily through grant(\$242,279)
- 11/12 Paving(\$907,405)
- Hartford Village Bridge repairs(\$232,919)
- Upgrades to the wastewater treatment facilities were continued (\$1,239,982)
- Norwich Ave sidewalks(\$135,422)
- New 2012 Ambulance(\$148,239)
- 2012 Freightliner 114SD(\$163,443)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 778,976	\$ 643,976	\$ 414,158	\$ 414,158	\$ 1,193,134	\$ 1,058,134
Land improvements	602,423	629,414	93,222	99,827	695,645	729,241
Buildings and improvements	2,368,913	2,441,103	17,902,528	3,049,134	20,271,441	5,490,237
Vehicles and equipment	2,934,991	2,621,245	236,825	154,491	3,171,816	2,775,736
Roads, bridges and sidewalks	13,754,514	13,554,958	-	-	13,754,514	13,554,958
Distribution and collection systems	-	-	12,225,256	11,082,503	12,225,256	11,082,503
Construction in progress	1,579,440	1,250,641	4,000	16,080,017	1,583,440	17,330,658
Total Assets	<u>\$ 22,019,257</u>	<u>\$ 21,141,337</u>	<u>\$ 30,875,989</u>	<u>\$ 30,880,130</u>	<u>\$ 52,895,246</u>	<u>\$ 52,021,467</u>

Additional information on the Town of Hartford's net assets can be found in note IV.E. of the notes to financial statements.

**Long-term debt.** At the end of the current year, the Town of Hartford had total long-term debt outstanding of \$17,199,567. Of this amount, \$1,305,000 represents bonded debt backed by the full faith and credit of the Town, and \$15,894,567 represents revolving loans issued by the State of Vermont.

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Bonds payable	\$ 840,000	\$ 945,000	\$ 465,000	\$ 690,000	\$ 1,305,000	\$ 1,635,000
Revolving loans payable	923,814	1,020,880	14,970,753	13,460,076	15,894,567	14,480,956
Totals	<u>\$ 1,763,814</u>	<u>\$ 1,965,880</u>	<u>\$ 15,435,753</u>	<u>\$ 14,150,076</u>	<u>\$ 17,199,567</u>	<u>\$ 16,115,956</u>

The Town of Hartford's total debt increased by \$1,083,611 during the year, reflecting repayments on existing debt of \$839,339 and new revolving loan debt within the water and wastewater funds of \$1,922,951.

State statutes limit the amount of bonded debt any governmental entity may issue to 10 times its total assessed valuation. The current debt limit for the Town of Hartford is \$137,229,450 which is significantly in excess of the Town of Hartford's outstanding bonded debt.

Bonds are issued through the Vermont Municipal Bond Bank. The Town issues no bonded debt on its own behalf and does not maintain its own credit rating.

Additional information on the Town of Hartford's long-term debt can be found in note IV.H. of the notes to financial statements.

### Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 3.3 percent, down from 3.7 percent one year ago. This compares with a 4.6 percent rate state-wide, up from 5.6 percent statewide one year ago.
- Health insurance rates have increased significantly as a result of several factors affecting the healthcare industry

- Restricted, assigned and designated funds at the end of June 30, 2012, amounted to \$10,258,535. These funds are available for appropriation to fund capital and equipment purchases in coming years. Included in this amount are funds for subsequent year expenditures in the amount of \$250,000. This amount is available for appropriation in future years to reduce the amount that is required to be raised by property taxes.
- Recent data on Vermont economic conditions indicate that the performance of the Vermont economy has generally outperformed the developments in the U.S. economy overall during the past 12 to 18 months.

All of these factors were considered in preparing the Town of Hartford's budget for the 2014 fiscal year.

The Town of Hartford approved a general fund budget for fiscal year 2013 in the amount of \$13,446,232. This represents an increase of \$888,628 or 7.1 percent over the approved budget for the previous year. The Town will utilize \$735,000 in assigned capital funds and \$250,000 in assigned funds for subsequent year expenditures to pay for expenditures included in this budget. The use of these funds was intended to keep any increase in taxes raised to a minimum.

Any increases to Town of Hartford rates were approved by the Selectboard on January 24, 2012 and were effective July 1, 2012. Rates for the Outdoor Facilities Fund were not increased. Rates for the Solid Waste Fund were not increased. Within the Water Fund, the usage fee per 100 cubic feet of water increased approximately 1% and the base rates and flat rates also increased approximately 1%. Within the Wastewater Fund, the Hartford Wastewater Usage Fee(Unmetered) increased by approx. 11.7% and the Quechee Wastewater Usage Fee(Unmetered) increased by approx 14.1%. In addition, the quarterly Hartford Wastewater base rate increased from \$37.53 to \$49.56 and the quarterly Quechee Wastewater base rate increased from \$79.76 to \$100.94.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Hartford, Vermont's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town of Hartford, 171 Bridge Street, White River Jct., VT 05001.

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,717,550	\$ 5,339,808	\$ 11,057,358
Investments	11,491	-	11,491
Receivables (net of allowance for uncollectible accounts)			
Taxes receivable	224,662	-	224,662
Accounts receivable	62,603	789,091	851,694
Notes receivable	176,523	-	176,523
Due from other governments	1,198,186	201,541	1,399,727
Deposits	3,044	-	3,044
Restricted assets			
Cash and cash equivalents	370,012	-	370,012
Capital assets (net of accumulated depreciation)			
Land and land improvements	1,381,399	507,381	1,888,780
Buildings and building improvements	2,368,914	17,902,529	20,271,443
Vehicles and equipment	2,934,990	236,825	3,171,815
Roads, bridges and sidewalks	13,754,514	-	13,754,514
Distribution and collection systems	-	12,225,254	12,225,254
Construction in progress	1,579,439	4,000	1,583,439
	<u>29,783,327</u>	<u>37,206,429</u>	<u>66,989,756</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	440,828	222,663	663,491
Accrued payroll and benefits payable	166,407	35,218	201,625
Accrued compensated absences payable	324,590	89,466	414,056
Accrued interest payable	3,098	17,899	20,997
Due to other governments	341,622	344,966	686,588
Unearned revenue	51,379	-	51,379
Noncurrent liabilities			
Due within one year	308,542	300,294	608,836
Due in more than one year	3,488,619	15,923,316	19,411,935
	<u>5,125,085</u>	<u>16,933,822</u>	<u>22,058,907</u>
Total Liabilities			
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	20,238,216	15,107,523	35,345,739
Restricted for:			
Public safety	22,079	-	22,079
Impact fees	146,904	1,060,014	1,206,918
Recreation and parks	1,079,850	-	1,079,850
Community development	530,453	-	530,453
Debt service	370,013	-	370,013
Endowments and perpetual care			
Non-expendable	27,168	-	27,168
Expendable	3,112	-	3,112
Cultural	12,200	-	12,200
Other purposes	32,164	-	32,164
Unrestricted	2,196,083	4,105,070	6,301,153
	<u>24,658,242</u>	<u>20,272,607</u>	<u>44,930,849</u>
Total Net Assets			

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Functions/Programs</b>						
Governmental activities						
General government						
Administration	\$ 705,490	\$ -	\$ 29,489	\$ -	(\$ 676,001)	\$ - (\$ 676,001)
Elections and vital statistics	150,775	132,482	-	-	( 18,293)	- ( 18,293)
Finance	396,849	15,078	-	-	( 381,771)	- ( 381,771)
Valuation	191,393	46	53,896	-	( 137,451)	- ( 137,451)
Public safety						
Police	2,524,202	44,696	362,507	19,292	( 2,097,707)	- ( 2,097,707)
Fire and ambulance	2,819,565	439,030	54,334	256,803	( 2,069,398)	- ( 2,069,398)
Dispatch	671,409	343,161	-	-	( 328,248)	- ( 328,248)
Public works						
Highways	4,068,137	11,036	1,141,348	701,181	( 2,214,572)	- ( 2,214,572)
Public works administration	174,541	-	-	-	( 174,541)	- ( 174,541)
Health and social services						
Health and social services	255,821	-	-	-	( 255,821)	- ( 255,821)
Recreation and parks						
Recreation administration	183,384	-	-	-	( 183,384)	- ( 183,384)
Recreation programs	309,571	182,990	10,667	-	( 115,914)	- ( 115,914)
Parks	576,322	-	267,007	22,406	( 286,909)	- ( 286,909)
Conservation and development						
Conservation and development	600,520	19,776	29,739	119,805	( 431,200)	- ( 431,200)
Cultural	605,248	-	-	257,131	( 348,117)	- ( 348,117)
Interest on long-term debt	38,974	-	-	-	( 38,974)	- ( 38,974)
Total governmental activities	<u>14,272,201</u>	<u>1,188,295</u>	<u>1,948,987</u>	<u>1,376,618</u>	<u>( 9,758,301)</u>	<u>- ( 9,758,301)</u>
Business-type activities						
Outdoor facilities	193,511	179,618	-	-	- ( 13,893)	( 13,893)
Solid waste	903,486	730,222	2,376	-	- ( 170,888)	( 170,888)
Water and wastewater	3,896,000	3,463,535	217,317	-	- ( 215,148)	( 215,148)
Total business-type activities	<u>4,992,997</u>	<u>4,373,375</u>	<u>219,693</u>	<u>-</u>	<u>- ( 399,929)</u>	<u>( 399,929)</u>
Total primary government	<u>\$ 19,265,198</u>	<u>\$ 5,561,670</u>	<u>\$ 2,168,680</u>	<u>\$ 1,376,618</u>	<u>( 9,758,301)</u>	<u>( 399,929) ( 10,158,230)</u>
General revenues:						
Property taxes					10,195,119	- 10,195,119
Unrestricted investment earnings					15,181	1,701 16,882
Other revenues					186,292	70,883 257,175
Transfers					( 231,450)	231,450 -
Total general revenues and transfers					<u>10,165,142</u>	<u>304,034 10,469,176</u>
Change in net assets					406,841	( 95,895) 310,946
Net assets, July 1, 2011					<u>24,251,401</u>	<u>20,368,502 44,619,903</u>
Net assets, June 30, 2012					<u>\$ 24,658,242</u>	<u>\$ 20,272,607 \$ 44,930,849</u>

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

**TOWN OF HARTFORD, VERMONT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	General Fund	Hurricane Irene Fund	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 3,028,433	\$ -	\$ 2,689,117	\$ 5,717,550
Investments	-	-	11,492	11,492
Receivables (net of allowances for uncollectible accounts)				
Taxes receivable	286,662	-	-	286,662
Accounts receivable	46,974	-	15,629	62,603
Notes receivable	-	-	176,523	176,523
Due from other governments	172,878	498,400	526,912	1,198,190
Due from other funds	723,965	-	32,086	756,051
Deposits	-	-	3,044	3,044
Restricted assets:				
Cash and equivalents	-	-	370,013	370,013
Total Assets	<u>4,258,912</u>	<u>498,400</u>	<u>3,824,816</u>	<u>8,582,128</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	239,131	97,337	104,360	440,828
Accrued payroll and benefits payable	166,407	-	-	166,407
Due to other governments	-	-	341,622	341,622
Due to other funds	36,002	367,073	352,976	756,051
Deferred revenue	247,154	372,883	475,879	1,095,916
Total Liabilities	<u>688,694</u>	<u>837,293</u>	<u>1,274,837</u>	<u>2,800,824</u>
<b>Fund balances</b>				
<b>Non-spendable</b>				
Permanent fund principal	-	-	27,168	27,168
Deposits	-	-	3,044	3,044
<b>Restricted for</b>				
Public safety	-	-	22,079	22,079
Impact fees	-	-	146,904	146,904
Recreation and parks	-	-	1,079,850	1,079,850
Community development	-	-	530,453	530,453
Debt service	-	-	370,013	370,013
Endowments - Expendable	-	-	3,112	3,112
Cultural	-	-	12,200	12,200
Other	-	-	29,120	29,120
<b>Assigned for</b>				
General government	1,262,779	-	-	1,262,779
Public safety	183,830	-	-	183,830
Public works	382,098	-	51,985	434,083
Health and social services	8,509	-	-	8,509
Recreation and parks	139,277	-	-	139,277
Conservation and development	243,714	-	-	243,714
Cultural	-	-	655,463	655,463
<b>Unassigned, reported in:</b>				
General fund	1,350,011	-	-	1,350,011
Hurricane Irene capital project fund	-	( 338,893)	-	( 338,893)
Special revenue funds	-	-	( 147,954)	( 147,954)
Capital projects funds	-	-	( 233,458)	( 233,458)
Total Fund Balances	<u>3,570,218</u>	<u>( 338,893)</u>	<u>2,549,979</u>	<u>5,781,304</u>
Total Liabilities and Fund Balances	<u>\$ 4,258,912</u>	<u>\$ 498,400</u>	<u>\$ 3,824,816</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 22,019,256
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	982,535
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	( 4,124,853)
Net assets of governmental activities	<u>\$ 24,658,242</u>

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Hurricane Irene Fund	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 9,946,283	\$ -	\$ -	\$ 9,946,283
Tax penalties and interest	214,695	-	-	214,695
Permits and licenses	17,174	-	-	17,174
Intergovernmental revenues	1,088,404	858,464	515,918	2,462,786
Charges for current services	1,216,916	-	-	1,216,916
Fines and forfeits	10,444	-	-	10,444
Impact fees	-	-	762	762
Interest	5,047	-	10,135	15,182
Other revenues	162,015	13,987	33,072	209,074
	<u>12,660,978</u>	<u>872,451</u>	<u>559,887</u>	<u>14,093,316</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current expenditures				
General government				
Administration	594,613	83,202	-	677,815
Elections and vital statistics	141,102	-	-	141,102
Finance	394,351	-	-	394,351
Valuation	180,213	-	-	180,213
Board and commissions	2,275	-	-	2,275
Public safety				
Police	2,338,160	871	5,477	2,344,508
Fire and ambulance	2,339,837	30,357	115,892	2,486,086
Dispatch	603,415	-	-	603,415
Public works				
Highways	1,638,698	710,120	-	2,348,818
Public works administration	173,374	-	-	173,374
Health and social services	251,247	-	-	251,247
Recreation and parks				
Recreation administration	172,486	-	-	172,486
Recreation programs	294,936	-	-	294,936
Parks	208,147	289,451	25,545	523,143
Conservation and development	442,606	-	89,116	531,722
Cultural	221,975	-	-	221,975
Education	-	-	369,772	369,772
Debt service expenditures				
Principal	-	-	202,066	202,066
Interest	-	-	39,197	39,197
Capital expenditures				
General government				
Administration	18,602	-	-	18,602
Public safety				
Police	83,274	-	19,292	102,566
Fire and ambulance	304,923	-	245,745	550,668
Dispatch	-	-	-	-
Public works				
Highways	1,817,562	119,749	293,338	2,230,649
Administration	-	-	-	-
Recreation and parks				
Parks	-	-	87,208	87,208
Conservation and development	-	-	49,267	49,267
Cultural	-	-	9,281	9,281
	<u>12,221,796</u>	<u>1,233,750</u>	<u>1,551,196</u>	<u>15,006,742</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	439,182	( 361,299)	( 991,309)	( 913,426)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,946,600	-	806,761	2,753,361
Transfers out	( 2,964,557)	-	( 20,254)	( 2,984,811)
Proceeds from sale of capital assets	5,843	-	-	5,843
Insurance proceeds	-	22,406	223,719	246,125
	<u>( 1,012,114)</u>	<u>22,406</u>	<u>1,010,226</u>	<u>20,518</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	( 572,932)	( 338,893)	18,917	( 892,908)
Fund Balances - July 1, 2011	4,143,150	-	2,531,062	6,674,212
Fund Balances - June 30, 2012	\$ 3,570,218	(\$ 338,893)	\$ 2,549,979	\$ 5,781,304

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

**TOWN OF HARTFORD, VERMONT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net change in fund balance - total government funds (Exhibit D)	(\$ 892,908)
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	881,328
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	561,831
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	202,066
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>( 345,476)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 406,841</u>

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2012**

	Major Funds			Non-major Fund	Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Outdoor Facilities Fund	
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 926,154	\$ 1,535,166	\$ 2,808,996	\$ 69,492	\$ 5,339,808
Accounts receivable (net of allowance for uncollectible accounts)	33,293	245,174	508,588	2,036	789,091
Due from other governments	7,746	64,917	128,878	-	201,541
Due from other funds	60,302	-	-	-	60,302
Total Current Assets	<u>1,027,495</u>	<u>1,845,257</u>	<u>3,446,462</u>	<u>71,528</u>	<u>6,390,742</u>
Noncurrent Assets					
Capital assets					
Land and land improvements	277,184	34,000	245,158	-	556,342
Buildings and building improvements	1,659,897	280,160	25,915,482	928,840	28,784,379
Vehicles and equipment	353,558	284,282	423,823	73,798	1,135,461
Distribution and collection systems	-	11,141,349	11,973,862	-	23,115,211
Construction in progress	-	-	-	4,000	4,000
Less accumulated depreciation	<u>( 1,500,461)</u>	<u>( 4,979,691)</u>	<u>( 15,314,576)</u>	<u>( 924,676)</u>	<u>( 22,719,404)</u>
Total Noncurrent Assets	<u>790,178</u>	<u>6,760,100</u>	<u>23,243,749</u>	<u>81,962</u>	<u>30,875,989</u>
Total Assets	<u>1,817,673</u>	<u>8,605,357</u>	<u>26,690,211</u>	<u>153,490</u>	<u>37,266,731</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	66,159	28,158	127,868	478	222,663
Accrued payroll and benefits payable	5,575	9,248	14,880	5,515	35,218
Accrued compensated absences payable	12,335	28,946	48,185	-	89,466
Accrued interest payable	-	5,359	12,475	65	17,899
Due to other governments	-	174,705	170,261	-	344,966
Due to other funds	60,302	-	-	-	60,302
Accrued postclosure costs - current portion	23,000	-	-	-	23,000
Other post employment benefits - current portion	4,378	11,752	9,607	-	25,737
Bonds and notes payable - current portion	-	134,102	102,455	15,000	251,557
Total Current Liabilities	<u>171,749</u>	<u>392,270</u>	<u>485,731</u>	<u>21,058</u>	<u>1,070,808</u>
Noncurrent Liabilities					
Accrued postclosure costs	368,000	-	-	-	368,000
Other post employment benefits	65,930	98,904	206,287	-	371,121
Bonds and notes payable	-	1,975,913	13,208,282	-	15,184,195
Total Noncurrent Liabilities	<u>433,930</u>	<u>2,074,817</u>	<u>13,414,569</u>	<u>-</u>	<u>15,923,316</u>
Total Liabilities	<u>605,679</u>	<u>2,467,087</u>	<u>13,900,300</u>	<u>21,058</u>	<u>16,994,124</u>
<b>NET ASSETS</b>					
Investment in capital assets, net of related debt	790,179	4,475,379	9,775,002	66,963	15,107,523
Restricted	-	295,787	764,227	-	1,060,014
Unrestricted	<u>421,815</u>	<u>1,367,104</u>	<u>2,250,682</u>	<u>65,469</u>	<u>4,105,070</u>
Total Net Assets	<u>\$ 1,211,994</u>	<u>\$ 6,138,270</u>	<u>\$ 12,789,911</u>	<u>\$ 132,432</u>	<u>\$ 20,272,607</u>

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Major Funds			Non-major Fund	Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Outdoor Facilities Fund	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 730,222	\$ 1,321,546	\$ 2,141,989	\$ 179,618	\$ 4,373,375
Rents and other income	13,188	11,077	42,286	4,332	70,883
 Total Operating Revenues	 <u>743,410</u>	 <u>1,332,623</u>	 <u>2,184,275</u>	 <u>183,950</u>	 <u>4,444,258</u>
<b>OPERATING EXPENSES</b>					
Personal services	323,990	500,989	791,803	104,407	1,721,189
Administration expenses	7,373	23,992	24,338	-	55,703
Utilities	13,636	165,096	234,015	52,590	465,337
Contract services	438,167	37,540	147,005	3,002	625,714
Postclosure care costs	( 238)	-	-	-	( 238)
Franchise tax	5,956	-	-	-	5,956
Waste generation fee	8,602	-	-	-	8,602
Equipment operation	9,542	17,734	29,881	5,785	62,942
Repairs and maintenance	10,018	38,902	49,255	-	98,175
Materials and supplies	7,213	65,540	79,994	5,027	157,774
Insurance expense	7,358	12,483	28,352	5,957	54,150
Small equipment	1,417	12,817	8,508	-	22,742
Depreciation	70,452	368,185	1,135,058	15,743	1,589,438
 Total Operating Expenses	 <u>903,486</u>	 <u>1,243,278</u>	 <u>2,528,209</u>	 <u>192,511</u>	 <u>4,867,484</u>
Operating Income (Loss)	( 160,076)	89,345	( 343,934)	( 8,561)	( 423,226)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	2,376	76,042	141,275	-	219,693
Interest revenue	329	474	881	17	1,701
Interest expense	-	( 69,876)	( 30,379)	( 1,000)	( 101,255)
Other expense	-	-	( 24,258)	-	( 24,258)
 Total Nonoperating Revenues (Expenses)	 <u>2,705</u>	 <u>6,640</u>	 <u>87,519</u>	 <u>( 983)</u>	 <u>95,881</u>
Income (Loss) Before Transfers	( 157,371)	95,985	( 256,415)	( 9,544)	( 327,345)
<b>TRANSFERS</b>					
Transfers in	226,288	1,028,403	353,005	108,000	1,715,696
Transfers out	( 75,888)	( 997,353)	( 353,005)	( 58,000)	( 1,484,246)
 Total Transfers	 <u>150,400</u>	 <u>31,050</u>	 <u>-</u>	 <u>50,000</u>	 <u>231,450</u>
Change in Net Assets	( 6,971)	127,035	( 256,415)	40,456	( 95,895)
Total Net Assets - July 1, 2011	<u>1,218,965</u>	<u>6,011,235</u>	<u>13,046,326</u>	<u>91,976</u>	<u>20,368,502</u>
Total Net Assets - June 30, 2012	<u>\$ 1,211,994</u>	<u>\$ 6,138,270</u>	<u>\$ 12,789,911</u>	<u>\$ 132,432</u>	<u>\$ 20,272,607</u>

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Major Funds			Non-major Fund	Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Outdoor Facilities Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 761,369	\$ 1,326,600	\$ 2,056,561	\$ 182,314	\$ 4,326,844
Cash paid to employees	( 305,601)	( 479,716)	( 892,879)	( 99,319)	( 1,777,515)
Cash paid to suppliers	( 572,674)	( 390,394)	( 1,020,417)	( 72,313)	( 2,055,798)
Net cash provided (used) by operating activities	( 116,906)	456,490	143,265	10,682	493,531
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Subsidies from government grants	2,376	-	-	-	2,376
Due from other funds	37,161	12,441	28,116	3,224	80,942
Due to other governments	( 7,746)	-	-	-	( 7,746)
Due to other funds	( 18,772)	-	-	( 5,727)	( 24,499)
Transfers from other funds	150,400	31,050	-	50,000	231,450
Transfers to other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	163,419	43,491	28,116	47,497	282,523
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Subsidies from government grants	-	26,802	12,397	-	39,199
Proceeds from issuance of debt	-	-	1,898,692	-	1,898,692
Principal payments - bonds and notes	-	( 547,273)	( 75,000)	( 15,000)	( 637,273)
Interest paid	-	( 72,657)	( 19,684)	( 1,066)	( 93,407)
Purchase of capital assets	( 18,679)	( 119,317)	( 1,443,303)	( 4,000)	( 1,585,299)
Net cash provided (used) by capital and related financing activities	( 18,679)	( 712,445)	373,102	( 20,066)	( 378,088)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	329	474	881	17	1,701
Net cash provided (used) by investing activities	329	474	881	17	1,701
Net increase (decrease) in cash and equivalents	28,163	( 211,990)	545,364	38,130	399,667
Cash and equivalents - July 1, 2011	897,991	1,747,156	2,263,632	31,362	4,940,141
Cash and equivalents - June 30, 2012	926,154	1,535,166	2,808,996	69,492	5,339,808
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	( 160,076)	89,345	( 343,934)	( 8,561)	( 423,226)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	70,452	368,186	1,135,058	15,743	1,589,439
(Increase) decrease in accounts receivable	17,959	( 6,023)	( 127,714)	( 1,636)	( 117,414)
Increase (decrease) in accounts payable	( 40,630)	( 16,287)	( 562,216)	48	( 619,085)
Increase (decrease) in accrued expenses	( 4,611)	21,269	42,071	5,088	63,817
Increase (decrease) in deferred income	-	-	-	-	-
Total adjustments	43,170	367,145	487,199	19,243	916,757
Net cash provided (used) by operating activities	( \$ 116,906)	\$ 456,490	\$ 143,265	\$ 10,682	\$ 493,531

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

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

The Town of Hartford, Vermont, (the Town) was chartered by King George III of England on July 4, 1761. The Town adopted a governance charter in accordance with Vermont statutes on November 4, 2008, which was subsequently ratified by the State on May 7, 2012. The Town operates under a Board of Selectmen-Town Manager form of government, and provides the following services: general administration, public safety (police, fire, and ambulance), streets, health and social services, culture and recreation, planning and zoning, community development, and public improvements. Other services include utility (solid waste, water and wastewater) operations.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. The Financial Reporting Entity**

This report includes all of the funds of the Town of Hartford, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organizations governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. There are no agencies or entities that should be combined with the financial statements of the Town.

**B. Basis of Presentation**

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

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

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds; however, interfund services provided and used are not eliminated. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**B. Basis of Presentation (continued)**

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's various enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports on the following major governmental funds:

General Fund. This is the general operating fund of the Town. It accounts for all financial resources of the general government, except those not accounted for in another fund.

Hurricane Irene Fund. This fund is a capital project fund used to track all revenue and expenditures related to Hurricane Irene. Expenditures consist of various repair projects to restore damage from the Hurricane. Revenues consist of reimbursements from FEMA and from other sources.

The Town reports on the following major enterprise funds:

Solid Waste Fund. This fund accounts for the activities of the Town's recycling center and transfer station for construction and demolition debris and municipal solid waste.

Water Fund. This fund accounts for the activities of the Town's water supply systems. Included in this fund are the central water system and the Quechee water system.

Wastewater Fund. This fund accounts for the activities of the Town's wastewater treatment plants and collection systems. Included in this fund are the central wastewater system and the Quechee wastewater system.

The Town reports on the following nonmajor governmental fund types:

Special Revenue Funds. These funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included in these funds are Public Safety Funds, Recreation Funds, Community Development Funds, and Impact Fee Funds.

Capital Project Funds. These funds account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlays which are not financed by Proprietary Funds. Included in this fund type is the Combined Sewer Overflow (CSO) Project Fund, the DPW Garage Fund, the Roundabout Fund, the Underpass Fund, the Park and Ride Fund, the Maxfield Project Fund, and three new funds, the Hurricane Irene Fund, the Quechee Bridge Fund, and the W. Hartford Library Fund.

Debt Service Fund. This fund accounts for the annual payments of principal and interest on general long-term debt of the Town, and for the accumulation of resources for future debt service payments on general long-term debt of the Town.

Permanent Fund. This fund accounts for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that are for the benefit of the Town or its citizens. Included in this fund type is the Town Trust Fund.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**B. Basis of Presentation (continued)**

The Town reports on the following non-major enterprise fund type:

Outdoor Facilities Fund. This fund accounts for the activities of the Town's municipal arena, which provides recreational opportunities for hockey players and skaters.

The Town has no fiduciary fund types.

**C. Basis of Accounting**

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

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

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, other postemployment benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues and charges for current services associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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

All governmental business-type activities and enterprise funds of the Town follow Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. As permitted under Statement of Governmental Accounting Standards No. 20, the Town has elected not to apply FASB Standards issued after November 30, 1989.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**D. Measurement Focus**

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

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

**E. Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used by the Town are the estimated useful lives used to calculate depreciation of property, plant and equipment, the estimated costs of post closure monitoring of the landfill, and the estimated costs of other postemployment benefits.

**F. Assets, Liabilities and Equity**

**1. Cash**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

State Statute do not restrict the types of investments the Town can make. All investments require the authorization of the Board of Selectmen. Investments in the Permanent Fund (Town Trust Fund) are valued at fair value. The investments are registered securities held by the Town or by its agent in the Town's name.

In accordance with GASB 31, "Accounting and Financial Reporting for Certain Investments," investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

**3. Receivables**

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

Transactions between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (for the current portion of the interfund loans) or "advances to/from other funds" (for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds."

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**F. Assets, Liabilities and Equity(continued)**

**3. Receivables(continued)**

The Town is responsible for assessing and collecting its own property taxes, as well as taxes for the State for school purposes. Property taxes are assessed based on property valuations as of April 1 annually. Taxes are collected twice a year in August and February. During the tax year ended June 30, 2012, taxes became due and payable on August 12, 2011, and February 3, 2012. Taxes unpaid after the August due date are considered to be late, and are subject to monthly interest at 1%. Taxes unpaid after the February due date are delinquent, and are subject to an 8% penalty, and interest calculated at 1% per month for the first three months, and then 1.5% per month thereafter. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale by the delinquent tax collector.

As of June 30, 2012, delinquent taxes receivable were \$286,662, net of a \$62,000 allowance for uncollectible taxes.

The tax rate for 2012 is as follows:

	<u>Homestead</u>	<u>Non-residential</u>
Homestead education tax	\$ 1.3918	\$ -
Non-residential education tax	-	1.4434
Town general fund appropriations	0.6979	0.6979
Town restricted appropriations	0.0088	0.0088
Windsor County tax	0.0110	0.0110
Local agreement tax	<u>0.0017</u>	<u>0.0017</u>
 Total	 <u>\$ 2.1112</u>	 <u>\$ 2.1628</u>

The first installment of property taxes for the budget period from July 1, 2012, to June 30, 2013 is due and payable on August 10, 2012 and February 8, 2013. As of June 30, 2012, the Town had collected \$47,478 of those taxes. This amount is shown as deferred revenue at June 30, 2012, and will be recorded as revenue in August, 2012. Also included in deferred revenue is \$3,901 in miscellaneous revenues applicable to future periods in the General Fund. The total amount of deferred revenue for governmental activities is \$51,379.

**4. Inventories**

The Town does not record inventories of supplies as these amounts are not material in relation to the Town's results of operations. Accordingly, expenditures related to inventories are reported in governmental funds when purchased.

**5. Restricted Assets**

Certain assets of the debt service fund are classified as restricted assets because agreements with Vermont Special Pollution Control Revolving Fund (for CSO loans) restrict the use of those funds to payment of debt service.

**6. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**F. Assets, Liabilities and Equity(continued)**

**6. Capital Assets(continued)**

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, using the straight line method of calculating depreciation. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land improvements	\$ 10,000	10-50 years
Buildings and building improvements	20,000	10-75 years
Vehicles and equipment	5,000	3-25 years
Roads, bridges, and sidewalks	20,000	20-75 years
Distribution and collection systems	20,000	20-75 years

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

**7. Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick time. Unused vacation time must be used within the next succeeding fiscal year, and is paid to the employee upon termination of their employment if their term of employment has exceeded six months. The accrual for unused vacation time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements, with the general fund being used to liquidate amounts recorded in the government-wide statements. Liability for unused vacation time is not reported in the governmental fund type financial statements unless they have matured. Payments for unused vacation time are recorded as expenditures in the year they are paid. No liability is reported for earned but unused sick time because it is not a vested benefit.

**8. Accrued Closure/Postclosure Costs**

The Town operated a landfill for use by Town residents and various neighboring towns. The landfill ceased accepting solid waste as of December 31, 1992. Subsequently the Town operated a landfill for construction and demolition debris. Phase I of this landfill ceased accepting debris for disposal as of July 31, 1998, and was closed and capped during the fiscal year ended June 30, 2000. There are no plans to open Phase II of the landfill. Currently, the Town operates a transfer station for municipal solid waste, and a grinding facility and transfer station for construction and demolition debris.

State statutes require that the Town monitor the groundwater quality for thirty years after capping a landfill. Seventeen years remain of the Town's obligation under the statutes. The Town's engineers estimated this liability at \$391,000. This liability has been recorded as an accrued expense as of June 30, 2012. A total of \$556,969 has been set aside to pay this accrued liability. The amounts are based on what it would cost to perform all postclosure care now. Actual costs may vary due to changes in the cost of living, changes in technology, changes in regulations, or variances between estimated and actual amounts.

**9. Other Postemployment Benefits**

The Town provides postemployment benefits for health insurance coverage for any employee who has attained age 55 and retires with a minimum of ten years of service (twenty years of service for employees hired after January 1, 1999). Other postemployment benefits are reported in the government-wide and proprietary fund financial statements. Governmental fund type financial statements do not include OPEB as those funds use the current financial resources measurement focus and only include current assets and liabilities on their balance sheets.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**F. Assets, Liabilities and Equity(continued)**

**10. Long-term Liabilities**

Long-term liabilities include bonds and notes payable, and capital leases payable. Long-term liabilities also include other obligations such as compensated absences and postemployment benefits. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current assets and liabilities on their balance sheets.

**11. Fund Equity**

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

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

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

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

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

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

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

**A. Governmental Funds Balance Sheet and the Statement of Net Assets**

Detailed explanation of the differences between governmental funds balance sheet and government-wide statement of net assets are as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Elimination of Due To/From	Statement of Net Assets Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,717,550	\$ -	\$ -	\$ -	\$ -	\$ 5,717,550
Deposits	3,044	-	-	-	-	3,044
Investments	11,492	( 1)	-	-	-	11,491
Receivables						
Taxes receivable	286,662	( 62,000)	-	-	-	224,662
Accounts receivable	62,603	-	-	-	-	62,603
Notes receivable	176,523	-	-	-	-	176,523
Due from other governments	1,198,190	( 4)	-	-	-	1,198,186
Due from other funds	756,051	-	-	-	( 756,051)	-
Restricted assets						
Cash and equivalents	370,013	( 1)	-	-	-	370,012
Capital assets	-	-	22,019,256	-	-	22,019,256
<b>Total Assets</b>	<b>8,582,128</b>	<b>( 62,006)</b>	<b>22,019,256</b>	<b>-</b>	<b>( 756,051)</b>	<b>29,783,327</b>
<b>LIABILITIES</b>						
Accounts payable	440,828	-	-	-	-	440,828
Accrued payroll and benefits payable	166,407	-	-	-	-	166,407
Accrued compensated absences payable	-	324,590	-	-	-	324,590
Accrued interest payable	-	3,098	-	-	-	3,098
Due to other funds	756,051	-	-	-	( 756,051)	-
Due to other governments	341,622	-	-	-	-	341,622
Deferred revenue	1,095,916	( 1,044,537)	-	-	-	51,379
Noncurrent liabilities	-	-	-	3,797,161	-	3,797,161
<b>Total Liabilities</b>	<b>2,800,824</b>	<b>( 716,849)</b>	<b>-</b>	<b>3,797,161</b>	<b>( 756,051)</b>	<b>5,125,085</b>
<b>NET ASSETS</b>						
Invested in capital assets	-	-	22,019,256	( 1,781,040)	-	20,238,216
Other	5,781,304	654,843	-	( 2,016,121)	-	4,420,026
<b>Total Net Assets</b>	<b>\$ 5,781,304</b>	<b>\$ 654,843</b>	<b>\$ 22,019,256</b>	<b>(\$ 3,797,161)</b>	<b>\$ -</b>	<b>\$ 24,658,242</b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

**B. Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities**

Detailed explanation of the differences between governmental funds statement of revenues, expenditures and changes in fund balances and government-wide statement of activities are as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Statement of Activities Total
<b>REVENUES</b>					
Taxes	\$ 9,946,283	\$ 34,141	\$ -	\$ -	\$ 9,980,424
Tax penalties and interest	214,695				214,695
Permits and licenses	17,174				17,174
Intergovernmental revenues	2,462,786	549,055			3,011,841
Charges for current services	1,216,916	( 17,954)			1,198,962
Fines and forfeits	10,444				10,444
Impact fees	763				763
Interest	15,181				15,181
Other revenues	209,073		5,225		214,298
Other sources:					
Proceeds from sale of assets	5,843		( 8,634)		( 2,791)
Insurance recovery	246,125	-	-	-	246,125
<b>Total Revenues</b>	<b>14,345,283</b>	<b>565,242</b>	<b>( 3,409)</b>	<b>-</b>	<b>14,907,116</b>
<b>EXPENDITURES</b>					
Current					
General government					
Administration	680,088	9,895	15,507		705,490
Elections and vital statistics	141,102	8,185	1,488		150,775
Finance	394,351	1,458	1,040		396,849
Valuation	180,213	11,180			191,393
Public safety					
Police	2,344,507	80,784	95,535		2,520,826
Fire and ambulance	2,486,086	90,673	242,806		2,819,565
Dispatch	603,415	33,613	34,381		671,409
Public works					
Highways	2,402,480	56,442	1,609,215		4,068,137
Public works administration	173,374	999	168		174,541
Health and social services	251,247	-	4,574		255,821
Recreation and parks					
Recreation administration	172,486	10,898	-		183,384
Recreation programs	299,374	10,197	-		309,571
Parks	523,898	3,772	48,652		576,322
Conservation and development	572,915	27,605	-		600,520
Cultural	601,028	-	4,220		605,248
Capital improvements	2,938,914	-	( 2,938,914)		-
Debt service					
Principal	202,066			( 202,066)	-
Interest	39,197	( 223)	-	-	38,974
Other uses:					
Transfers to other funds	231,450	-	-	-	231,450
<b>Total Expenditures</b>	<b>15,238,191</b>	<b>345,478</b>	<b>( 881,328)</b>	<b>( 202,066)</b>	<b>14,500,275</b>
Net change for the year	(\$ 892,908)	\$ 219,764	\$ 877,919	\$ 202,066	\$ 406,841

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted for the General Fund. The General Fund budgetary basis of accounting utilizes generally accepted accounting principles plus assignments of fund balances. Budgets for the General Fund only include unassigned funds, and do not include activity for assigned funds or reserve funds. Special Revenue Funds and Capital Project Funds adopt project-length budgets instead of annual budgets. Budgets are not adopted for Debt Service Funds or Permanent Funds.

The budget calendar begins during October with the submission of departmental budget requests to the Town Manager so that budgets may be prepared. The proposed budgets are presented to the Board of Selectmen for their review at the beginning of December. The Board holds numerous public hearings on the proposed budget, and prepares a final budget by the end of January. Budgets for Proprietary Funds are then adopted by the Board, while the budget for the General Fund is presented to the voters for consideration at the annual Town Meeting in March.

The budget is prepared by fund, function and department. The Town's department heads may make adjustments to appropriations within their department, while adjustment between departments can only be made with the approval of the Town Manager and the Board of Selectmen. The legal level of budgetary control is at the department level. No formal amendments are made to the budgets that were previously adopted.

The Town includes in expenditures those amounts that are treated as transfers to assigned net assets, including both cash amounts transferred for future capital expenditures and those amounts that are intended to be assigned for future operating expenditures.

For the year ended June 30, 2012, expenditures were over budget by \$68,641. This overture was the result of grants utilized during the year that were not budgeted. Grants create additional expenditures but also create additional revenue. Additional grant revenue was more than adequate to cover the additional grant related expenses.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash**

At year end, the Town's carrying amount of deposits was \$11,427,370, and the bank balance was \$11,895,990. Of the bank balance, \$269,035, was covered by federal depository insurance. Of the remaining balance, \$11,626,955 was collateralized with securities held by the financial institution's agent in the Town's name, and none was unsecured and uncollateralized. Due to higher cash flows at certain times during the year, the amounts collateralized with securities held by the financial institution's agent in the Town's name were substantially higher than at year end.

**B. Investments**

Investments at June 30, 2012, consisted of 364.688 shares of Fidelity's Puritan Fund and 66.048 shares of Fidelity's Value Fund, which together had a cost basis of \$10,007 and a fair value of \$11,492. Unrealized gains and losses, which are included in revenue, resulted in an increase in value of \$93 for the year ended June 30, 2012.

**C. Accounts receivable**

Accounts receivable at year end, as reported in the statement of net assets, including applicable allowances for uncollectible accounts, are as follows:

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**C. Accounts receivable(continued)**

	Governmental Activities	Business- Type Activities	Total
Ambulance accounts receivable (net of allowance of \$639,744)	\$ 27,182	\$ -	\$ 27,182
Miscellaneous receivables (net of allowance of \$0 [general] and \$0 [enterprise])	19,792	21,874	41,666
Impact fees receivable	15,230	2,738	17,968
Accrued interest receivable	399	-	399
Insurance proceeds receivable	-	78,223	78,223
User charges receivable (net of allowance of \$29,500)			
-Billed	-	359,762	359,762
-Unbilled	-	326,494	326,494
	<u>\$ 62,603</u>	<u>\$ 789,091</u>	<u>\$ 851,694</u>

**D. Notes Receivable**

Notes receivable at year end, including the applicable allowances for uncollectible amounts, are as follows:

Notes receivable - various revolving loans, seven loans outstanding, interest at 5.25%, various due dates, secured by business assets and personal guarantees. Of the seven loans, two were in arrears at June 30, 2012	\$ 176,523
Notes receivable - Upper Valley Housing Associates, 0% interest, monthly payments of \$2,133 beginning January 1, 2034, thru December 1, 2059, secured by third mortgage	<u>640,000</u>
Total	816,523
Allowance for doubtful loan balances	<u>( 640,000)</u>
Net Notes Receivable	<u>\$ 176,523</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets, not being depreciated:				
Land	\$ 643,976	\$ 135,000	\$ -	\$ 778,976
Construction in progress	1,250,641	328,799	-	1,579,440
Total capital assets not being depreciated	<u>1,894,617</u>	<u>463,799</u>	<u>-</u>	<u>2,358,416</u>
Capital assets, being depreciated:				
Land improvements	809,697	-	-	809,697
Buildings and building improvements	4,921,266	71,696	( 2,000)	4,990,962
Vehicles and equipment	6,428,356	873,332	( 460,221)	6,841,467
Roads, bridges and sidewalks	24,855,521	1,542,992	-	26,398,513
Total capital assets being depreciated	<u>37,014,840</u>	<u>2,488,020</u>	<u>( 462,221)</u>	<u>39,040,639</u>
Total Governmental Capital Assets	<u>38,909,457</u>	<u>2,951,819</u>	<u>( 462,221)</u>	<u>41,399,055</u>
Less accumulated depreciation for:				
Land improvements	180,284	26,990	-	207,274
Buildings and building improvements	2,480,162	149,111	( 7,224)	2,622,049
Vehicles and equipment	3,807,111	538,048	( 438,683)	3,906,476
Roads, bridges and sidewalks	11,300,563	1,343,436	-	12,643,999
Total capital assets, accumulated depreciation	<u>17,768,120</u>	<u>2,057,585</u>	<u>( 445,907)</u>	<u>19,379,798</u>
Total Governmental Capital Assets, Net	<u>21,141,337</u>	<u>894,234</u>	<u>( 16,314)</u>	<u>22,019,257</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets, not being depreciated:				
Land	414,158	-	-	414,158
Construction in progress	16,080,017	4,000	( 16,080,017)	4,000
Total capital assets not being depreciated	<u>16,494,175</u>	<u>4,000</u>	<u>( 16,080,017)</u>	<u>418,158</u>
Capital assets, being depreciated:				
Land improvements	142,184	-	-	142,184
Buildings and building improvements	13,089,394	15,701,664	-	28,791,058
Vehicles and equipment	988,142	140,915	( 60,933)	1,068,124
Distribution and collection systems	21,296,199	1,819,012	-	23,115,211
Total capital assets being depreciated	<u>35,515,919</u>	<u>17,661,591</u>	<u>( 60,933)</u>	<u>53,116,577</u>
Total Business-Type Capital Assets	<u>52,010,094</u>	<u>17,665,591</u>	<u>( 16,140,950)</u>	<u>53,534,735</u>
Less accumulated depreciation for:				
Land improvements	42,360	6,602	-	48,962
Buildings and building improvements	10,040,260	848,270	-	10,888,530
Vehicles and equipment	833,651	58,581	( 60,933)	831,299
Distribution and collection systems	10,213,693	676,262	-	10,889,955
Total capital assets, accumulated depreciation	<u>21,129,964</u>	<u>1,589,715</u>	<u>( 60,933)</u>	<u>22,658,746</u>
Total Business-Type Capital Assets, Net	<u>\$ 30,880,130</u>	<u>\$ 16,075,876</u>	<u>(\$ 16,080,017)</u>	<u>\$ 30,875,989</u>

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**E. Capital Assets (continued)**

Depreciation was charged to programs as follows:

<b>GOVERNMENTAL ACTIVITIES</b>		
General government		
Administration	\$	15,507
Election and vital statistics		1,488
Finance		1,040
Public safety		
Police		95,535
Fire and ambulance		242,806
Dispatch		34,381
Public works		
Highways		1,609,215
Public works administration		168
Health and social services		4,574
Recreation and parks		
Parks		48,652
Cultural		4,220
		<u>4,220</u>
Total depreciation expense	\$	<u>2,057,586</u>

**F. Accrued Compensated Absences**

Changes in accrued compensated absences during the year were as follows

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 318,876	\$ 88,049	\$ 406,925
Additions	313,071	78,559	391,630
Reductions	( 307,358)	( 77,143)	( 384,501)
Ending Balance	<u>324,589</u>	<u>89,465</u>	<u>414,054</u>
Due Within One Year	<u>\$ 324,589</u>	<u>\$ 89,465</u>	<u>\$ 414,054</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**G. Interfund Balances and Activity**

Interfund balances represent advances between funds which are intended to be liquidated by the payable fund within the next fiscal year. Interfund transfers represent advances to other funds that are intended to be of a permanent nature.

Interfund balances for the year ended June 30, 2012, were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Hurricane Irene Fund	Short-term loan to cover period before grant reimbursement	\$ 367,073
	Non-Major Governmental Funds	Short-term loan to cover period before grant reimbursement	352,978
	Total General Fund		<u>\$ 720,051</u>
Non-Major Governmental Funds	General Fund	Money received by General Fund but owed to Non-Major Governmental Funds	\$ 32,086
	Total Non-Major Governmental Funds		<u>\$ 32,086</u>

Interfund transfers for the year ended June 30, 2012, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund - Unassigned	General Fund - Assigned	Addition to capital reserves	\$ 482,585
	General Fund - Assigned	Current year assignments	660,000
	Debt Service Fund	Bond payments and bond reserve fund	262,591
	Outdoor Facilities Fund - Undesignated	Annual operating transfer	50,000
	Solid Waste Fund - Undesignated	Fund curbside recycling program	150,400
	Central Water Fund - Undesignated	Share of debt service	31,050
	Quechee Bridge Capital Project Fund	Fund construction of new bridge	103,000
	W. Hartford Library Capital Project Fund	Fund construction of new library	441,000
	Non-Major Governmental Funds	Small transfers to close out non-major funds	172
General Fund - Assigned	General Fund - Unassigned	Reimbursement from capital reserves	230,264
	General Fund - Unassigned	Release of unused encumbrances/assignments	453,495
	General Fund - Unassigned	Release of assignment to fund 11-12 budget	<u>100,000</u>
Total General Fund		<u>\$ 2,964,557</u>	
Nonmajor Governmental Funds	General Fund - Unassigned	Reimbursement from special revenue funds	\$ 7,774
	General Fund - Unassigned	Close out of non-major funds	7,820
	General Fund - Unassigned	Permanent fund earnings transfer	113
	General Fund - Unassigned	Close out of non-major funds	<u>4,547</u>
Total Non-Major Governmental Funds		<u>\$ 20,254</u>	
Outdoor Facilities Fund - Undesignated	Outdoor Facilities Fund - Invest. in Capital Assets	Bond principal payment	\$ 15,000
	Outdoor Facilities Fund - Invest. in Capital Assets	Asset additions	4,000
	Outdoor Facilities Fund - Designated	Addition to capital reserve	35,000
Outdoor Facilities Fund - Designated	Outdoor Facilities Fund - Undesignated	Reimbursement from capital reserve	<u>4,000</u>
Total Outdoor Facilities Fund		<u>\$ 58,000</u>	
Solid Waste Fund - Undesignated	Solid Waste Fund - Designated	Addition to capital reserve	\$ 20,168
	Solid Waste Fund - Invest. in Capital Assets	Asset additions	18,679
Solid Waste Fund - Designated	Solid Waste Fund - Undesignated	Reimbursement from closure reserve	36,977
	Solid Waste Fund - Undesignated	Correction of prior year allocation	<u>64</u>
Total Solid Waste Fund		<u>\$ 75,888</u>	

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**G. Interfund Balances and Activity (continued)**

*CONTINUED...*

Central Water Fund - Undesignated	Central Water Fund - Designated	Addition to capital reserve	\$ 119,807
	Central Water Fund - Invest. in Capital Assets	Bond principal payment	482,413
	Central Water Fund - Invest. in Capital Assets	Asset additions	96,674
Central Water Fund -Designated	Central Water Fund - Undesignated	Reimbursement from capital reserve	<u>111,192</u>
Total Central Water Fund			<u>\$ 810,086</u>
Quechee Water Fund - Undesignated	Quechee Water Fund - Designated	Addition to capital reserve	\$ 60,968
	Quechee Water Fund - Invest. in Capital Assets	Bond principal payment	64,860
	Quechee Water Fund - Invest. in Capital Assets	Asset additions	36,578
Quechee Water Fund -Designated	Quechee Water Fund - Undesignated	Reimbursement from capital reserve	<u>24,861</u>
Total Quechee Water Fund			<u>\$ 187,267</u>
Central Wastewater Fund - Undesignated	Central Wastewater Fund - Designated	Addition to capital reserve	96,599
	Central Wastewater Fund - Invest. in Capital Assets	Asset additions	<u>89,053</u>
Total Central Wastewater Fund			<u>\$ 185,652</u>
Quechee Wastewater Fund - Undesignated	Quechee Wastewater Fund - Designated	Addition to capital reserve	\$ 37,882
Quechee Wastewater Fund - Invest. in Capital Assets	Quechee Wastewater Fund - Undesignated	Changes in invested in capital assets	<u>129,471</u>
Total Quechee Wastewater Fund			<u>\$ 167,353</u>

**H. Long-term Liabilities**

General Obligation Bonds. The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues, and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as 15 to 20 year bonds. Bonds issued for general government activities generally are issued with equal amounts of principal maturing each year, and bonds issued for proprietary activities generally are issued with equal annual debt service amounts payable each year.

Revolving Loans. The State of Vermont offers a number of no-interest or low-interest revolving loan programs for towns to utilize for predetermined purposes. The Town has borrowed money from the Vermont Special Pollution Control Revolving Fund for two combined sewer overflow projects, and has borrowed money from the Vermont Environmental Protection Agency Local Assistance State Revolving Fund for the construction of an additional water well in Wilder.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**H. Long-term Liabilities (continued)**

General obligation bonds and revolving loans outstanding at June 30, 2012, are as follows:

<b>BONDS AND NOTES PAYABLE</b>		
Purpose	Interest Rates	Amount
<u>Governmental Activities - Bonds</u>		
DPW Building	1.87% - 4.73%	\$ 840,000
<u>Governmental Activities - Revolving Loans</u>		
Combined Sewer Overflow - #1	0%	137,392
Combined Sewer Overflow - #2	0%	<u>786,422</u>
Total General Long-term Debt		<u>1,763,814</u>
<u>Business-type Activities - Bonds</u>		
Outdoor facilities - refrigeration	3.7% - 5.25%	15,000
Water system improvements	2.8% - 4.98%	75,000
Wastewater system improvements	2.8% - 4.98%	375,000
<u>Business-type Activities - Revolving Loans</u>		
Wilder Well	1.00%	2,035,015
Water system improvements	1.00%	273,649
Water system improvements	1.00%	393,444
Wastewater system improvements	0%	6,915,254
Wastewater system improvements	0%	<u>5,353,390</u>
Total Enterprise Funds		<u>15,435,752</u>

Changes in all long-term liabilities (including bonds, notes, capital leases, other postemployment benefits, and accrued postclosure costs) during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable	\$ 945,000	\$ -	\$ 105,000	\$ 840,000	\$ 105,000
Revolving loans payable	1,020,879	-	97,065	923,814	97,066
Other postemployment benefits	<u>1,693,365</u>	<u>446,459</u>	<u>106,477</u>	<u>2,033,347</u>	<u>106,476</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 3,659,244</u>	<u>\$ 446,459</u>	<u>\$ 308,542</u>	<u>\$ 3,797,161</u>	<u>\$ 308,542</u>
<b>Business-type Activities</b>					
Bonds payable	\$ 690,000	\$ -	\$ 225,000	\$ 465,000	\$ 105,000
Revolving loans payable	13,460,073	1,922,953	412,274	14,970,752	146,558
Other postemployment benefits	324,953	97,646	25,736	396,863	25,736
Postclosure care costs	<u>414,000</u>	<u>-</u>	<u>23,000</u>	<u>391,000</u>	<u>23,000</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 14,889,026</u>	<u>\$ 2,020,599</u>	<u>\$ 686,010</u>	<u>\$ 16,223,615</u>	<u>\$ 300,294</u>

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**H. Long-term Liabilities (continued)**

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2012, including interest payments, are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest/ Admin Fees</u>	<u>Principal</u>	<u>Interest/ Admin Fees</u>
2013	\$ 202,066	\$ 35,039	\$ 251,557	\$ 94,325
2014	295,196	30,248	240,679	85,620
2015	179,935	23,840	749,857	322,468
2016	179,935	17,660	764,317	303,633
2017	179,935	12,873	779,105	284,395
2018-2022	726,747	1,251	3,679,341	1,176,956
2023-2027	-	( 28,692)	3,922,596	753,548
2028-2032	-	-	3,591,528	364,013
2033-3037	-	-	1,456,772	43,847
<b>Total</b>	<u>\$ 1,763,814</u>	<u>\$ 92,219</u>	<u>\$ 15,435,752</u>	<u>\$ 3,428,805</u>

Postemployment benefits have been liquidated in prior years by the General Fund, Solid Waste Fund, Water Fund, and Wastewater Fund.

<b>TOWN OF HARTFORD, VERMONT</b> <b>NOTES TO FINANCIAL STATEMENTS</b> <b>JUNE 30, 2012</b>
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**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**I. Restricted, Assigned and Designated Fund Balances/Net Assets**

Net assets/fund balances are restricted or nonspendable as follows:

GOVERNMENTAL ACTIVITIES

RESTRICTED

Special Revenue Funds	
Police Drug Forefiture Fund - restricted by statute	\$ 16,390
Engine 494 Fund - restricted by donor agreement	5,474
Trees Matter Fund - restricted by donor agreement	2,912
Dog Park Fund - restricted by donor agreement	13,564
Glory Days Fund - restricted by donor agreement	7,170
CLG Grant Fund - restricted by grant agreement	38
Park & Ride Grant Fund - restricted by grant agreement	2,400
Watershed Grant Fund - restricted by grant agreement	1,852
Quechee Gorge Visitor Center - restricted by grant agreement	43,427
Rehabilitation Loan Funds - restricted by grant agreement	107,798
Revolving Loan Fund - restricted by grant agreement	374,941
Police Youth Safety Fair - restricted by donor agreement	5,689
Fire HLS Grant Fund - nonspendable deposit	3,044
Fire/EMS Impact Fee Fund - restricted by statute	86,722
Recreation Impact Fee Fund - restricted by statute	57,463
Library Impact Fee Fund - restricted by statute	<u>2,718</u>
Total Special Revenue Funds	<u>731,602</u>
Capital Projects Fund	
CSO Fund - restricted by bond agreement	82,938
Maxfield Project Fund - restricted by donor agreement	996,912
W. Hartford Library Fund - restricted by grant agreement	<u>12,200</u>
Total Capital Projects Fund	<u>1,092,050</u>
Debt Service Fund	
CSO Bond Reserve Fund - restricted by bond agreement	<u>370,011</u>
Total Debt Service Fund	<u>370,011</u>
Permanent Fund	
Town Trust Funds - restricted by Trust agreement	<u>30,280</u>
Total Permanent Fund	<u>30,280</u>
<b>TOTAL GOVERNMENTAL RESTRICTED</b>	
<b>NET ASSETS</b>	
<b><u>2,223,943</u></b>	

GOVERNMENTAL FUNDS

NON-SPENDABLE

Special Revenue Funds	
Town Trust Funds - restricted by Trust agreement(Non-Expendable)	27,168
Fire HLS Grant Fund - nonspendable deposit	<u>3,044</u>
<b>TOTAL GOVERNMENTAL NON-SPENDABLE</b>	
<b>FUND BALANCE</b>	
<b><u>\$ 30,212</u></b>	

BUSINESS-TYPE ACTIVITIES

Central Water Impact Fee Fund - restricted by statute	\$ 243,717
Quechee Water Impact Fee Fund - restricted by statute	52,070
Central Wastewater Impact Fee Fund - restricted by statute	565,201
Quechee Wastewater Impact Fee Fund - restricted by statute	<u>199,026</u>
<b>TOTAL BUSINESS-TYPE RESTRICTED NET ASSETS</b>	
<b><u>\$ 1,060,014</u></b>	

<b>TOWN OF HARTFORD, VERMONT</b> <b>NOTES TO FINANCIAL STATEMENTS</b> <b>JUNE 30, 2012</b>
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**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**I. Restricted, Assigned and Designated Fund Balances/Net Assets(continued)**

Net assets/fund balances in the following funds are assigned or designated as follows:

GOVERNMENTAL ACTIVITIES

General Fund

Assigned to Town Clerk record restoration	\$	245,447
Assigned to Town office renovation		61,697
Assigned to accounting software		6,122
Assigned to Revaluation		215,360
Assigned to Police capital purchases		44,638
Assigned to Fire/EMS capital purchases		102,288
Assigned to communications center upgrade		33,273
Assigned to Highway capital expenditures		161,666
Assigned to Highway bridges and culverts		69,682
Assigned to street light maintenance reserve		5,000
Assigned to street light replacement reserve		8,750
Assigned to Senior Center renovations		8,509
Assigned to Recreation expenses		51,400
Assigned to Skatepark expenses		7,877
Assigned to Conservation and Development expenditures		130,212
Assigned to police accreditation		3,631
Assigned to paved road cracksealing		13,325
Assigned to street globes & lights		17,000
Assigned to sidewalks		107,676
Assigned to municipal building improvements		98,153
Assigned to WRJ revitalization		113,501
Assigned to dam construction		80,000
Assigned to Hurricane irene town share		385,000
Assigned to subsequent year expenditures		250,000

Total General Fund		2,220,207
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Capital Projects Funds

DPW Garage Fund - assigned to capital expenditures		51,985
W. Hartford Library Fund - assigned to new library construction		655,463

Total Capital Projects Funds		707,448
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<b>TOTAL GOVERNMENTAL FUNDS</b>		
<b>ASSIGNED FUND BALANCES</b>	<b>\$</b>	<b>2,927,655</b>

BUSINESS-TYPE ACTIVITIES

Outdoor Facilities Capital Reserve Fund - designated for capital expenditures		62,379
Solid Waste Capital Reserve Fund - designated for capital expenditures		23,345
Solid Waste Closure Reserve Fund - designated for postclosure expenditures		100,053
Solid Waste Equipment Reserve Fund - designated for equipment purchases		51,782
Central Water Capital Reserve Fund - designated for capital expenditures		490,407
Quechee Water Capital Reserve Fund - designated for capital expenditures		208,196
Central Wastewater Capital Reserve Fund - designated for capital expenditures		462,802
Quechee Wastewater Capital Reserve Fund - designated for capital expenditures		430,104

<b>TOTAL BUSINESS-TYPE</b>		
<b>DESIGNATED NET ASSETS</b>	<b>\$</b>	<b>1,829,068</b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**IV. DETAILED NOTES ON ALL FUNDS(continued)**

**I. Restricted, Assigned and Designated Fund Balances/Net Assets(continued)**

The Hurricane Irene Fund and certain individual grant funds within the Special Revenue Funds and Capital Project Funds have negative fund balances as of June 30, 2012. These fund balances are negative because expenditures have gone out but the grant reimbursement revenue was not received soon enough after June 30, 2012 to be recognized within the year. When the grant revenues are recognized the negative fund balances will be restored.

**V. OTHER INFORMATION**

**A. Risk Management**

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

The Town has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. No liabilities have been accrued as the Town is not able to make an estimate as to any future costs. The Town paid \$10,861 in unemployment claims during the fiscal year ended June 30, 2012.

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the State of Vermont or the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**C. Commitments**

The Town is a participant in an Interlocal Contract made up of twenty-two towns in East-Central Vermont committed to making state-of-the-art high-speed communications services available to all institutions, homes and businesses in participating towns (East Central Vermont Community Fiber – ECF). The revenue generated from system users is intended to pay the costs of building, financing and operating the system so no cash outlay from member towns will be required. On October 21, 2008, the Town authorized ECF to issue certificates of participation (master lease) not to exceed \$106,000,000 for the purpose of making certain capital improvements for the delivery of communication services. The aggregate principal amount of the certificates of participation would be allocated to the town and the other participants based on their relative population. It is intended that the repayment of the certificates could only come from the revenues generated by the communications system. Due to significant changes in the capital markets, ECF does not currently intend to finance the project with the certificates of participation described previously. ECF is pursuing alternative financing that, in accordance with the Interlocal Contract, will not result in any potential liability to the Town.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**V. OTHER INFORMATION(continued)**

**D. Deferred Compensation Plan**

The Town offers its employees a deferred compensation plan for employees through the International City Manager's Association (ICMA) Retirement Corporation in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town has no liability for losses under the plan. All of the investments are self-directed by each participant. Under generally accepted accounting principles and federal law, the investments are held in trust for the benefit of employees. Accordingly, the Town does not report these assets on their financial statements.

**E. Defined Contribution Pension Plans**

Employees who are members of the Hartford Career Firefighters' Association, the Hartford Police Chapter of AFSCME, the Hartford Department of Public Works Chapter of the AFSCME, and all non-union employees can elect to be covered by the State of Vermont Municipal Employees Retirement System (VMERS) Group C Plan, a defined benefit plan, or the VMERS Group DC Plan, a defined contribution plan. Three employees have elected coverage under the VMERS Group DC Plan. Under the VMERS Group C Plan, employees are required to contribute 9% of their gross salary and the Town contributes 6%; however, under the agreement between the Town and the Firefighters' Association, the Police Chapter, and the Public Works Chapter, the Town actually contributes 7% and the employees contribute 8%, and for non-union employees, the Town actually contributes 8% and the employees contribute 7%.

The Town of Hartford pays all costs accrued each year for the plan. The premise of this plan is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as present value of vested and nonvested plan benefits by municipality are not determinable. Covered payroll for this plan was \$3,753,977 and Town contributions for the year ended June 30, 2012 were \$240,767.

The Town offers a 401(a) pension plan to full-time employees hired prior to April 1, 2007, who had not elected to change their plan to VMERS on that date. This plan is qualified by the Internal Revenue Service as a defined contribution pension plan for governmental organizations exempt from income tax. The plan requires a contribution of 8% of base salary per participant by the Town. The ICMA Retirement Corporation administers the plan. Covered payroll for this plan was \$2,111,331. Town contributions for the year ended June 30, 2012 were \$170,906.

**F. Flexible Benefits Plan**

The Town offers a Flexible Benefits Plan to all full time employees. The plan is authorized by the Internal Revenue Service under Internal Revenue Code Section 125. The plan allows employees to pay for health care expenses and dependent care expenses with pre-income tax and pre-social security tax dollars.

**G. Other Postemployment Benefits**

Beginning in fiscal year 2009, the Town was required to implement Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This new standard addresses how the Town should account for and report its costs related to postemployment health care benefits provided to eligible employees. Historically, the Town's benefits were reported on a pay-as-you-go basis. GASB Statement No. 45 requires that the Town recognize the cost of this benefit during the period of employees' active employment (while the benefits are being earned) and disclose the unfunded actuarial accrued liability in order to account for the total future of postemployment benefits and the financial impact on the Town.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**V. OTHER INFORMATION(continued)**

**G. Other Postemployment Benefits(continued)**

The Town provides postemployment benefits for health insurance coverage for any employee who has attained age 55 and retires with a minimum of ten years of service (twenty years of service for employees hired after January 1, 1999). The Town pays for health insurance costs up to age 65 and then pays for any medicare supplemental policy, in accordance with the cost-sharing arrangements that exist for regular employees. The Town currently funds these benefits on a pay-as-you-go basis.

The annual cost of other postemployment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The Town has elected not to pre-fund OPEB liabilities. The Town is required to record the annual required contribution, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year.

	Governmental Activities	Business-type Activities	Total
Annual OPEB Cost	\$ 446,459	\$ 97,646	\$ 544,105
Contributions Made	106,475	25,736	132,211
Increase in Net OPEB Obligation	339,984	71,910	411,894
Net OPEB Obligation, Beginning of Year	1,693,365	324,951	2,018,316
Net OPEB Obligation, End of Year	\$ 2,033,349	\$ 396,861	\$ 2,430,210

As of June 30, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$7,511,586 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,511,586.

Actuarial valuation of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employers are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 3.0 percent investment rate of return (discount rate) and an annual healthcare cost trend rate of 10.0 percent initially (adjusted by minus 1.0 percent to reflect the implicit inflation assumption in the 3.0 percent discount rate), reduced by decrements to an ultimate rate of 6.0 percent by 2016. A thirty year amortization period is being used.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**V. OTHER INFORMATION(continued)**

**H. Hurricane Irene**

On August 28, 2011, the State of Vermont, including the Town of Hartford, was struck by Tropical Storm Irene, causing catastrophic damage to several areas of the Town. Town of Hartford employees have had a busy year working to cleanup and repair the damage leftover from the Hurricane. The Town's finance department, along with other Town departments, have worked closely with the Federal Management Agency Public Assistance Program(FEMA), the Federal Highway Administration Emergency Relief Program(FHWA), and insurance companies to ensure the Town receives all relief funding to which it is entitled. The worst of the Hurricane Relief effort is behind us but there is still a considerable amount of work to be done. Large projects need to be closed out with the state and FEMA and the Town must maintain detailed records of the work completed

Two of the biggest damaged structures were the Quechee Covered Bridge and the W. Hartford Library. Construction of a new Quechee Covered Bridge has begun and should be completed in the near future. For the W. Hartford Library, both a construction plan and a funding plan are in process to complete this project.

**I. Subsequent Events**

On March 6, 2012, voters authorized the issuance of general obligation bonds in the amounts of \$1,135,225 and \$500,000 for construction of a new Quechee Covered Bridge and construction of a new West Hartford Library, respectively. Bonds were approved by the Vermont Municipal Bond Bank in the amount of \$1,635,225.

Bond proceeds of \$1,135,225 for the Quechee Covered Bridge were put into an escrow account in the Town's name during July 2012. The bond requires annual debt service between \$58 and \$90 K for twenty years starting in 2013. It has not yet been decided whether the Town will utilize the \$500,000 bond available for funding construction of a new West Hartford Library. If completed, this project would most likely be funded from other sources.

**TOWN OF HARTFORD, VERMONT**  
**GENERAL FUND - UNASSIGNED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 10,015,783	\$ 9,946,283	(\$ 69,500)
Tax penalties and interest	234,500	214,695	( 19,805)
Permits and licenses	18,270	17,174	( 1,096)
Intergovernmental revenues	573,082	1,097,146	524,064
Charges for services	1,197,484	1,203,174	5,690
Fines and forfeits	12,400	10,444	( 1,956)
Interest	18,000	4,587	( 13,413)
Other revenues	<u>94,660</u>	<u>167,015</u>	<u>72,355</u>
Total Revenues	<u>12,164,179</u>	<u>12,660,518</u>	<u>496,339</u>
<b>EXPENDITURES</b>			
Current expenditures			
General government			
Administration	757,438	578,899	178,539
Elections and vital statistics	160,098	141,102	18,996
Finance	341,850	371,111	( 29,261)
Valuation	182,073	180,213	1,860
Boards and commissions	6,200	2,275	3,925
Public safety			
Police	2,201,335	2,333,150	( 131,815)
Fire and ambulance	2,379,895	2,339,107	40,788
Dispatch	582,198	603,415	( 21,217)
Public works			
Highways	1,564,370	1,541,043	23,327
Public works administration	116,435	169,914	( 53,479)
Health and social services	252,782	251,247	1,535
Recreation and parks			
Recreation administration	171,270	172,486	( 1,216)
Recreation programs	280,612	294,936	( 14,324)
Parks	181,925	208,147	( 26,222)
Conservation and development	427,709	432,075	( 4,366)
Cultural	253,297	221,975	31,322
Capital expenditures			
General government			
Administration	-	18,602	( 18,602)
Public safety			
Police	85,673	66,754	18,919
Fire and ambulance	227,900	227,047	853
Public works			
Highways	1,401,700	1,489,903	( 88,203)
Recreation and parks			
Parks	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>11,574,760</u>	<u>11,643,401</u>	<u>( 68,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	402,000	804,015	402,015
Transfers out	( 982,844)	( 2,180,798)	( 1,197,954)
Proceeds from sale of capital assets	-	5,843	5,843
Total Other Financing Sources (Uses)	<u>( 580,844)</u>	<u>( 1,370,940)</u>	<u>( 790,096)</u>
Net change in fund balance	<u>\$ 8,575</u>	<u>(\$ 353,823)</u>	<u>(\$ 362,398)</u>

**RECONCILIATION OF CHANGE IN FUND BALANCES - BUDGETARY BASIS**  
**TO CHANGE IN FUND BALANCES - GAAP BASIS**

Change in Fund Balances - Budgetary Basis	(\$ 353,823)
Transfer to Assigned Fund Balance	1,142,585
Transfer from Assigned Fund Balance	( 783,759)
Expenditures from Assigned Fund Balance	( 578,395)
Assigned Fund Balance Interest Income	<u>460</u>
Change in Fund Balances - GAAP Basis	<u>(\$ 572,932)</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Unassigned</u>	<u>Assigned</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 9,946,283	\$ -	\$ 9,946,283
Tax penalties and interest	214,695	-	214,695
Permits and licenses	17,174	-	17,174
Intergovernmental revenues	1,097,146	-	1,097,146
Charges for current services	1,203,174	-	1,203,174
Fines and forfeits	10,444	-	10,444
Interest	4,587	-	4,587
Other revenues	167,015	460	167,475
		-	-
Total Revenues	<u>12,660,518</u>	<u>460</u>	<u>12,660,978</u>
<b>EXPENDITURES</b>			
Current expenditures			
General government			
Administration	578,899	15,714	594,613
Elections and vital statistics	141,102	-	141,102
Finance	371,111	23,240	394,351
Valuation	180,213	-	180,213
Boards and commissions	2,275	-	2,275
Public safety			
Police	2,333,150	5,010	2,338,160
Fire and ambulance	2,339,107	730	2,339,837
Dispatch	603,415	-	603,415
Public works			
Highways	1,541,043	97,655	1,638,698
Public works administration	169,914	3,460	173,374
Health and social services	251,247	-	251,247
Recreation and parks			
Recreation administration	172,486	-	172,486
Recreation programs	294,936	-	294,936
Parks	208,147	-	208,147
Conservation and development	432,075	10,531	442,606
Cultural	221,975	-	221,975
Capital expenditures			
General government			
Administration	18,602	-	18,602
Public safety			
Police	66,754	16,520	83,274
Fire	227,047	77,876	304,923
Dispatch	-	-	-
Public works			
Highways	1,489,903	327,659	1,817,562
Public works administration	-	-	-
Recreation and parks			
Parks	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>11,643,401</u>	<u>578,395</u>	<u>12,221,796</u>
Excess (deficiency) of Revenues Over (Under)			
Expenditures	<u>1,017,117</u>	<u>( 577,935)</u>	<u>439,182</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	804,015	1,142,585	1,946,600
Transfers out	( 2,180,798)	( 783,759)	( 2,964,557)
Proceeds from sale of capital assets	5,843	-	5,843
Total Other Financing Sources (Uses)	<u>( 1,370,940)</u>	<u>358,826</u>	<u>( 1,012,114)</u>
Net Change in Fund Balances	( 353,823)	( 219,109)	( 572,932)
Fund Balances - July 1, 2011	<u>1,703,834</u>	<u>2,439,316</u>	<u>4,143,150</u>
Fund Balances - June 30, 2012	<u>\$ 1,350,011</u>	<u>\$ 2,220,207</u>	<u>\$ 3,570,218</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 905,988	\$ 1,764,094	\$ -	\$ 19,035	\$ 2,689,117
Investments	-	-	-	11,492	11,492
Receivables (net of allowances for uncollectible accounts)					
Accounts receivable	15,629	-	-	-	15,629
Notes receivable	176,523	-	-	-	176,523
Due from other governments	183,814	343,098	-	-	526,912
Due from other funds	8,420	23,666	-	-	32,086
Deposits	3,044	-	-	-	3,044
Restricted assets:					
Cash and equivalents	-	-	370,013	-	370,013
<b>Total Assets</b>	<u>1,293,418</u>	<u>2,130,858</u>	<u>370,013</u>	<u>30,527</u>	<u>3,824,816</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	64,915	39,445	-	-	104,360
Due to other governments	341,622	-	-	-	341,622
Due to other funds	158,253	194,475	-	247	352,976
Deferred revenue	144,982	330,898	-	-	475,879
<b>Total Liabilities</b>	<u>709,772</u>	<u>564,818</u>	<u>-</u>	<u>247</u>	<u>1,274,837</u>
<b>Fund balances</b>					
<b>Non-spendable</b>					
Permanent fund principal	-	-	-	27,168	27,168
Deposits	3,044	-	-	-	3,044
<b>Restricted for</b>					
Public safety	22,079	-	-	-	22,079
Impact fees	146,904	-	-	-	146,904
Recreation and parks	-	1,079,850	-	-	1,079,850
Community development	530,453	-	-	-	530,453
Debt service	-	-	370,013	-	370,013
Endowments - Expendable	-	-	-	3,112	3,112
Cultural	-	12,200	-	-	12,200
Other	29,120	-	-	-	29,120
<b>Assigned to</b>					
Public works	-	51,985	-	-	51,985
Cultural	-	655,463	-	-	655,463
Unassigned	( 147,954)	( 233,458)	-	-	( 381,412)
<b>Total Fund Balances</b>	<u>583,646</u>	<u>1,566,040</u>	<u>370,013</u>	<u>30,280</u>	<u>2,549,979</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,293,418</u>	<u>\$ 2,130,858</u>	<u>\$ 370,013</u>	<u>\$ 30,527</u>	<u>\$ 3,824,816</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Non-major Governmental Funds
<b>REVENUES</b>					
Intergovernmental revenues	\$ 490,572	\$ 25,346	\$ -	\$ -	\$ 515,918
Impact fees	762	-	-	-	762
Interest	9,804	59	189	83	10,135
Other revenues	<u>27,638</u>	<u>5,172</u>	<u>-</u>	<u>262</u>	<u>33,072</u>
Total Revenues	<u>528,776</u>	<u>30,577</u>	<u>189</u>	<u>345</u>	<u>559,887</u>
<b>EXPENDITURES</b>					
Current expenditures					
General government					
Administration	-	-	-	-	-
Public safety					
Police	5,477	-	-	-	5,477
Fire and ambulance	115,892	-	-	-	115,892
Recreation and parks					
Parks	25,545	-	-	-	25,545
Conservation and development					
Cultural	89,116	-	-	-	89,116
Education	-	-	-	-	-
Education	369,772	-	-	-	369,772
Debt service expenditures					
Principal	-	-	202,066	-	202,066
Interest	-	-	39,197	-	39,197
Capital expenditures					
Public safety					
Police	19,292	-	-	-	19,292
Fire and ambulance	245,745	-	-	-	245,745
Public works					
Highways	-	293,338	-	-	293,338
Recreation and parks	-	87,208	-	-	87,208
Conservation and development	49,267	-	-	-	49,267
Cultural	-	9,281	-	-	9,281
Total Expenditures	<u>920,106</u>	<u>389,827</u>	<u>241,263</u>	<u>-</u>	<u>1,551,196</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	<u>( 391,330)</u>	<u>( 359,250)</u>	<u>( 241,074)</u>	<u>345</u>	<u>( 991,309)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	171	544,000	262,590	-	806,761
Transfers out	( 15,594)	( 4,547)	-	( 113)	( 20,254)
Insurance proceeds	<u>-</u>	<u>223,719</u>	<u>-</u>	<u>-</u>	<u>223,719</u>
Total Other Financing Sources (Uses)	<u>( 15,423)</u>	<u>763,172</u>	<u>262,590</u>	<u>( 113)</u>	<u>1,010,226</u>
Net Change in Fund Balances	( 406,753)	403,922	21,516	232	18,917
Fund Balances - July 1, 2011	<u>990,399</u>	<u>1,162,118</u>	<u>348,497</u>	<u>30,048</u>	<u>2,531,062</u>
Fund Balances - June 30, 2012	<u>\$ 583,646</u>	<u>\$ 1,566,040</u>	<u>\$ 370,013</u>	<u>\$ 30,280</u>	<u>\$ 2,549,979</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2012**

	Community Development Funds	Recreation Funds	Public Safety Funds	Impact Fee Funds	Totals
<b>ASSETS</b>					
Cash and equivalents	\$ 386,701	\$ 29,911	\$ 22,079	\$ 467,297	\$ 905,988
Receivables (net of allowances for uncollectible accounts)					
Accounts receivable	399	-	-	15,230	15,629
Notes receivable	176,523	-	-	-	176,523
Due from other governments	133,016	-	50,798	-	183,814
Due from other funds	-	-	-	8,420	8,420
Deposits	-	-	3,044	-	3,044
	<u>696,639</u>	<u>29,911</u>	<u>75,921</u>	<u>490,947</u>	<u>1,293,418</u>
<b>Total Assets</b>					
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	28,657	-	36,258	-	64,915
Due to other governments	-	-	-	341,622	341,622
Due to other funds	137,530	718	17,584	2,421	158,253
Deferred revenues	94,111	73	50,798	-	144,982
	<u>260,298</u>	<u>791</u>	<u>104,640</u>	<u>344,043</u>	<u>709,772</u>
<b>Total Liabilities</b>					
<b>Fund Balances</b>					
Non-spendable					
Deposits	-	-	3,044	-	3,044
Restricted for					
Public safety	-	-	22,079	-	22,079
Impact fees	-	-	-	146,904	146,904
Community development	530,453	-	-	-	530,453
Public safety	-	-	-	-	-
Other	-	29,120	-	-	29,120
Unassigned	( 94,112)	-	( 53,842)	-	( 147,954)
	<u>436,341</u>	<u>29,120</u>	<u>( 28,719)</u>	<u>146,904</u>	<u>583,646</u>
<b>Total Fund Balances</b>					
<b>Total Liabilities and Fund Balances</b>	<u>\$ 696,639</u>	<u>\$ 29,911</u>	<u>\$ 75,921</u>	<u>\$ 490,947</u>	<u>\$ 1,293,418</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Community Development Funds	Recreation Funds	Public Safety Funds	Impact Fee Funds	Total
<b>REVENUES</b>					
Intergovernmental revenues	\$ 71,427	\$ 15,200	\$ 403,945	\$ -	\$ 490,572
Impact fees	-	-	-	762	762
Interest income	9,706	13	13	72	9,804
Other revenues	<u>200</u>	<u>18,540</u>	<u>8,897</u>	<u>1</u>	<u>27,638</u>
Total Revenues	<u>81,333</u>	<u>33,753</u>	<u>412,855</u>	<u>835</u>	<u>528,776</u>
<b>EXPENDITURES</b>					
Current expenditures					
Public safety - police	-	-	5,477	-	5,477
Public safety - fire & ambulance	-	-	115,892	-	115,892
Recreation and parks	-	25,545	-	-	25,545
Conservation and development	89,116	-	-	-	89,116
Cultural	-	-	-	-	-
Education	-	-	-	369,772	369,772
Capital expenditures					
Public safety - police	-	-	19,292	-	19,292
Public safety - fire & ambulance	-	-	245,745	-	245,745
Conservation and development	<u>49,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,267</u>
Total Expenditures	<u>138,383</u>	<u>25,545</u>	<u>386,406</u>	<u>369,772</u>	<u>920,106</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	<u>( 57,050)</u>	<u>8,208</u>	<u>26,449</u>	<u>( 368,937)</u>	<u>( 391,330)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	53	-	118	-	171
Transfers out	<u>( 7,820)</u>	<u>-</u>	<u>-</u>	<u>( 7,774)</u>	<u>( 15,594)</u>
Total Other Financing Sources (Uses)	<u>( 7,767)</u>	<u>-</u>	<u>118</u>	<u>( 7,774)</u>	<u>( 15,423)</u>
Net Change in Fund Balances	<u>( 64,817)</u>	<u>8,208</u>	<u>26,567</u>	<u>( 376,711)</u>	<u>( 406,753)</u>
Fund Balances - July 1, 2011	<u>501,158</u>	<u>20,912</u>	<u>( 55,286)</u>	<u>523,615</u>	<u>990,399</u>
Fund Balances - June 30, 2012	<u>\$ 436,341</u>	<u>\$ 29,120</u>	<u>(\$ 28,719)</u>	<u>\$ 146,904</u>	<u>\$ 583,646</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2012**

	CSO Project Fund	DPW Garage Fund	Roundabout Fund	Underpass Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and equivalents	\$ 82,938	\$ 28,319	\$ -	\$ -
Due from other governments	-	-	2,248	61,075
Due from other funds	<u>-</u>	<u>23,666</u>	<u>-</u>	<u>-</u>
Total Assets	<u>82,938</u>	<u>51,985</u>	<u>2,248</u>	<u>61,075</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	-	-	-	1,638
Due to other funds	-	-	2,248	59,437
Deferred revenues	<u>-</u>	<u>-</u>	<u>2,248</u>	<u>61,075</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,496</u>	<u>122,150</u>
Fund Balances				
Restricted	82,938	-	-	-
Assigned	-	51,985	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>( 2,248)</u>	<u>( 61,075)</u>
Total Fund Balances	<u>82,938</u>	<u>51,985</u>	<u>( 2,248)</u>	<u>( 61,075)</u>
Total Liabilities and Fund Balances	<u>\$ 82,938</u>	<u>\$ 51,985</u>	<u>\$ 2,248</u>	<u>\$ 61,075</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET(Continued)**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2012**

	Park & Ride Fund	Maxfield Project Fund	Quechee Bridge Fund	W. Hartford Library Fund	Totals
<b>ASSETS</b>					
Cash and equivalents	\$ -	\$ 997,374	\$ -	\$ 655,463	\$ 1,764,094
Due from other governments	-	-	246,363	33,412	343,098
Due from other funds	-	-	-	-	23,666
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,666</u>
Total Assets	<u>-</u>	<u>997,374</u>	<u>246,363</u>	<u>688,875</u>	<u>2,130,858</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	-	462	37,345	-	39,445
Due to other funds	-	-	132,790	-	194,475
Deferred revenues	-	-	246,363	21,212	330,898
	<u>-</u>	<u>-</u>	<u>246,363</u>	<u>21,212</u>	<u>330,898</u>
Total Liabilities	<u>-</u>	<u>462</u>	<u>416,498</u>	<u>21,212</u>	<u>564,818</u>
<b>Fund Balances</b>					
Restricted	-	996,912	-	12,200	1,092,050
Assigned	-	-	-	655,463	707,448
Unassigned	-	-	( 170,135)	-	( 233,458)
	<u>-</u>	<u>-</u>	<u>( 170,135)</u>	<u>-</u>	<u>( 233,458)</u>
Total Fund Balances	<u>-</u>	<u>996,912</u>	<u>( 170,135)</u>	<u>667,663</u>	<u>1,566,040</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 997,374</u>	<u>\$ 246,363</u>	<u>\$ 688,875</u>	<u>\$ 2,130,858</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>CSO Project Fund</u>	<u>DPW Garage Fund</u>	<u>Roundabout Fund</u>	<u>Underpass Fund</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Interest Income	44	15	-	-
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>44</u>	<u>15</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital expenditures				
Highway	-	-	-	6,457
Recreation and parks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,457</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>44</u>	<u>15</u>	<u>-</u>	<u>( 6,457)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	44	15	-	( 6,457)
Fund Balances - July 1, 2011	<u>82,894</u>	<u>51,970</u>	<u>( 2,248)</u>	<u>( 54,618)</u>
Fund Balances - June 30, 2012	<u>\$ 82,938</u>	<u>\$ 51,985</u>	<u>(\$ 2,248)</u>	<u>(\$ 61,075)</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES(Continued)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Park & Ride Fund	Maxfield Project Fund	Quechee Bridge Fund	W. Hartford Library Fund	Total
<b>REVENUES</b>					
Intergovernmental revenues	\$ 13,146	\$ -	\$ -	\$ 12,200	\$ 25,346
Interest Income	-	-	-	-	59
Other income	4,547	-	600	25	5,172
Total Revenues	<u>17,693</u>	<u>-</u>	<u>600</u>	<u>12,225</u>	<u>30,577</u>
<b>EXPENDITURES</b>					
Capital expenditures					
Highway	13,146	-	273,735	-	293,338
Recreation and parks	-	87,208	-	-	87,208
Cultural	-	-	-	9,281	9,281
Total Expenditures	<u>13,146</u>	<u>87,208</u>	<u>273,735</u>	<u>9,281</u>	<u>389,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,547</u>	<u>( 87,208)</u>	<u>( 273,135)</u>	<u>2,944</u>	<u>( 359,250)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	103,000	441,000	544,000
Transfers out	( 4,547)	-	-	-	( 4,547)
Insurance proceeds	-	-	-	223,719	223,719
Total Other Financing Sources (Uses)	<u>( 4,547)</u>	<u>-</u>	<u>103,000</u>	<u>664,719</u>	<u>763,172</u>
Net Change in Fund Balances	-	( 87,208)	( 170,135)	667,663	403,922
Fund Balances - July 1, 2011	<u>-</u>	<u>1,084,120</u>	<u>-</u>	<u>-</u>	<u>1,162,118</u>
Fund Balances - June 30, 2012	<u>\$ -</u>	<u>\$ 996,912</u>	<u>(\$ 170,135)</u>	<u>\$ 667,663</u>	<u>\$ 1,566,040</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF NET ASSETS**  
**WATER AND WASTEWATER FUNDS**  
**JUNE 30, 2012**

	Water Fund			Wastewater Fund		
	Central Water Fund	Quechee Water Fund	Total Water Fund	Central Wastewater Fund	Quechee Wastewater Fund	Total Wastewater Fund
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$ 915,672	\$ 619,494	\$ 1,535,166	\$ 1,463,981	\$ 1,345,015	\$ 2,808,996
Accounts receivable (net of allowance for uncollectible accounts)	181,417	63,757	245,174	333,902	174,686	508,588
Due from other governments	-	64,917	64,917	18,660	110,218	128,878
<b>Total Current Assets</b>	<u>1,097,089</u>	<u>748,168</u>	<u>1,845,257</u>	<u>1,816,543</u>	<u>1,629,919</u>	<u>3,446,462</u>
Noncurrent Assets						
Capital assets						
Land and land improvements	20,000	14,000	34,000	171,158	74,000	245,158
Buildings and building improvements	276,160	4,000	280,160	16,382,165	9,533,317	25,915,482
Vehicles and equipment	178,926	105,356	284,282	276,457	147,366	423,823
Distribution and collection systems	8,857,664	2,283,685	11,141,349	3,724,907	8,248,955	11,973,862
Less accumulated depreciation	( 3,957,826)	( 1,021,865)	( 4,979,691)	( 9,197,829)	( 6,116,747)	( 15,314,576)
<b>Total Noncurrent Assets</b>	<u>5,374,924</u>	<u>1,385,176</u>	<u>6,760,100</u>	<u>11,356,858</u>	<u>11,886,891</u>	<u>23,243,749</u>
<b>Total Assets</b>	<u>6,472,013</u>	<u>2,133,344</u>	<u>8,605,357</u>	<u>13,173,401</u>	<u>13,516,810</u>	<u>26,690,211</u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	21,756	6,402	28,158	102,366	25,502	127,868
Accrued payroll and benefits payable	7,286	1,962	9,248	9,133	5,747	14,880
Accrued compensated absences payable	20,175	8,771	28,946	27,204	20,981	48,185
Accrued interest payable	5,088	271	5,359	4,561	7,914	12,475
Due to other governments	174,705	-	174,705	170,261	-	170,261
Other post employment benefits - current portion	10,083	1,669	11,752	7,826	1,781	9,607
Bonds and notes payable - current portion	119,102	15,000	134,102	11,262	91,193	102,455
<b>Total Current Liabilities</b>	<u>358,195</u>	<u>34,075</u>	<u>392,270</u>	<u>332,613</u>	<u>153,118</u>	<u>485,731</u>
Noncurrent Liabilities						
Other post employment benefits	67,278	31,626	98,904	119,184	87,103	206,287
Bonds and notes payable	1,915,913	60,000	1,975,913	7,177,642	6,030,640	13,208,282
<b>Total Noncurrent Liabilities</b>	<u>1,983,191</u>	<u>91,626</u>	<u>2,074,817</u>	<u>7,296,826</u>	<u>6,117,743</u>	<u>13,414,569</u>
<b>Total Liabilities</b>	<u>2,341,386</u>	<u>125,701</u>	<u>2,467,087</u>	<u>7,629,439</u>	<u>6,270,861</u>	<u>13,900,300</u>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	3,165,204	1,310,175	4,475,379	3,926,344	5,848,658	9,775,002
Restricted	243,717	52,070	295,787	565,201	199,026	764,227
Unrestricted	721,706	645,398	1,367,104	1,052,417	1,198,265	2,250,682
<b>Total Net Assets</b>	<u>\$ 4,130,627</u>	<u>\$ 2,007,643</u>	<u>\$ 6,138,270</u>	<u>\$ 5,543,962</u>	<u>\$ 7,245,949</u>	<u>\$ 12,789,911</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**WATER AND WASTEWATER FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Water Fund			Wastewater Fund		
	Central Water Fund	Quechee Water Fund	Total Water Fund	Central Wastewater Fund	Quechee Wastewater Fund	Total Wastewater Fund
<b>OPERATING REVENUES</b>						
Charges for services	\$ 987,763	\$ 333,783	\$ 1,321,546	\$ 1,279,994	\$ 861,995	\$ 2,141,989
Rents and other income	6,938	4,139	11,077	38,243	4,043	42,286
Total Operating Revenues	994,701	337,922	1,332,623	1,318,237	866,038	2,184,275
<b>OPERATING EXPENSES</b>						
Personal services	377,371	123,618	500,989	504,072	287,731	791,803
Administration expenses	18,426	5,566	23,992	7,353	16,985	24,338
Utilities	83,287	81,809	165,096	160,899	73,116	234,015
Contract services	22,243	15,297	37,540	69,609	77,396	147,005
Equipment operation	12,889	4,845	17,734	17,704	12,177	29,881
Repairs and maintenance	30,086	8,816	38,902	42,645	6,610	49,255
Materials and supplies	61,056	4,484	65,540	53,481	26,513	79,994
Insurance expense	10,278	2,205	12,483	22,891	5,461	28,352
Small equipment	8,482	4,335	12,817	5,434	3,074	8,508
Depreciation	275,064	93,121	368,185	349,767	785,291	1,135,058
Total Operating Expenses	899,182	344,096	1,243,278	1,233,855	1,294,354	2,528,209
Operating Income (Loss)	95,519	( 6,174)	89,345	84,382	( 428,316)	( 343,934)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	-	76,042	76,042	21,306	119,969	141,275
Interest income	382	92	474	519	362	881
Interest expense	( 66,024)	( 3,852)	( 69,876)	( 4,561)	( 25,818)	( 30,379)
Other expense	-	-	-	( 11,187)	( 13,071)	( 24,258)
Total Nonoperating Revenues (Expenses)	( 65,642)	72,282	6,640	6,077	81,442	87,519
Income (Loss) Before Transfers	29,877	66,108	95,985	90,459	( 346,874)	( 256,415)
<b>TRANSFERS</b>						
Transfers in	841,136	187,267	1,028,403	185,652	167,353	353,005
Transfers out	( 810,086)	( 187,267)	( 997,353)	( 185,652)	( 167,353)	( 353,005)
Total Transfers	31,050	-	31,050	-	-	-
Change in Net Assets	60,927	66,108	127,035	90,459	( 346,874)	( 256,415)
Total Net Assets - July 1, 2011	4,069,700	1,941,535	6,011,235	5,453,503	7,592,823	13,046,326
Total Net Assets - June 30, 2012	\$ 4,130,627	\$ 2,007,643	\$ 6,138,270	\$ 5,543,962	\$ 7,245,949	\$ 12,789,911

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**WATER AND WASTEWATER FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Water Fund			Wastewater Fund		
	Central Water Fund	Quechee Water Fund	Total Water Fund	Central Wastewater Fund	Quechee Wastewater Fund	Total Wastewater Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers and users	\$ 986,810	\$ 339,790	\$ 1,326,600	\$ 1,212,567	\$ 843,994	\$ 2,056,561
Cash paid to employees	( 361,783)	( 117,933)	( 479,716)	( 477,993)	( 414,886)	( 892,879)
Cash paid to suppliers	( 259,744)	( 130,650)	( 390,394)	( 815,076)	( 205,341)	( 1,020,417)
Net cash provided (used) by operating activities	<u>365,283</u>	<u>91,207</u>	<u>456,490</u>	<u>( 80,502)</u>	<u>223,767</u>	<u>143,265</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Due from other funds	12,377	64	12,441	19,738	8,378	28,116
Due to other governments	-	-	-	-	-	-
Transfers from other funds	31,050	-	31,050	-	-	-
Transfers to other funds	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>43,427</u>	<u>64</u>	<u>43,491</u>	<u>19,738</u>	<u>8,378</u>	<u>28,116</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Subsidies from government grants	-	26,802	26,802	2,646	9,751	12,397
Proceeds from issuance of debt	-	-	-	1,392,727	505,965	1,898,692
Principal payments - bonds and notes	( 482,413)	( 64,860)	( 547,273)	-	( 75,000)	( 75,000)
Interest paid	( 68,720)	( 3,937)	( 72,657)	-	( 19,684)	( 19,684)
Purchase of capital assets	( 88,420)	( 30,897)	( 119,317)	( 1,257,510)	( 185,793)	( 1,443,303)
Net cash provided (used) by capital and related financing activities	<u>( 639,553)</u>	<u>( 72,892)</u>	<u>( 712,445)</u>	<u>137,863</u>	<u>235,239</u>	<u>373,102</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	<u>382</u>	<u>92</u>	<u>474</u>	<u>519</u>	<u>362</u>	<u>881</u>
Net cash provided (used) by investing activities	<u>382</u>	<u>92</u>	<u>474</u>	<u>519</u>	<u>362</u>	<u>881</u>
Net increase (decrease) in cash and equivalents	( 230,461)	18,471	( 211,990)	77,618	467,746	545,364
Cash and equivalents - July 1, 2011	<u>1,146,133</u>	<u>601,023</u>	<u>1,747,156</u>	<u>1,386,363</u>	<u>877,269</u>	<u>2,263,632</u>
Cash and equivalents - June 30, 2012	<u>915,672</u>	<u>619,494</u>	<u>1,535,166</u>	<u>1,463,981</u>	<u>1,345,015</u>	<u>2,808,996</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>						
Operating income	<u>95,519</u>	<u>( 6,174)</u>	<u>89,345</u>	<u>84,382</u>	<u>( 428,316)</u>	<u>( 343,934)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation	275,065	93,121	368,186	349,767	785,291	1,135,058
(Increase) decrease in accounts receivable	( 7,891)	1,868	( 6,023)	( 105,669)	( 22,045)	( 127,714)
Increase (decrease) in accounts payable	( 12,994)	( 3,293)	( 16,287)	( 435,061)	( 127,155)	( 562,216)
Increase (decrease) in accrued expenses	15,584	5,685	21,269	26,079	15,992	42,071
Total adjustments	<u>269,764</u>	<u>97,381</u>	<u>367,145</u>	<u>( 164,884)</u>	<u>652,083</u>	<u>487,199</u>
Net cash provided (used) by operating activities	<u>\$ 365,283</u>	<u>\$ 91,207</u>	<u>\$ 456,490</u>	<u>(\$ 80,502)</u>	<u>\$ 223,767</u>	<u>\$ 143,265</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**OUTDOOR FACILITIES FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Operating Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 179,618	\$ -	\$ -	\$ 179,618
Rents and other income	<u>4,332</u>	<u>-</u>	<u>-</u>	<u>4,332</u>
Total Operating Revenues	<u>183,950</u>	<u>-</u>	<u>-</u>	<u>183,950</u>
<b>OPERATING EXPENSES</b>				
Personal services	104,407	-	-	104,407
Utilities	52,590	-	-	52,590
Contract services	3,002	-	-	3,002
Equipment operation	5,785	-	-	5,785
Materials and supplies	5,027	-	-	5,027
Insurance expense	5,957	-	-	5,957
Small equipment	-	-	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>15,743</u>	<u>15,743</u>
Total Operating Expenses	<u>176,768</u>	<u>-</u>	<u>15,743</u>	<u>192,511</u>
Operating Income (Loss)	<u>7,182</u>	<u>-</u>	<u>( 15,743)</u>	<u>( 8,561)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	-	17	-	17
Interest expense	<u>( 1,000)</u>	<u>-</u>	<u>-</u>	<u>( 1,000)</u>
Total Nonoperating Revenues (Expenses)	<u>( 1,000)</u>	<u>17</u>	<u>-</u>	<u>( 983)</u>
Income (Loss) Before Transfers	<u>6,182</u>	<u>17</u>	<u>( 15,743)</u>	<u>( 9,544)</u>
<b>TRANSFERS</b>				
Transfers in	54,000	35,000	19,000	108,000
Transfers out	<u>( 54,000)</u>	<u>( 4,000)</u>	<u>-</u>	<u>( 58,000)</u>
Total Transfers	<u>-</u>	<u>31,000</u>	<u>19,000</u>	<u>50,000</u>
Change in Net Assets	6,182	31,017	3,257	40,456
Total Net Assets - July 1, 2011	<u>( 3,092)</u>	<u>31,362</u>	<u>63,706</u>	<u>91,976</u>
Total Net Assets - June 30, 2012	<u>\$ 3,090</u>	<u>\$ 62,379</u>	<u>\$ 66,963</u>	<u>\$ 132,432</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**SOLID WASTE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Operating Fund	Equipment Reserve Fund	Closure Reserve Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>						
Charges for services	\$ 730,222	\$ -	\$ -	\$ -	\$ -	\$ 730,222
Rents and other income	13,188	-	-	-	-	13,188
Total Operating Revenues	<u>743,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,410</u>
<b>OPERATING EXPENSES</b>						
Personal services	323,990	-	-	-	-	323,990
Administration expenses	7,373	-	-	-	-	7,373
Utilities	13,636	-	-	-	-	13,636
Contract services	438,167	-	-	-	-	438,167
Postclosure care costs	22,762	-	( 23,000)	-	-	( 238)
Franchise tax	5,956	-	-	-	-	5,956
Waste generation fee	8,602	-	-	-	-	8,602
Equipment operation	9,542	-	-	-	-	9,542
Repairs and maintenance	10,018	-	-	-	-	10,018
Materials and supplies	7,213	-	-	-	-	7,213
Insurance expense	7,358	-	-	-	-	7,358
Small equipment	1,417	-	-	-	-	1,417
Depreciation	-	-	-	-	70,452	70,452
Total Operating Expenses	<u>856,034</u>	<u>-</u>	<u>( 23,000)</u>	<u>-</u>	<u>70,452</u>	<u>903,486</u>
Operating Income (Loss)	<u>( 112,624)</u>	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>( 70,452)</u>	<u>( 160,076)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	2,376	-	-	-	-	2,376
Interest income	-	28	299	2	-	329
Total Nonoperating Revenues (Expenses)	<u>2,376</u>	<u>28</u>	<u>299</u>	<u>2</u>	<u>-</u>	<u>2,705</u>
Income (Loss) Before Transfers	<u>( 110,248)</u>	<u>28</u>	<u>23,299</u>	<u>2</u>	<u>( 70,452)</u>	<u>( 157,371)</u>
<b>TRANSFERS</b>						
Transfers in	187,377	64	-	20,168	18,679	226,288
Transfers out	( 38,847)	-	( 36,977)	( 64)	-	( 75,888)
Total Transfers	<u>148,530</u>	<u>64</u>	<u>( 36,977)</u>	<u>20,104</u>	<u>18,679</u>	<u>150,400</u>
Change in Net Assets	38,282	92	( 13,678)	20,106	( 51,773)	( 6,971)
Total Net Assets - July 1, 2011	<u>208,353</u>	<u>51,690</u>	<u>113,731</u>	<u>3,239</u>	<u>841,952</u>	<u>1,218,965</u>
Total Net Assets - June 30, 2012	<u>\$ 246,635</u>	<u>\$ 51,782</u>	<u>\$ 100,053</u>	<u>\$ 23,345</u>	<u>\$ 790,179</u>	<u>\$ 1,211,994</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**CENTRAL WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 987,763	\$ -	\$ -	\$ -	\$ 987,763
Rents and other income	5,132	1,806	-	-	6,938
Total Operating Revenues	<u>992,895</u>	<u>1,806</u>	<u>-</u>	<u>-</u>	<u>994,701</u>
<b>OPERATING EXPENSES</b>					
Personal services	377,371	-	-	-	377,371
Administration expenses	18,426	-	-	-	18,426
Utilities	83,287	-	-	-	83,287
Contract services	22,243	-	-	-	22,243
Equipment operation	12,889	-	-	-	12,889
Repairs and maintenance	30,086	-	-	-	30,086
Materials and supplies	61,056	-	-	-	61,056
Insurance expense	10,278	-	-	-	10,278
Small equipment	8,482	-	-	-	8,482
Depreciation	-	-	-	275,064	275,064
Total Operating Expenses	<u>624,118</u>	<u>-</u>	<u>-</u>	<u>275,064</u>	<u>899,182</u>
Operating Income (Loss)	<u>368,777</u>	<u>1,806</u>	<u>-</u>	<u>( 275,064)</u>	<u>95,519</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	-	-	-	-
Interest income	-	128	254	-	382
Interest expense	( 66,024)	-	-	-	( 66,024)
Total Nonoperating Revenues (Expenses)	<u>( 66,024)</u>	<u>128</u>	<u>254</u>	<u>-</u>	<u>( 65,642)</u>
Income (Loss) Before Transfers	<u>302,753</u>	<u>1,934</u>	<u>254</u>	<u>( 275,064)</u>	<u>29,877</u>
<b>TRANSFERS</b>					
Transfers in	142,242	-	119,807	579,087	841,136
Transfers out	( 698,894)	-	( 111,192)	-	( 810,086)
Total Transfers	<u>( 556,652)</u>	<u>-</u>	<u>8,615</u>	<u>579,087</u>	<u>31,050</u>
Change in Net Assets	<u>( 253,899)</u>	<u>1,934</u>	<u>8,869</u>	<u>304,023</u>	<u>60,927</u>
Total Net Assets - July 1, 2011	<u>485,198</u>	<u>241,783</u>	<u>481,538</u>	<u>2,861,181</u>	<u>4,069,700</u>
Total Net Assets - June 30, 2012	<u>\$ 231,299</u>	<u>\$ 243,717</u>	<u>\$ 490,407</u>	<u>\$ 3,165,204</u>	<u>\$ 4,130,627</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**QUECHEE WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 333,783	\$ -	\$ -	\$ -	\$ 333,783
Rents and other income	1,736	2,403	-	-	4,139
Total Operating Revenues	<u>335,519</u>	<u>2,403</u>	<u>-</u>	<u>-</u>	<u>337,922</u>
<b>OPERATING EXPENSES</b>					
Personal services	123,618	-	-	-	123,618
Administration expenses	5,566	-	-	-	5,566
Utilities	81,809	-	-	-	81,809
Contract services	15,297	-	-	-	15,297
Equipment operation	4,845	-	-	-	4,845
Repairs and maintenance	8,816	-	-	-	8,816
Materials and supplies	4,484	-	-	-	4,484
Insurance expense	2,205	-	-	-	2,205
Small equipment	4,335	-	-	-	4,335
Depreciation	-	-	-	93,121	93,121
Total Operating Expenses	<u>250,975</u>	<u>-</u>	<u>-</u>	<u>93,121</u>	<u>344,096</u>
Operating Income (Loss)	<u>84,544</u>	<u>2,403</u>	<u>-</u>	<u>( 93,121)</u>	<u>( 6,174)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	76,042	-	-	-	76,042
Interest revenue	-	-	92	-	92
Interest expense	( 3,852)	-	-	-	( 3,852)
Other income	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>72,190</u>	<u>-</u>	<u>92</u>	<u>-</u>	<u>72,282</u>
Income (Loss) Before Transfers	<u>156,734</u>	<u>2,403</u>	<u>92</u>	<u>( 93,121)</u>	<u>66,108</u>
<b>TRANSFERS</b>					
Transfers in	24,861	-	60,968	101,438	187,267
Transfers out	( 162,406)	-	( 24,861)	-	( 187,267)
Total Transfers	<u>( 137,545)</u>	<u>-</u>	<u>36,107</u>	<u>101,438</u>	<u>-</u>
Change in Net Assets	19,189	2,403	36,199	8,317	66,108
Total Net Assets - July 1, 2011	<u>418,013</u>	<u>49,667</u>	<u>171,997</u>	<u>1,301,858</u>	<u>1,941,535</u>
Total Net Assets - June 30, 2012	<u>\$ 437,202</u>	<u>\$ 52,070</u>	<u>\$ 208,196</u>	<u>\$ 1,310,175</u>	<u>\$ 2,007,643</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**CENTRAL WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,279,994	\$ -	\$ -	\$ -	\$ 1,279,994
Rents and other income	34,377	3,866	-	-	38,243
Total Operating Revenues	<u>1,314,371</u>	<u>3,866</u>	<u>-</u>	<u>-</u>	<u>1,318,237</u>
<b>OPERATING EXPENSES</b>					
Personal services	504,072	-	-	-	504,072
Administration expenses	7,353	-	-	-	7,353
Utilities	160,899	-	-	-	160,899
Contract services	69,609	-	-	-	69,609
Equipment operation	17,704	-	-	-	17,704
Repairs and maintenance	42,645	-	-	-	42,645
Materials and supplies	53,481	-	-	-	53,481
Insurance expense	22,891	-	-	-	22,891
Small equipment	5,434	-	-	-	5,434
Depreciation	-	-	-	349,767	349,767
Total Operating Expenses	<u>884,088</u>	<u>-</u>	<u>-</u>	<u>349,767</u>	<u>1,233,855</u>
Operating Income (Loss)	<u>430,283</u>	<u>3,866</u>	<u>-</u>	<u>( 349,767)</u>	<u>84,382</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	21,306	-	-	-	21,306
Interest income	-	320	199	-	519
Interest expense	( 4,561)	-	-	-	( 4,561)
Other expense	( 11,187)	-	-	-	( 11,187)
Total Nonoperating Revenues (Expenses)	<u>5,558</u>	<u>320</u>	<u>199</u>	<u>-</u>	<u>6,077</u>
Income (Loss) Before Transfers	<u>435,841</u>	<u>4,186</u>	<u>199</u>	<u>( 349,767)</u>	<u>90,459</u>
<b>TRANSFERS</b>					
Transfers in	-	-	96,599	89,053	185,652
Transfers out	( 185,652)	-	-	-	( 185,652)
Total Transfers	<u>( 185,652)</u>	<u>-</u>	<u>96,599</u>	<u>89,053</u>	<u>-</u>
Change in Net Assets	250,189	4,186	96,798	( 260,714)	90,459
Total Net Assets - July 1, 2011	<u>339,426</u>	<u>561,015</u>	<u>366,004</u>	<u>4,187,058</u>	<u>5,453,503</u>
Total Net Assets - June 30, 2012	<u>\$ 589,615</u>	<u>\$ 565,201</u>	<u>\$ 462,802</u>	<u>\$ 3,926,344</u>	<u>\$ 5,543,962</u>

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**QUECHEE WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 861,995	\$ -	\$ -	\$ -	\$ 861,995
Rents and other income	2,955	1,088	-	-	4,043
Total Operating Revenues	<u>864,950</u>	<u>1,088</u>	<u>-</u>	<u>-</u>	<u>866,038</u>
<b>OPERATING EXPENSES</b>					
Personal services	287,731	-	-	-	287,731
Administration expenses	16,985	-	-	-	16,985
Utilities	73,116	-	-	-	73,116
Contract services	77,396	-	-	-	77,396
Equipment operation	12,177	-	-	-	12,177
Repairs and maintenance	6,610	-	-	-	6,610
Materials and supplies	26,513	-	-	-	26,513
Insurance expense	5,461	-	-	-	5,461
Small equipment	3,074	-	-	-	3,074
Depreciation	-	-	-	785,291	785,291
Total Operating Expenses	<u>509,063</u>	<u>-</u>	<u>-</u>	<u>785,291</u>	<u>1,294,354</u>
Operating Income (Loss)	<u>355,887</u>	<u>1,088</u>	<u>-</u>	<u>( 785,291)</u>	<u>( 428,316)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	119,969	-	-	-	119,969
Interest revenue	-	106	211	45	362
Interest expense	( 25,818)	-	-	-	( 25,818)
Other expense	( 13,071)	-	-	-	( 13,071)
Total Nonoperating Revenues (Expenses)	<u>81,080</u>	<u>106</u>	<u>211</u>	<u>45</u>	<u>81,442</u>
Income (Loss) Before Transfers	<u>436,967</u>	<u>1,194</u>	<u>211</u>	<u>( 785,246)</u>	<u>( 346,874)</u>
<b>TRANSFERS</b>					
Transfers in	129,471	-	37,882	-	167,353
Transfers out	( 37,882)	-	-	( 129,471)	( 167,353)
Total Transfers	<u>91,589</u>	<u>-</u>	<u>37,882</u>	<u>( 129,471)</u>	<u>-</u>
Change in Net Assets	528,556	1,194	38,093	( 914,717)	( 346,874)
Total Net Assets - July 1, 2011	<u>239,605</u>	<u>197,832</u>	<u>392,011</u>	<u>6,763,375</u>	<u>7,592,823</u>
Total Net Assets - June 30, 2012	<u>\$ 768,161</u>	<u>\$ 199,026</u>	<u>\$ 430,104</u>	<u>\$ 5,848,658</u>	<u>\$ 7,245,949</u>

**TOWN OF HARTFORD, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**OUTDOOR FACILITIES FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 219,640	\$ 179,618	(\$ 40,022)
Rents and other income	<u>53,000</u>	<u>54,332</u>	<u>1,332</u>
Total Operating Revenues	<u>272,640</u>	<u>233,950</u>	<u>( 38,690)</u>
<b>OPERATING EXPENSES</b>			
Personal services	75,787	104,407	( 28,620)
Utilities	50,000	52,590	( 2,590)
Contract services	11,197	3,002	8,195
Equipment operation	4,600	5,785	( 1,185)
Materials and supplies	4,850	5,027	( 177)
Insurance expense	5,929	5,957	( 28)
Small equipment	750	-	750
Debt service	16,178	1,000	15,178
Capital reserve	93,349	35,000	58,349
Capital outlay	<u>10,000</u>	<u>4,000</u>	<u>6,000</u>
Total Operating Expenses	<u>272,640</u>	<u>216,768</u>	<u>55,872</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ 17,182</u>	<u>\$ 17,182</u>

**RECONCILIATION OF CHANGE IN NET ASSETS - BUDGETARY BASIS  
TO CHANGE IN NET ASSETS - GAAP BASIS**

Change in Net Assets - Budgetary Basis	\$ 17,182
Depreciation Expense	( 15,743)
Purchase of Capital Assets	4,000
Principal Payments on Bonds and Leases	35,000
Interest Income	<u>17</u>
Change in Net Assets - GAAP Basis	<u>\$ 40,456</u>

**TOWN OF HARTFORD, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**SOLID WASTE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 718,111	\$ 730,222	\$ 12,111
Rents and other income	190,052	165,964	( 24,088)
Total Operating Revenues	908,163	896,186	( 11,977)
<b>OPERATING EXPENSES</b>			
Personal services	299,778	323,990	( 24,212)
Administration expenses	7,375	7,373	2
Utilities	15,445	13,636	1,809
Contract services	471,938	438,167	33,771
Postclosure care costs	24,000	22,762	1,238
Franchise tax	8,400	5,956	2,444
Waste generation fee	8,855	8,602	253
Equipment operation	15,100	9,542	5,558
Repairs and maintenance	10,500	10,018	482
Materials and supplies	7,500	7,213	287
Insurance expense	6,304	7,358	( 1,054)
Small equipment	12,800	1,417	11,383
Capital reserve	20,168	20,168	-
Capital outlay	-	18,679	( 18,679)
Total Operating Expenses	908,163	894,881	13,282
Change in Net Assets	\$ -	\$ 1,305	\$ 1,305

**RECONCILIATION OF CHANGE IN NET ASSETS - BUDGETARY BASIS**  
**TO CHANGE IN NET ASSETS - GAAP BASIS**

Change in Net Assets - Budgetary Basis	\$ 1,305
Depreciation Expense	( 70,452)
Purchase of Capital Assets	18,679
Landfill Closure Costs	23,000
Transfers to/(from) Capital Reserve Fund	20,168
Interest Income	329
Change in Net Assets - GAAP Basis	(\$ 6,971)

**TOWN OF HARTFORD, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**CENTRAL WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted</u> Amounts	<u>Actual</u> Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,002,236	\$ 987,763	(\$ 14,473)
Rents and other income	<u>335,607</u>	<u>147,374</u>	<u>( 188,233)</u>
Total Operating Revenues	<u>1,337,843</u>	<u>1,135,137</u>	<u>( 202,706)</u>
<b>OPERATING EXPENSES</b>			
Personal services	320,649	377,371	( 56,722)
Administration expenses	21,100	18,426	2,674
Utilities	73,555	83,287	( 9,732)
Contract services	65,535	22,243	43,292
Equipment operation	13,125	12,889	236
Repairs and maintenance	28,000	30,086	( 2,086)
Materials and supplies	322,557	61,056	261,501
Insurance expense	9,605	10,278	( 673)
Small equipment	57,280	8,482	48,798
Debt service	306,630	301,657	4,973
Capital reserve	119,807	119,807	-
Capital outlay	<u>-</u>	<u>113,803</u>	<u>( 113,803)</u>
Total Operating Expenses	<u>1,337,843</u>	<u>1,159,385</u>	<u>178,458</u>
Change in Net Assets	<u>\$ -</u>	<u>(\$ 24,248)</u>	<u>(\$ 24,248)</u>

**RECONCILIATION OF CHANGE IN NET ASSETS - BUDGETARY BASIS**  
**TO CHANGE IN NET ASSETS - GAAP BASIS**

Change in Net Assets - Budgetary Basis	(\$ 24,248)
Depreciation Expense	( 275,064)
Purchase of Capital Assets	113,803
Principal Payments on Bonds and Leases	235,633
Transfers to/(from) Impact Fee Funds	-
Transfers to/(from) Capital Reserve Funds	8,615
Impact Fee Income	1,806
Interest Income	<u>382</u>
Change in Net Assets - GAAP Basis	<u>\$ 60,927</u>

**TOWN OF HARTFORD, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**QUECHEE WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted</u> Amounts	<u>Actual</u> Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 338,538	\$ 333,783	(\$ 4,755)
Rents and other	<u>33,500</u>	<u>102,639</u>	<u>69,139</u>
Total Operating Revenues	<u>372,038</u>	<u>436,422</u>	<u>64,384</u>
<b>OPERATING EXPENSES</b>			
Personal services	146,573	123,618	22,955
Administration expenses	5,700	5,566	134
Utilities	30,950	27,441	3,509
Contract services	19,500	69,665	( 50,165)
Equipment operation	5,000	4,845	155
Repairs and maintenance	20,500	8,816	11,684
Materials and supplies	6,600	4,484	2,116
Insurance expense	2,030	2,205	( 175)
Small equipment	55,280	4,335	50,945
Debt service	18,937	18,852	85
Capital reserve	<u>60,968</u>	<u>60,968</u>	<u>-</u>
Total Operating Expenses	<u>372,038</u>	<u>330,795</u>	<u>41,243</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ 105,627</u>	<u>\$ 105,627</u>

**RECONCILIATION OF CHANGE IN NET ASSETS - BUDGETARY BASIS**  
**TO CHANGE IN NET ASSETS - GAAP BASIS**

Change in Net Assets - Budgetary Basis	\$ 105,627
Depreciation Expense	( 93,121)
Purchase of Capital Assets	-
Principal Payments on Bonds and Leases	15,000
Transfers to/(from) Capital Reserve Funds	36,107
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	2,403
Interest Income	<u>92</u>
Change in Net Assets - GAAP Basis	<u>\$ 66,108</u>

**TOWN OF HARTFORD, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**CENTRAL WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,124,004	\$ 1,279,994	\$ 155,990
Rents and other income	182,557	55,683	( 126,874)
Total Operating Revenues	1,306,561	1,335,677	29,116
<b>OPERATING EXPENSES</b>			
Personal services	537,861	504,072	33,789
Administration expenses	12,975	7,353	5,622
Utilities	191,050	160,899	30,151
Contract services	87,200	69,609	17,591
Equipment operation	32,696	17,704	14,992
Repairs and maintenance	65,000	42,645	22,355
Materials and supplies	38,400	53,481	( 15,081)
Insurance expense	21,323	22,891	( 1,568)
Small equipment	42,900	5,434	37,466
Debt service	96,599	96,599	-
Capital reserve	-	4,561	( 4,561)
Capital outlay	180,557	1,402,211	( 1,221,654)
Other expense	-	11,187	( 11,187)
Total Operating Expenses	1,306,561	2,398,646	( 1,092,085)
Change in Net Assets	\$ -	(\$ 1,062,969)	(\$ 1,062,969)

**RECONCILIATION OF CHANGE IN NET ASSETS - BUDGETARY BASIS**  
**TO CHANGE IN NET ASSETS - GAAP BASIS**

Change in Net Assets - Budgetary Basis	(\$ 1,062,969)
Depreciation Expense	( 349,767)
Purchase of Capital Assets	1,402,211
Transfers to/(from) Capital Reserve Funds	96,599
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	3,866
Interest Income	519
Change in Net Assets - GAAP Basis	\$ 90,459

**TOWN OF HARTFORD, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**QUECHEE WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 720,298	\$ 861,995	\$ 141,697
Rents and other income	2,588	122,924	120,336
Total Operating Revenues	722,886	984,919	262,033
<b>OPERATING EXPENSES</b>			
Personal services	295,507	287,731	7,776
Administration expenses	14,600	16,985	( 2,385)
Utilities	68,500	73,116	( 4,616)
Contract services	116,800	77,396	39,404
Equipment operation	18,215	12,177	6,038
Repairs and maintenance	12,500	6,610	5,890
Materials and supplies	21,000	26,513	( 5,513)
Insurance expense	4,998	5,461	( 463)
Small equipment	38,200	3,074	35,126
Debt service	94,684	100,818	( 6,134)
Capital reserve	37,882	37,882	-
Capital outlay	-	3,712,078	( 3,712,078)
Other expense	-	13,071	( 13,071)
Total Operating Expenses	722,886	4,372,912	( 3,650,026)
Change in Net Assets	\$ -	(\$ 3,387,993)	(\$ 3,387,993)

**RECONCILIATION OF CHANGE IN NET ASSETS - BUDGETARY BASIS**  
**TO CHANGE IN NET ASSETS - GAAP BASIS**

Change in Net Assets - Budgetary Basis	(\$ 3,387,993)
Depreciation Expense	( 785,291)
Purchase of Capital Assets	3,712,078
Principal Payments on Bonds and Leases	75,000
Transfers to/(from) Capital Reserve Funds	37,882
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	1,088
Interest Income	362
Change in Net Assets - GAAP Basis	(\$ 346,874)



**STATISTICAL SECTION**



**TOWN OF HARTFORD, VERMONT**  
**GOVERNMENT-WIDE NET ASSETS BY CATEGORY**  
**LAST TEN YEARS**  
**(accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 20,238,216	\$ 19,175,461	\$ 19,078,490	\$ 17,582,022	\$ 17,362,270	\$ 17,370,554	\$ 16,091,429	\$ 14,017,743	\$ 14,576,864	\$ 12,531,177
Restricted for:										
Public safety	22,079	9,336	-	-	-	-	-	-	-	-
Impact fees	146,904	523,614	491,076	555,668	692,983	778,013	810,566	805,281	690,189	613,454
Recreation and parks	1,079,850	1,167,014	497,400	-	-	-	-	-	-	-
Community development	530,453	531,871	550,545	547,593	540,718	789,589	755,222	684,616	721,769	720,989
Debt service	370,013	348,497	326,763	304,629	281,708	253,934	223,716	195,671	170,955	148,122
Other purposes	74,644	50,960	119,560	133,349	131,113	127,264	111,661	105,421	108,714	101,500
Unrestricted	<u>2,196,083</u>	<u>2,444,648</u>	<u>3,040,822</u>	<u>2,302,778</u>	<u>1,426,624</u>	<u>1,289,584</u>	<u>1,699,683</u>	<u>1,636,232</u>	<u>227,369</u>	<u>1,535,623</u>
Subtotal - Governmental Activities Net Assets	<u>24,658,242</u>	<u>24,251,401</u>	<u>24,104,656</u>	<u>21,426,039</u>	<u>20,435,416</u>	<u>20,608,938</u>	<u>19,692,277</u>	<u>17,444,964</u>	<u>16,495,860</u>	<u>15,650,865</u>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	15,107,523	16,019,130	17,960,732	12,105,130	12,471,882	12,736,396	12,977,651	13,838,540	14,539,513	15,263,206
Restricted for:										
Impact fees	1,060,014	1,050,297	1,017,963	993,906	1,029,260	944,705	931,441	853,664	742,368	607,998
Unrestricted	<u>4,105,070</u>	<u>3,299,075</u>	<u>1,271,872</u>	<u>3,409,852</u>	<u>3,017,698</u>	<u>2,353,336</u>	<u>2,102,333</u>	<u>1,478,977</u>	<u>1,244,825</u>	<u>1,203,723</u>
Subtotal - Business-type Activities Net Assets	<u>20,272,607</u>	<u>20,368,502</u>	<u>20,250,567</u>	<u>16,508,888</u>	<u>16,518,840</u>	<u>16,034,437</u>	<u>16,011,425</u>	<u>16,171,181</u>	<u>16,526,706</u>	<u>17,074,927</u>
<b>Total Net Assets</b>										
Invested in capital assets, net of related debt	35,345,739	35,194,591	37,039,222	29,687,152	29,834,152	30,106,950	29,069,080	27,856,283	29,116,377	27,794,383
Restricted for:										
Public safety	22,079	9,336	-	-	-	-	-	-	-	-
Impact fees	1,206,918	1,573,911	1,509,039	1,549,574	1,722,243	1,722,718	1,742,007	1,658,945	1,432,557	1,221,452
Recreation and parks	1,079,850	1,167,014	497,400	-	-	-	-	-	-	-
Community development	530,453	531,871	550,545	547,593	540,718	789,589	755,222	684,616	721,769	720,989
Debt service	370,013	348,497	326,763	304,629	281,708	253,934	223,716	195,671	170,955	148,122
Other purposes	74,644	50,960	119,560	133,349	131,113	127,264	111,661	105,421	108,714	101,500
Unrestricted	<u>6,301,153</u>	<u>5,743,723</u>	<u>4,312,694</u>	<u>5,712,630</u>	<u>4,444,322</u>	<u>3,642,920</u>	<u>3,802,016</u>	<u>3,115,209</u>	<u>1,472,194</u>	<u>2,739,346</u>
Total Government-wide Net Assets	<u>\$ 44,930,849</u>	<u>\$ 44,619,903</u>	<u>\$ 44,355,223</u>	<u>\$ 37,934,927</u>	<u>\$ 36,954,256</u>	<u>\$ 36,643,375</u>	<u>\$ 35,703,702</u>	<u>\$ 33,616,145</u>	<u>\$ 33,022,566</u>	<u>\$ 32,725,792</u>

**Notes:**  
Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when an external party, such as the state or federal government, places a restriction on how the resources may be used.

**TOWN OF HARTFORD, VERMONT**  
**CHANGE IN NET ASSETS**  
**LAST TEN YEARS**  
**(accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses</b>										
Governmental Activities										
General government	\$ 1,444,507	\$ 1,488,723	\$ 1,330,027	\$ 1,351,572	\$ 1,276,856	\$ 1,320,829	\$ 1,143,600	\$ 1,087,691	\$ 964,045	\$ 942,483
Public safety	6,015,176	5,843,686	5,785,811	5,445,103	5,103,851	4,988,866	4,611,172	4,424,302	3,907,669	3,525,738
Public works	4,242,678	3,317,041	2,933,870	3,096,882	2,935,738	2,626,229	2,320,248	2,305,422	2,057,965	1,953,158
Health and social services	255,821	258,891	252,200	244,486	240,959	234,049	230,138	193,161	181,574	190,911
Recreation and parks	1,069,277	794,072	770,746	717,711	740,763	630,355	612,434	572,965	540,374	468,363
Conservation and development	600,520	528,671	521,996	488,074	507,320	489,666	482,059	2,158,045	885,777	1,022,114
Cultural	605,248	255,007	242,069	231,460	221,705	201,839	198,621	199,061	173,434	150,083
Education	-	10	64,622	76,567	91,154	177,824	100,000	100,000	100,000	65,000
Interest on long-term debt	38,974	42,807	47,348	53,988	61,177	67,955	74,159	65,082	28,706	28,147
Total Government Activities Expenses	14,272,201	12,528,908	11,948,689	11,705,843	11,179,523	10,737,612	9,772,431	11,105,729	8,839,544	8,345,997
Business-type Activities										
Outdoor facilities	193,511	185,388	185,020	215,349	190,741	190,404	167,510	160,429	163,746	137,945
Solid waste	903,486	856,217	896,218	900,911	839,806	878,819	764,624	802,307	750,540	754,353
Water and wastewater	3,896,000	3,234,763	3,202,749	3,118,240	3,213,116	3,092,867	3,101,625	2,758,569	2,594,862	2,529,054
Total Business-type Activities Expenses	4,992,997	4,276,368	4,283,987	4,234,500	4,243,663	4,162,090	4,033,759	3,721,305	3,509,148	3,421,352
Total Expenses	19,265,198	16,805,276	16,232,676	15,940,343	15,423,186	14,899,702	13,806,190	14,827,034	12,348,692	11,767,349
<b>Program Revenues</b>										
Governmental Activities										
Charges for services										
General government	147,606	137,481	150,793	140,089	143,877	140,311	155,972	165,994	198,786	190,403
Public safety	826,887	745,279	873,854	859,599	445,662	408,380	534,116	462,220	365,476	272,451
Public works	11,036	7,544	7,804	7,404	7,073	7,817	2,810	15,634	5,078	6,019
Health and social services	-	-	-	-	-	-	-	-	-	-
Recreation and parks	182,990	166,377	151,908	138,241	150,416	163,769	179,638	193,300	181,920	154,734
Conservation and development	19,776	24,100	25,615	27,036	39,978	66,951	38,227	60,176	64,234	60,417
Cultural	-	100	103	107	71	745	583	1,320	1,458	759
Education	-	-	21,713	23,300	12,991	100,736	74,809	170,276	147,527	92,523
Operating grants and contributions	1,948,987	822,379	732,564	820,848	654,827	774,904	707,955	2,238,555	942,827	1,116,691
Capital grants and contributions	1,376,618	226,734	636,807	573,494	74,374	787,065	1,974,233	1,092,911	404,929	115,190
Total Government Activities Program Revenues	4,513,900	2,129,994	2,601,161	2,590,118	1,529,269	2,450,678	3,668,343	4,400,386	2,312,235	2,009,187
Business-type Activities										
Charges for services										
Outdoor facilities	179,618	170,216	185,726	157,895	184,761	132,408	147,708	138,923	137,415	137,317
Solid waste	730,222	710,520	703,361	704,624	693,517	672,351	591,358	603,228	641,484	636,871
Water and wastewater	3,463,535	3,256,110	3,201,026	3,160,640	3,337,807	3,010,581	2,784,349	2,364,160	2,000,272	1,952,763
Operating grants and contributions	219,693	4,852	9,881	4,883	4,749	4,472	3,414	2,091	2,389	806
Capital grants and contributions	-	-	3,678,551	-	-	20,622	-	-	-	66,798
Total Business-type Activities Program Revenues	4,593,068	4,141,698	7,778,545	4,028,042	4,220,834	3,840,434	3,526,829	3,108,402	2,781,560	2,794,555
Total Program Revenues	\$ 9,106,968	\$ 6,271,692	\$ 10,379,706	\$ 6,618,160	\$ 5,750,103	\$ 6,291,112	\$ 7,195,172	\$ 7,508,788	\$ 5,093,795	\$ 4,803,742

**Note:**  
Table continued on following page.

**TOWN OF HARTFORD, VERMONT**  
**CHANGE IN NET ASSETS (continued)**  
**LAST TEN YEARS**  
**(accrual basis of accounting)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net (Expenses)/Revenues</b>										
<b>Governmental Activities</b>										
General government	(\$ 1,213,516)	(\$ 1,264,365)	(\$ 1,092,452)	(\$ 1,103,268)	(\$ 1,033,531)	(\$ 1,081,359)	(\$ 879,360)	(\$ 774,228)	(\$ 617,530)	(\$ 586,357)
Public safety	( 4,495,353)	( 4,571,159)	( 4,454,998)	( 4,062,485)	( 4,488,973)	( 4,355,398)	( 3,951,383)	( 3,447,347)	( 3,236,846)	( 3,215,915)
Public works	( 2,389,113)	( 2,935,337)	( 2,186,087)	( 2,377,324)	( 2,584,374)	( 1,528,231)	( 51,360)	( 1,781,968)	( 1,802,669)	( 1,595,888)
Health and social services	( 255,821)	( 258,891)	( 252,200)	( 244,486)	( 240,959)	( 234,049)	( 230,138)	( 193,161)	( 181,574)	( 190,911)
Recreation and parks	( 586,207)	( 618,335)	( 601,320)	( 578,290)	( 573,577)	( 466,190)	( 432,790)	( 306,811)	( 305,859)	( 299,565)
Conservation and development	( 431,200)	( 454,039)	( 428,312)	( 411,264)	( 369,091)	( 275,763)	( 266,331)	54,952	( 120,414)	( 169,470)
Cultural	( 348,117)	( 253,971)	( 241,902)	( 231,353)	( 220,409)	( 200,901)	( 193,376)	( 165,169)	( 171,876)	( 149,324)
Education	-	( 10)	( 42,909)	( 53,267)	( 78,163)	( 77,088)	( 25,191)	70,276	47,527	27,523
Interest on long-term debt	( 38,974)	( 42,807)	( 47,348)	( 53,988)	( 61,177)	( 67,955)	( 74,159)	( 65,082)	( 28,706)	( 28,147)
<b>Total Net Government Activities (Expenses)/Revenues</b>	<b>( 9,758,301)</b>	<b>( 10,398,914)</b>	<b>( 9,347,528)</b>	<b>( 9,115,725)</b>	<b>( 9,650,254)</b>	<b>( 8,286,934)</b>	<b>( 6,104,088)</b>	<b>( 6,608,538)</b>	<b>( 6,417,947)</b>	<b>( 6,208,054)</b>
<b>Business-type Activities</b>										
Outdoor facilities	( 13,893)	( 15,172)	706	( 57,454)	( 5,980)	( 57,996)	( 19,802)	( 21,506)	( 26,331)	( 628)
Solid waste	( 170,888)	( 140,845)	( 182,976)	( 191,404)	( 141,540)	( 201,996)	( 169,852)	( 196,988)	( 106,667)	( 116,676)
Water and wastewater	( 215,148)	21,347	3,676,828	42,400	124,691	( 61,664)	( 317,276)	( 394,409)	( 594,590)	( 509,493)
<b>Total Net Business-type Activities (Expenses)/Revenues</b>	<b>( 399,929)</b>	<b>( 134,670)</b>	<b>3,494,558</b>	<b>( 206,458)</b>	<b>( 22,829)</b>	<b>( 321,656)</b>	<b>( 506,930)</b>	<b>( 612,903)</b>	<b>( 727,588)</b>	<b>( 626,797)</b>
<b>Total Net (Expenses)/Revenues</b>	<b>( 10,158,230)</b>	<b>( 10,533,584)</b>	<b>( 5,852,970)</b>	<b>( 9,322,183)</b>	<b>( 9,673,083)</b>	<b>( 8,608,590)</b>	<b>( 6,611,018)</b>	<b>( 7,221,441)</b>	<b>( 7,145,535)</b>	<b>( 6,834,851)</b>
<b>General Revenues</b>										
<b>Governmental Activities</b>										
Property taxes	10,195,119	10,516,674	10,393,112	9,891,968	9,411,796	8,838,780	8,045,472	7,606,187	7,248,175	6,820,846
Investment earnings	15,181	20,875	29,687	57,667	161,563	265,350	206,175	105,277	83,880	89,876
Gain on sale of capital assets	-	( 12,857)	1,663,809	45,745	8,817	12,440	-	-	114,543	-
Other revenues	186,292	256,030	170,733	291,412	327,838	273,021	252,604	92,764	70,377	121,939
Transfers	( 231,450)	( 235,063)	( 231,194)	( 180,444)	( 433,284)	( 185,995)	( 152,848)	( 149,781)	( 144,671)	( 144,460)
<b>Total Government Activities General Revenues</b>	<b>10,165,142</b>	<b>10,545,659</b>	<b>12,026,147</b>	<b>10,106,348</b>	<b>9,476,730</b>	<b>9,203,596</b>	<b>8,351,403</b>	<b>7,654,447</b>	<b>7,372,304</b>	<b>6,888,201</b>
<b>Business-type Activities</b>										
Investment earnings	1,701	17,540	15,925	16,062	61,281	85,451	62,764	29,002	16,991	24,933
Other revenues	70,883	-	-	-	12,667	73,221	131,563	15,415	17,705	46,457
Transfers	231,450	235,063	231,194	180,444	433,284	185,995	152,848	149,781	144,671	144,460
<b>Total Business-type Activities General Revenues</b>	<b>304,034</b>	<b>252,603</b>	<b>247,119</b>	<b>196,506</b>	<b>507,232</b>	<b>344,667</b>	<b>347,175</b>	<b>194,198</b>	<b>179,367</b>	<b>215,850</b>
<b>Total General Revenues</b>	<b>10,469,176</b>	<b>10,798,262</b>	<b>12,273,266</b>	<b>10,302,854</b>	<b>9,983,962</b>	<b>9,548,263</b>	<b>8,698,578</b>	<b>7,848,645</b>	<b>7,551,671</b>	<b>7,104,051</b>
<b>Change in Net Assets</b>										
Governmental Activities	406,841	146,745	2,678,619	990,623	( 173,524)	916,662	2,247,315	949,104	844,995	551,391
Business-type Activities	( 95,895)	117,933	3,741,677	( 9,952)	484,403	23,011	( 159,755)	( 418,705)	( 548,221)	( 410,947)
<b>Total Change in Net Assets</b>	<b>\$ 310,946</b>	<b>\$ 264,678</b>	<b>\$ 6,420,296</b>	<b>\$ 980,671</b>	<b>\$ 310,879</b>	<b>\$ 939,673</b>	<b>\$ 2,087,560</b>	<b>\$ 530,399</b>	<b>\$ 296,774</b>	<b>\$ 140,444</b>

**Notes:**

Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program specific grants versus the reliance on property taxes and other general revenue.

Net (expense)/revenue for Public Works includes capital grants and contributions in 2006, while the related expenditures were capitalized.

Net (expense)/revenue for Conservation and Development includes capital grants and contributions in 2005, while the related expenditures were capitalized.

**TOWN OF HARTFORD, VERMONT**  
**GOVERNMENTAL FUNDS - FUND BALANCES**  
**LAST TEN YEARS**  
**(modified accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 315,373	\$ 497,913	\$ 566,674	\$ 493,695	\$ 586,077	\$ 356,301
Unreserved	-	-	-	-	1,607,407	1,394,734	1,659,699	1,767,599	1,737,729	1,381,220
Assigned	2,220,207	2,439,318	1,769,298	1,697,531	-	-	-	-	-	-
Unassigned	<u>1,350,011</u>	<u>1,703,832</u>	<u>1,535,467</u>	<u>1,265,081</u>	-	-	-	-	-	-
Subtotal - General Fund	<u>3,570,218</u>	<u>4,143,150</u>	<u>3,304,765</u>	<u>2,962,612</u>	<u>1,922,780</u>	<u>1,892,647</u>	<u>2,226,373</u>	<u>2,261,294</u>	<u>2,323,806</u>	<u>1,737,521</u>
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	-	1,643,737	1,948,052	1,876,589	1,790,989	1,691,627	1,499,120
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	( 18,794)	( 29,205)	( 15,825)	( 315,002)	( 193,796)	14,017
Capital Projects Funds	-	-	-	-	35,914	51,034	50,031	65,594	( 1,441,753)	436,471
Non-spendable	30,212	127,171	27,168	27,168	-	-	-	-	-	-
Restricted	2,193,731	2,604,126	1,958,176	1,512,017	-	-	-	-	-	-
Assigned	707,448	51,970	51,935	51,861	-	-	-	-	-	-
Unassigned, Reported in										
Hurricane Irene Capital Project Fund	( 338,893)	-	-	-	-	-	-	-	-	-
Special Revenue Funds	( 147,954)	( 195,339)	( 65,824)	( 11,209)	-	-	-	-	-	-
Capital Projects Funds	( 233,458)	( 56,866)	( 3,152)	( 19,228)	-	-	-	-	-	-
Subtotal - All Other Governmental Funds	<u>2,211,086</u>	<u>2,531,062</u>	<u>1,968,303</u>	<u>1,560,609</u>	<u>1,660,857</u>	<u>1,969,881</u>	<u>1,910,795</u>	<u>1,541,581</u>	<u>56,078</u>	<u>1,949,608</u>
<b>Total Governmental Funds</b>										
Reserved	-	-	-	-	1,959,110	2,445,965	2,443,263	2,284,684	2,277,704	1,855,421
Unreserved	-	-	-	-	1,624,527	1,416,563	1,693,905	1,518,191	102,180	1,831,708
Non-spendable	30,212	127,171	27,168	27,168	-	-	-	-	-	-
Restricted	2,193,731	2,604,126	1,958,176	1,512,017	-	-	-	-	-	-
Assigned	2,927,655	2,491,288	1,821,233	1,749,392	-	-	-	-	-	-
Unassigned	<u>629,706</u>	<u>1,451,627</u>	<u>1,466,491</u>	<u>1,234,644</u>	-	-	-	-	-	-
Total Governmental Funds	<u>\$ 5,781,304</u>	<u>\$ 6,674,212</u>	<u>\$ 5,273,068</u>	<u>\$ 4,523,221</u>	<u>\$ 3,583,637</u>	<u>\$ 3,862,528</u>	<u>\$ 4,137,168</u>	<u>\$ 3,802,875</u>	<u>\$ 2,379,884</u>	<u>\$ 3,687,129</u>

**Notes:**

Capital Projects Funds include the DPW Building Fund. An operating transfer to this fund was made in 2003, capital expenditures were made in 2003 and 2004, and proceeds of bonded debt were received in 2005. Deficit fund balances reported in Special Revenue Funds and Capital Project Funds are a result of intergovernmental revenues received in a subsequent year. The Town implemented GASB Statement No. 54 effective with the year ended June 30, 2009.

Table 4

**TOWN OF HARTFORD, VERMONT**  
**CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(modified accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues</b>										
Taxes	\$ 9,946,283	\$ 10,349,063	\$ 10,089,287	\$ 9,673,118	\$ 9,138,606	\$ 8,723,292	\$ 7,721,897	\$ 7,444,879	\$ 7,106,748	\$ 6,706,339
Tax penalties and interest	214,695	244,857	275,555	212,490	233,137	168,618	227,885	200,899	125,452	113,405
Permits and licenses	17,174	16,064	18,297	19,816	16,589	15,535	13,234	13,216	9,463	9,945
Intergovernmental revenues	2,462,786	807,319	1,038,294	1,451,693	680,620	801,055	1,035,523	3,205,809	1,242,981	1,146,936
Charges for current services	1,216,916	1,177,844	1,116,860	1,243,867	737,629	835,651	840,098	835,487	768,067	633,926
Fines and forfeits	10,444	13,091	13,700	20,127	16,723	27,906	18,461	35,792	29,960	28,154
Impact fees	762	34,534	33,820	20,924	30,111	132,547	102,407	226,673	199,773	124,747
Interest	15,182	20,875	29,687	57,667	161,563	265,350	206,175	105,277	83,880	89,876
Other revenues	209,074	202,917	162,045	297,215	11,416	254,760	227,676	53,218	160,131	126,529
<b>Total Revenues</b>	<b>14,093,316</b>	<b>12,866,564</b>	<b>12,777,545</b>	<b>12,996,917</b>	<b>11,026,394</b>	<b>11,224,714</b>	<b>10,393,356</b>	<b>12,121,250</b>	<b>9,726,455</b>	<b>8,979,857</b>
<b>Expenditures</b>										
Current expenditures										
General government	1,395,756	1,406,715	1,263,206	1,336,676	1,252,602	1,294,086	1,115,707	1,060,158	976,039	942,061
Public safety	5,434,009	5,132,985	5,104,313	5,024,578	4,731,689	4,631,410	4,330,395	4,098,045	3,983,499	3,377,677
Public works	2,522,192	1,709,511	1,431,971	1,727,794	1,623,288	1,424,375	1,500,676	1,385,349	1,382,775	1,372,553
Health and social services	251,247	249,307	242,616	229,893	226,366	219,456	215,545	178,568	166,981	176,318
Recreation and parks	990,565	697,951	679,380	642,017	680,329	575,534	591,286	538,646	543,131	449,212
Conservation and development	531,722	493,543	489,023	483,980	506,318	487,367	478,364	2,159,117	1,038,146	1,020,797
Cultural	221,975	251,518	238,167	226,827	217,072	197,206	193,988	196,469	172,118	148,767
Education	369,772	10	64,622	76,567	91,154	177,824	100,000	100,000	100,000	65,000
Debt service expenditures										
Principal	202,066	202,066	237,066	272,066	272,066	264,572	257,079	144,585	141,106	276,138
Interest	39,197	43,139	47,929	54,529	61,750	68,486	74,636	60,516	29,084	32,522
Capital expenditures	3,048,241	1,854,612	2,918,209	1,801,962	1,512,711	1,973,042	1,048,539	2,202,025	2,356,150	708,381
<b>Total Expenditures</b>	<b>15,006,742</b>	<b>12,041,357</b>	<b>12,716,502</b>	<b>11,876,889</b>	<b>11,175,345</b>	<b>11,313,358</b>	<b>9,906,215</b>	<b>12,123,478</b>	<b>10,889,029</b>	<b>8,569,426</b>
Excess (deficiency) of revenues										
Over expenditures	( 913,426)	825,207	61,043	1,120,028	( 148,951)	( 88,644)	487,141	( 2,228)	( 1,162,574)	410,431
<b>Other Financing Sources (Uses)</b>										
Proceeds of borrowing	-	-	-	-	-	-	-	1,575,000	-	-
Proceeds from sale of capital assets	5,843	811,000	920,000	-	-	-	-	-	-	-
Insurance proceeds	246,125	-	-	-	-	-	-	-	-	-
Transfers in	2,753,361	1,700,571	317,168	1,557,519	891,329	1,774,909	1,665,474	1,639,246	1,371,897	2,353,060
Transfers out	( 2,984,811)	( 1,935,634)	( 62,602)	( 1,737,963)	( 1,324,613)	( 1,960,904)	( 1,818,322)	( 1,789,027)	( 1,516,568)	( 2,497,520)
<b>Net Change in Fund Balances</b>	<b>(\$ 892,908)</b>	<b>\$ 1,401,144</b>	<b>\$ 1,235,609</b>	<b>\$ 939,584</b>	<b>(\$ 582,235)</b>	<b>(\$ 274,639)</b>	<b>\$ 334,293</b>	<b>\$ 1,422,991</b>	<b>(\$ 1,307,245)</b>	<b>\$ 265,971</b>
<b>Debt service as a percentage of non-capital expenditures</b>										
	2.02%	2.41%	2.91%	3.24%	3.45%	3.57%	3.74%	2.07%	1.99%	3.93%

**TOWN OF HARTFORD, VERMONT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

Fiscal Year	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Education Grand List	
				Homestead	Non-resident
2012	\$ 1,378,775	\$ 1,329,139	\$ 0.7194	624,303	755,349
2011	1,417,144	1,367,544	0.7231	603,626	814,469
2010	1,419,900	1,356,004	0.7054	606,590	814,086
2009	1,410,983	1,438,613	0.6788	625,606	787,461
2008	1,405,561	1,390,405	0.6459	626,641	781,830
2007	862,830	1,283,974	0.9923	374,785	490,412
2006	829,848	1,033,177	0.9337	376,124	456,979
2005	797,930	1,034,258	0.9200	360,816	439,462
2004	768,392	902,781	0.9200	-	-
2003	739,122	789,801	0.9030	-	-

**Notes:**

Total Direct Tax Rate is for municipal taxes only, and does not include education taxes collected on behalf of the Hartford School District.

Town-wide reappraisal completed and effective with year ended June 30, 2008

Effective with the year ended June 30, 2005, the State of Vermont established a state-wide property tax for education, assessed and collected by the Towns using tax rates set by the state, and based on an education grand list allocated between homestead and non-residential real property. Towns still set their own tax rates for municipal property taxes based on their municipal grand list.

**TOWN OF HARTFORD, VERMONT  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Year	Town of Hartford	Before Act 68		After Act 68			
		Local Education	Total	State-wide Education Taxes		Total Taxes	
				Homestead	Non-residential	Homestead	Nonresidential
2012	0.7194	n/a	n/a	1.3918	1.4434	2.1112	2.1628
2011	0.7231	n/a	n/a	1.3609	1.4136	2.0840	2.1367
2010	0.7054	n/a	n/a	1.2794	1.4135	1.9848	2.1189
2009	0.6788	n/a	n/a	1.2671	1.3862	1.9459	2.0650
2008	0.6459	n/a	n/a	1.1766	1.3453	1.8225	1.9912
2007	0.9923	n/a	n/a	1.8759	2.1429	2.8682	3.1352
2006	0.9337	n/a	n/a	1.6464	1.8800	2.5801	2.8137
2005	0.9200	n/a	n/a	1.4572	1.7397	2.3772	2.6597
2004	0.9200	1.6600	2.5800	n/a	n/a	n/a	n/a
2003	0.9030	1.5070	2.4100	n/a	n/a	n/a	n/a

**Notes:**

Property tax rates are per \$100 of assessed valuation.

Town-wide reappraisal completed and effective with year ended June 30, 2008.

Effective with the year ended June 30, 2005, the State of Vermont established a state-wide property tax for education, assessed and collected by the Towns using tax rates set by the state, and based on an education grand list allocated between homestead and non-residential real property. Towns still set their own tax rates for municipal property taxes based on their municipal grand list.

Table 7

**TOWN OF HARTFORD, VERMONT  
PRINCIPAL TAXPAYERS  
JUNE 30, 2012 AND JUNE 30, 2003**

Taxpayer	Type of Property	June 30, 2012	
		Assessed Valuation	Percentage of Total Valuation
Transcanada Hydro Northeast Inc	Electric Utility	\$ 32,442,700	2.35%
Green Mountain Power	Electric Utility	6,601,600	0.48%
The Larkin Family Partnership	Hotels	6,443,100	0.47%
Valley Land Corporation	Real Estate	5,377,200	0.39%
Mascoma Savings Bank	Bank	4,920,900	0.36%
Vermont Transco LLC	Electric Utility	4,626,000	0.34%
Central Vermont Public Service	Electric Utility	4,572,600	0.33%
William Copeland, Jr.	Residence	4,469,700	0.32%
Butson WRJ II LLC	Hotel	4,025,100	0.29%
Terrace Communities Norwich LLC	Assisted Living Facility	3,734,900	0.27%
Total		<u>\$ 77,213,800</u>	<u>5.60%</u>

Taxpayer	Type of Property	June 30, 2003	
		Assessed Valuation	Percentage of Total Valuation
USGen New England, Inc.	Electric Utility	\$ 10,600,000	1.43%
Valley Land Corporation	Real Estate	6,969,000	0.94%
QL Resorts, LLC	Real Estate Developer	6,853,000	0.93%
Northmac, Inc.	Hotels	4,700,000	0.64%
Green Mountain Power	Electric Utility	3,614,000	0.49%
Terrace Communities Norwich LLC	Assisted Living Facility	3,531,000	0.48%
Niteen Hotels (VT) LLC	Hotel	3,400,000	0.46%
Bell Atlantic/Verizon	Telephone Utility	3,192,000	0.43%
Central Vermont Public Service Corp	Electric Utility	2,932,000	0.40%
CHA White River Jct.	Hotel	2,851,000	0.39%
Total		<u>\$ 48,642,000</u>	<u>6.58%</u>

**TOWN OF HARTFORD, VERMONT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2012	10,222	9,094	89.0%	987	10,081	98.6%	141	1.4%
2011	9,920	8,252	83.2%	1,662	9,914	99.9%	6	0.1%
2010	10,247	8,226	80.3%	1,989	10,215	99.7%	32	0.3%
2009	9,576	8,296	86.6%	1,275	9,571	99.9%	5	0.1%
2008	9,076	7,221	79.6%	1,855	9,076	100.0%	-	0.0%
2007	8,561	7,491	87.5%	1,070	8,561	100.0%	-	0.0%
2006	7,748	6,034	77.9%	1,715	7,749	100.0%	-	0.0%
2005	7,339	5,778	78.7%	1,561	7,339	100.0%	-	0.0%
2004	7,050	6,176	87.6%	874	7,050	100.0%	-	0.0%
2003	6,653	6,541	98.3%	112	6,653	100.0%	-	0.0%

**TOWN OF HARTFORD, VERMONT  
RATIO OF TOTAL DEBT OUTSTANDING BY TYPE  
TO ASSESSED VALUE AND DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-type Activities			Total Debt	Estimated Population	Debt per Capita	Assessed Value	Ratio of Debt to Assessed Value
	Bonds	Loans	Leases	Bonds	Loans	Leases					
2012	\$ 840,000	\$ 923,814	\$ -	\$ 465,000	\$ 14,970,752	\$ -	\$ 17,199,566	9,952	\$ 1,728	1,378,775,300	1.25%
2011	945,000	1,020,880	-	690,000	13,460,076	-	16,115,956	9,952	1,619	1,417,143,800	1.14%
2010	1,050,000	1,117,945	-	905,000	2,291,530	-	5,364,475	9,952	539	1,419,899,800	0.38%
2009	1,190,000	1,215,011	-	1,115,000	2,401,904	-	5,921,915	9,976	594	1,410,983,300	0.42%
2008	1,365,000	1,312,076	-	1,315,000	2,509,063	-	6,501,139	10,023	649	1,405,560,700	0.46%
2007	1,540,000	1,409,142	-	1,510,000	2,613,101	-	7,072,243	10,084	701	862,830,300	0.82%
2006	1,715,000	1,498,714	-	1,775,000	2,714,108	-	7,702,822	10,128	761	829,847,800	0.93%
2005	1,890,000	1,580,793	-	2,030,000	2,533,908	-	8,034,701	10,192	788	797,930,100	1.01%
2004	385,000	1,655,378	-	2,291,980	418,073	-	4,750,431	10,256	463	768,391,600	0.62%
2003	456,757	1,722,470	2,257	2,550,545	285,103	11,048	5,028,180	10,287	489	739,121,600	0.68%

**Notes:**

Details regarding the Town's outstanding debt can be found in the notes to the basic financial statements.

New debt has been incurred as follows:

- Fiscal year 2005, the Town incurred new debt of \$1,575,000 for the construction of a new public works facility, and an additional \$2,115,836 in loans for construction of a new well for the Central Water Fund.
- Fiscal year 2006, the Town incurred new loan debt of \$180,200 for construction of a new well in Wilder
- Fiscal year 2011, the Town incurred \$246,781 in new revolving loan debt for improvements to Hartford water infrastructure, \$49,860 in new revolving loan debt for improvements to Quechee water infrastructure, and \$11,012,788 in engineering and construction costs for the new Hartford and Quechee wastewater treatment plants.
- Fiscal year 2012, the Town incurred \$1,898,693 in new revolving loan debt for engineering and construction costs for the new Hartford and Quechee wastewater treatment plants.

Population information provided by the US Census Bureau. Please note that the US Census Bureau did not update Hartford, VT population data after the 2010 census. As a result, the US Census Bureau is reporting the same Hartford, VT population number for 2010, 2011, and 2012. These numbers will likely be updated at a later date.

A town-wide reappraisal was completed and effective with the year ended June 30, 2008.

**TOWN OF HARTFORD, VERMONT**  
**RATIO OF NET GENERAL OBLIGATION DEBT**  
**TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Total Debt	Less Debt Service Fund	Less Debt Payable from Enterprise Fund Revenues	Net General Obligation Debt	Estimated Population	Debt per Capita	Assessed Value	Ratio of Net Debt to Assessed Value
2012	17,199,566	\$ 370,013	15,435,752	\$ 1,393,801	9,952	\$ 140	1,378,775,300	0.10%
2011	16,115,956	348,497	14,150,076	1,617,383	9,952	163	1,417,143,800	0.12%
2010	5,364,475	326,763	3,196,530	1,841,182	9,952	185	1,419,899,800	0.13%
2009	5,921,915	304,629	3,516,904	2,100,382	9,976	211	1,410,983,300	0.15%
2008	6,501,139	281,708	3,824,063	2,395,368	10,023	239	1,405,560,700	0.17%
2007	7,072,243	253,934	4,123,101	2,695,208	10,084	267	862,830,300	0.31%
2006	7,702,822	223,716	4,489,108	2,989,998	10,128	295	829,847,800	0.36%
2005	8,034,701	195,671	4,563,908	3,275,122	10,192	321	797,930,100	0.41%
2004	4,750,431	170,955	2,710,053	1,869,423	10,256	182	768,391,600	0.24%
2003	5,028,180	148,122	2,846,696	2,033,362	10,287	198	739,121,600	0.28%

**Notes:**

Details regarding the Town's outstanding debt can be found in the notes to the basic financial statements.

New debt has been incurred as follows:

- Fiscal year 2005, the Town incurred new debt of \$1,575,000 for the construction of a new public works facility, and an additional \$2,115,836 in loans for construction of a new well for the Central Water Fund.
- Fiscal year 2006, the Town incurred new loan debt of \$180,200 for construction of a new well in Wilder
- Fiscal year 2011, the Town incurred \$246,781 in new revolving loan debt for improvements to Hartford water infrastructure, \$49,860 in new revolving loan debt for improvements to Quechee water infrastructure, and \$11,012,788 in engineering and construction costs for the new Hartford and Quechee wastewater treatment plants.
- Fiscal year 2012, the Town incurred \$1,898,693 in new revolving loan debt for engineering and construction costs for the new Hartford and Quechee wastewater treatment plants.

Population information provided by the US Census Bureau. Please note that the US Census Bureau did not update Hartford, VT population data after the 2010 census. As a result, the US Census Bureau is reporting the same Hartford, VT population number for 2010, 2011, and 2012. These numbers will likely be updated at a later date.

A town-wide reappraisal was completed and effective with the year ended June 30, 2008.

**TOWN OF HARTFORD, VERMONT**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2012**

<u>Jurisdiction</u>	Net General Obligation Debt <u>Outstanding</u>	Percentage Applicable <u>to Town</u>	Amount Applicable to Town of <u>Hartford</u>
<b>Direct</b>			
Town of Hartford	\$ 1,393,801	100.00%	\$ 1,393,801
<b>Overlapping</b>			
Hartford School District	<u>1,470,000</u>	100.00%	<u>1,470,000</u>
Total	<u>\$ 2,863,801</u>		<u>\$ 2,863,801</u>

**Notes:**

Net General Obligation Debt Outstanding represents total debt less debt payable from the Debt Service Fund or from Enterprise Funds.

**TOWN OF HARTFORD, VERMONT  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2012**

Grand List Valuation		\$ <u>13,787,753</u>
Legal debt margin		
Debt limitation - ten times last grand list		\$ 137,877,530
Debt applicable to limitation		
Total bonded debt	\$ 17,199,566	
Less: Revenue bonds	15,435,752	
Amount available for repayment of general obligation bonds	<u>370,013</u>	
 Total debt applicable to limitation		 <u>1,393,801</u>
 Legal debt margin		 <u>\$ 136,483,729</u>
 Debt as Percent of Debt Limit		 <u>1.01%</u>

**LEGAL DEBT MARGIN  
PRECEDING NINE YEARS**

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percent of Debt Limit
2011	141,714,380	1,617,383	\$ 140,096,997	1.14%
2010	141,989,980	1,841,182	140,148,798	1.30%
2009	141,098,330	2,100,382	138,997,948	1.49%
2008	140,556,070	2,395,368	138,160,702	1.70%
2007	86,283,030	2,695,208	83,587,822	3.12%
2006	82,984,780	2,989,998	79,994,782	3.60%
2005	79,793,010	3,275,122	76,517,888	4.10%
2004	76,839,160	1,869,423	74,969,737	2.43%
2003	73,912,160	2,033,362	71,878,798	2.75%

**Notes:**

According to Vermont Statutes, the Town's outstanding general obligation debt should not exceed 10 times the grand list of the Town. The grand list is established at 1% of total assessed valuation.

A town-wide reappraisal was completed and effective with the year ended June 30, 2008.

**TOWN OF HARTFORD, VERMONT**  
**ENTERPRISE BOND COVERAGE**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

Table 13

**OUTDOOR FACILITY FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 184	\$ 177	\$ 7	\$ 15	\$ -	\$ 15	0.47
2011	170	167	3	15	2	17	0.18
2010	186	166	20	15	2	17	1.18
2009	158	192	(34)	15	3	18	(1.89)
2008	187	163	24	15	4	19	1.26
2007	136	161	(25)	15	5	20	(1.25)
2006	152	138	14	15	6	21	0.67
2005	144	130	14	15	6	21	0.67
2004	143	133	10	15	7	22	0.45
2003	149	106	43	15	8	23	1.87

**Notes:**

Outdoor Facility Fund established in 1998

Table 14

**CENTRAL WATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 993	\$ 624	\$ 369	\$ 482	\$ 70	\$ 552	0.67
2011	990	589	401	222	79	301	1.33
2010	974	570	404	215	92	307	1.32
2009	975	535	440	202	102	304	1.45
2008	1,012	546	466	189	107	296	1.57
2007	936	561	375	181	116	297	1.26
2006	1,008	685	323	75	45	120	2.69
2005	657	424	233	87	47	134	1.74
2004	554	353	201	89	53	142	1.42
2003	534	344	190	83	62	145	1.31

**Notes:**

Payments on State revolving loan began during the year ended June 30, 2007

Table 15

**QUECHEE WATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 336	\$ 251	\$ 85	\$ 15	\$ 4	\$ 19	4.47
2011	337	182	155	15	4	19	8.16
2010	330	214	116	15	5	20	5.80
2009	333	166	167	15	6	21	7.95
2008	327	163	164	20	7	27	6.07
2007	295	205	90	20	7	27	3.33
2006	282	151	131	20	8	28	4.68
2005	263	148	115	20	9	29	3.97
2004	177	140	37	20	9	29	1.28
2003	176	126	50	20	10	30	1.67

**TOWN OF HARTFORD, VERMONT**  
**ENTERPRISE BOND COVERAGE**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

Table 16

**CENTRAL WASTEWATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 1,314	\$ 884	\$ 430	\$ -	\$ -	\$ -	N/A
2011	1,150	864	286	-	-	-	N/A
2010	1,130	906	224	-	-	-	N/A
2009	1,141	891	250	-	-	-	N/A
2008	1,180	874	306	-	-	-	N/A
2007	1,086	784	302	75	3	78	3.87
2006	994	794	200	70	8	78	2.56
2005	829	727	102	65	14	79	1.29
2004	714	646	68	60	18	78	0.87
2003	704	658	46	55	23	78	0.59

**Notes:**

Final payment on bonded debt was made during the year ended June 30, 2007

Table 17

**QUECHEE WASTEWATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 865	\$ 509	\$ 356	\$ 75	\$ 20	\$ 95	3.75
2011	748	492	256	75	23	98	2.61
2010	724	480	244	75	26	101	2.42
2009	718	478	240	75	29	104	2.31
2008	722	578	144	75	32	107	1.35
2007	690	449	241	75	35	110	2.19
2006	551	380	171	75	38	113	1.51
2005	506	357	149	75	41	116	1.28
2004	429	340	89	75	43	118	0.75
2003	452	281	171	80	46	126	1.36

**TOWN OF HARTFORD, VERMONT  
DEMOGRAPHIC AND ECONOMIC INDICATORS  
LAST TEN YEARS**

<u>Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>	
				<u>Local</u>	<u>State-wide</u>
2012	9,952	31,253	55,875	3.5%	5.1%
2011	9,952	n/a	n/a	4.0%	5.7%
2010	9,952	29,743	63,508	4.3%	6.3%
2009	9,976	n/a	n/a	3.9%	6.4%
2008	10,023	n/a	n/a	3.2%	5.5%
2007	10,084	n/a	n/a	2.2%	3.7%
2006	10,128	26,640	57,695	1.9%	3.0%
2005	10,192	n/a	n/a	1.9%	3.4%
2004	10,256	n/a	n/a	1.4%	2.7%
2003	10,287	n/a	n/a	2.0%	3.8%

**Notes:**

Population, per capita income, and median family income information provided by the US Census Bureau. Please note that the US Census Bureau did not update Hartford, VT population data after the 2010 census. As a result, the US Census Bureau is reporting the same Hartford, VT population number for 2010, 2011, and 2012. These numbers will likely be updated at a later date.

Unemployment information provided by the Vermont Department of Labor & Industry.

**TOWN OF HARTFORD, VERMONT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND SEVEN YEARS AGO**

		<u>June 30, 2012</u>	
Veteran's Administration	US Government/Hospital	950	4.65%
Hartford School District	Public School	430	2.10%
Mascoma Savings Bank	Bank	256	1.25%
US Postal Service	Postal Service	217	1.06%
King Arthur Flour	Wholesale/retail	183	0.89%
Quechee Lakes Landowners Association	Resort	131	0.64%
Town of Hartford	Municipal offices	106	0.52%
Simon Pearce	Retail/crafts/restaurant	101	0.49%
RSD Transportation	Warehouse/trucking	92	0.45%
Concepts ETI	Technology	<u>65</u>	<u>0.32%</u>
		<u>2,531</u>	<u>12.38%</u>

		<u>June 30, 2005</u>	
Veteran's Administration	US Government/Hospital	700	3.42%
Hartford School District	Public School	407	1.99%
US Postal Service	Postal Service	375	1.83%
Quechee Lakes Landowners Association	Resort	125	0.61%
Mascoma Savings Bank	Bank	113	0.55%
Simon Pearce	Retail/crafts/restaurant	101	0.49%
Town of Hartford	Municipal offices	100	0.49%
RSD Transportation	Warehouse/trucking	88	0.43%
Concepts ETI	Technology	77	0.38%
Brookside Nursing Home	Convalescent care	<u>72</u>	<u>0.35%</u>
		<u>2,158</u>	<u>10.55%</u>

**Notes:**

Source: Department of Planning and Development Services

Data for nine years ago is not available.

**TOWN OF HARTFORD, VERMONT**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government										
Administration	2.50	2.50	2.50	2.70	2.50	2.50	2.50	3.30	2.50	2.50
Elections and vital statistics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75
Finance	3.90	2.85	2.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Valuation	2.37	2.37	2.37	2.37	2.37	1.87	1.87	1.87	1.87	1.87
Public safety										
Police	24.00	23.75	23.15	24.50	24.75	25.75	25.55	22.00	23.00	23.00
Fire and ambulance	20.87	20.87	20.87	20.87	22.87	22.87	22.87	19.87	19.87	19.87
Dispatch	7.00	7.00	7.10	7.00	5.00	5.00	5.00	4.00	5.00	5.00
Public works										
Highways	10.25	10.25	10.25	9.00	10.00	11.00	11.00	9.65	8.50	8.50
Public works administration	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Health and social services	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Recreation and parks										
Recreation administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Recreation programs	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	3.50	3.50
Conservation and development	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Cultural	-	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82
Solid Waste Management	4.96	4.86	4.36	5.06	5.06	5.06	5.16	4.56	5.16	5.16
Water	5.43	5.33	5.33	5.43	5.43	5.43	5.43	4.48	4.43	4.43
Wastewater	9.43	9.33	9.33	9.43	9.43	9.43	9.43	9.43	9.43	9.43
Total Employees	<u>105.09</u>	<u>104.81</u>	<u>102.81</u>	<u>104.96</u>	<u>106.01</u>	<u>107.51</u>	<u>107.41</u>	<u>99.51</u>	<u>98.61</u>	<u>98.61</u>

Table 21

**TOWN OF HARTFORD, VERMONT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government										
Full-time positions filled	11	10	10	9	12	10	12	8	n/a	n/a
Tax bills mailed	5,459	5,507	5,518	5,477	5,474	5,473	5,472	5,266	5,287	5,259
Water/wastewater bills mailed	13,484	13,471	13,462	13,424	13,448	13,440	13,410	12,902	n/a	n/a
Zoning permits issued	229	283	324	319	304	382	374	496	434	413
Police										
Total incidents	4,705	6,528	6,542	4,357	4,182	3,913	4,387	4,301	4,508	4,194
Physical arrests	378	436	374	435	410	396	389	381	399	433
Traffic violations	851	1,097	759	993	946	901	871	854	895	764
Fire and ambulance										
Fire calls answered	415	347	366	325	350	325	335	350	337	300
Ambulance calls answered	1,290	1,269	1,197	1,410	1,425	1,375	1,175	1,250	1,099	1,000
Water system										
Service connections	2,773	2,769	2,762	2,759	2,759	2,758	2,758	2,743	2,728	2,697
Wastewater system										
Service connections	3,168	3,162	3,160	3,157	3,145	3,125	3,103	3,088	3,076	3,041

**TOWN OF HARTFORD, VERMONT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	9	9	9	9
Vehicles	11	11	10	8	8	8	8	8	8	8
Fire and ambulance										
Stations	2	2	2	2	2	2	2	2	2	2
Fire vehicles	8	8	8	8	8	7	7	7	7	7
Ambulance vehicles	2	2	2	2	2	2	2	2	2	2
Recreation and parks										
Parks	13	13	13	12	12	11	11	11	10	10
Acreage	251	251	251	244	244	236	236	236	235	235
Water system										
Water treatment facilities	2	2	2	2	2	2	2	2	2	2
Miles of water mains	50	50	50	47	47	45	45	45	45	45
Wastewater system										
Wastewater treatment facilities	2	2	2	2	2	2	2	2	2	2
Miles of sanitary sewers	77	77	77	58	50	50	50	50	50	50
Miles of storm sewers	11	11	11	11	11	11	11	11	11	11