

**TOWN OF HARTFORD, VERMONT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



Prepared by:

**Andrew J. Larkin**  
Finance Director

**TOWN OF HARTFORD, VERMONT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal	1-4
Certificate of Achievement	5
Organizational Chart	6
List of Principal Elected and Appointed Officials	7

**FINANCIAL SECTION**

Independent Auditor's Report	8-9
Management's Discussion and Analysis	10-19
 Basic Financial Statements	
Government-wide Financial Statements	
Exhibit A – Statement of Net Assets	20
Exhibit B – Statement of Activities	21
 Fund Financial Statements	
Exhibit C - Balance Sheet – Governmental Funds	22
Exhibit D – Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Exhibit E – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Exhibit F – Statement of Net Assets – Proprietary Funds	25
Exhibit G – Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	26
Exhibit H – Statement of Cash Flows – Proprietary Funds	27
 Notes to Financial Statements	 28-51
 Supplementary Information	
Schedule 1 – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Unassigned General Fund	52
Schedule 2 – Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund	53
Schedule 3 – Combining Balance Sheet – Non-major Governmental Funds	54
Schedule 4 – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	55
Schedule 5 – Combining Balance Sheet – Non-major Special Revenue Funds	56
Schedule 6 – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	57

**TOWN OF HARTFORD, VERMONT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**TABLE OF CONTENTS**

**FINANCIAL SECTION (continued)**

Supplementary Information (continued)	
Schedule 7 – Combining Balance Sheet – Capital Projects Funds	58-59
Schedule 8 – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds	60-61
Schedule 9 – Combining Schedule of Net Assets – Water and Wastewater Funds	62
Schedule 10 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Water and Wastewater Funds	63
Schedule 11 – Combining Statement of Cash Flows – Water and Wastewater Funds	64
Schedule 12 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Outdoor Facilities Fund	65
Schedule 13 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Solid Waste Fund	66
Schedule 14 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Central Water Fund	67
Schedule 15 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Quechee Water Fund	68
Schedule 16 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Central Wastewater Fund	69
Schedule 17 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Quechee Wastewater Fund	70
Schedule 18 – Schedule of Revenues and Expenses – Budget (Non-GAAP Budgetary Basis) and Actual – Outdoor Facilities Fund	71
Schedule 19 – Schedule of Revenues and Expenses – Budget (Non-GAAP Budgetary Basis) and Actual – Solid Waste Fund	72
Schedule 20 – Schedule of Revenues and Expenses – Budget (Non-GAAP Budgetary Basis) and Actual – Central Water Fund	73
Schedule 21 – Schedule of Revenues and Expenses – Budget (Non-GAAP Budgetary Basis) and Actual – Quechee Water Fund	74
Schedule 22 – Schedule of Revenues and Expenses – Budget (Non-GAAP Budgetary Basis) and Actual – Central Wastewater Fund	75
Schedule 23 – Schedule of Revenues and Expenses – Budget (Non-GAAP Budgetary Basis) and Actual – Quechee Wastewater Fund	76

**STATISTICAL SECTION**

Financial Trends	
Table 1 – Government-wide Net Assets by Category	77
Table 2 – Change in Net Assets	78-79
Table 3 – Governmental Funds – Fund Balances	80
Table 4 – Governmental Funds – Changes in Fund Balances	81

**TOWN OF HARTFORD, VERMONT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**TABLE OF CONTENTS**

**STATISTICAL SECTION (continued)**

Revenue Capacity	
Table 5 – Assessed and Estimated Actual Value of Property	82
Table 6 – Property Tax Rates	83
Table 7 – Principal Taxpayers	84
Table 8 – Property Tax Levies and Collections	85
Debt Capacity	
Table 9 – Ratio of Total Debt Outstanding by Type to Assessed Value and Debt per Capita	86
Table 10 - Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita	87
Table 11 – Computation of Direct and Overlapping Debt	88
Table 12 – Legal Debt Margin	89
Table 13 - Enterprise Bond Coverage – Outdoor Facility Fund	90
Table 14 – Enterprise Bond Coverage – Central Water Fund	90
Table 15 – Enterprise Bond Coverage – Quechee Water Fund	90
Table 16 – Enterprise Bond Coverage – Central Wastewater Fund	91
Table 17 – Enterprise Bond Coverage – Quechee Wastewater Fund	91
Demographic and Economic Information	
Table 18 – Demographic and Economic Indicators	92
Table 19 – Principal Employers	93
Table 20 – Employees by Function/Program	94
Table 21 – Operating Indicators by Function/Program	95
Capital Assets	
Table 22 – Capital Asset Statistics by Function/Program	96



**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)



---

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

---

January 20, 2014

To the Selectboard 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, 2013. 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, 2013, 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, 2013, 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 Selectboard. 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 Selectboard 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 State of Vermont economic forecast reflects difficulties experienced nationwide although there is improvement in consumer sentiment and a firming of the housing market. 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. Three new office buildings have been constructed in the downtown area in recent years. More recently, new business development such as construction of a new distribution center by King Arthur Flour's in Wilder and construction of a new convenience store by Jake's Country Stores has occurred. Unemployment has decreased again from the prior year and continues 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 Selectboard 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 closeout of repair projects related to Hurricane Irene (most notably the new Quechee Covered Bridge), construction of the improved bridge street underpass, continued work on the Maxfield Sports Complex, planning and engineering for the West Hartford Community Center & Library, and continued upgrades to roads and sidewalks.

The new Quechee Covered Bridge originally destroyed by Hurricane Irene was fully completed during June 2013. Completion of the bridge marked a major milestone in the Town's efforts to recover and move on from the hurricane. See the Management, Discussion, & Analysis and Note V.H to the financial statements included with this report for information about other repair projects and details related to Hurricane Irene.

During the year-ended June 30, 2013 progress on the bridge street underpass project really picked up steam. Planning and engineering complexities and delays caused the project to progress slower than expected in the beginning. By the end of the year, construction on the project was well on its way.

On March 5, 2013 the Town of Hartford voters approved the issuance of a \$3,100,000 bond for the construction of sports facilities on the town owned land known as the Maxfield Property. This money along with proceeds from the sale of a portion of the land created adequate funding to construct sports facilities on the remaining land as planned. Since approval of the bond, the Selectboard, the Town Manager, and the Parks & Recreation Director have worked diligently to complete the planning and engineering phase of the project. Construction on the Maxfield Sports Complex began during June 2013.

On March 6, 2012, the Town of Hartford voters approved the issuance of a \$500,000 bond minus any state or federal grant funding to construct a new West Hartford Community Center & Library. Donations and a portion of unassigned fund balance approved by the Selectboard were also used to fund this project. Planning and engineering was essentially completed for this project during FY2013 with construction planned for FY2014.

For many years, budget restrictions forced a reduction in maintenance of Town roads and bridges. During the year ended June 30, 2013, the Town spent in excess of \$1,040,000 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. Over \$149,000 was spent on constructing new and repairing old sidewalks.

**Long-term financial planning.** The Selectboard continues to invest in the Town's infrastructure, with \$900,000 budgeted for paving and road reclamation in the 2013-2014 budget, as well as over \$45,000 in funds for construction of new sidewalks, \$175,000 for the creation on new park space, and \$25,000 for continued downtown White River Junction improvement projects.

A revised and updated Capital Improvement Plan(CIP) was created and approved by the Selectboard during FY2013. Capital item replacement and repair schedules for Parks & Recreation equipment, Public Safety equipment, Highway equipment, Highway bridges & culverts, and each of the enterprise funds have been established and/or updated. Separate reserve bank accounts are being used for each of the above mentioned schedules. Annual contributions to adequately fund these reserves have been established and the Town plans to utilize this information when preparing future budgets. Other capital projects were considered on a case by case basis. Certain projects were approved, others were rejected, and some projects were put aside to be reconsidered in the future.

In addition to the updated Capital Improvement Plan, in order to maintain adequate reserves to fund disaster recovery or replace indispensable capital items the town has adopted a fund balance policy. This policy mandates 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 and operating transfers for the General Fund, and 5% of expenditures and operating transfers for all Enterprise Funds. All funds met this goal as of June 30, 2013, with the exception of the General Fund. See the Management, Discussion, & Analysis included with this report for more information about the General Fund's unassigned fund balance

During FY2013, the Town continued to fund its capital reserve accounts for equipment, bridges & culverts, and other necessary capital items. As of June 30, 2013, the town had over \$2.7 million in capital reserve accounts. In addition, the Town continued scheduled replacement of vehicles and equipment, with the purchase of two police cruisers, a new vehicle for animal control, a truck for park maintenance, a new hot box trailer and a new loader backhoe for highway, a bucket loader for the landfill, a truck for the water department, and a trailer mounted sewer flusher for wastewater.

**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 .01% to .05% 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, collateralization, and protection through a bank's corporate trust department. 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, 2013, 100% of the Town's deposits were protected through collateralization or through trust.

**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 \$-0- in unemployment claims during fiscal year 2013.

**Pension and other postemployment benefits.** The Town offers its employees a defined benefit pension plan administered by the Vermont Municipal Employee Retirement System (VMERS). Depending on the employees department and union, they are offered participation in the VMERS Group B Defined Benefit Plan or the VMERS Group C Defined Benefit Plan. Some employees hired before April 1, 2007 have elected to stay in the Town's old defined contribution pension plan administered by the International City Manager's Association (ICMA) Retirement Corporation. The Town has no obligation in connection with the benefits offered through these plans beyond its contractual payments into the plan. See Note V.E to the financial statements included with this report for more information about employee retirement plans.

The Town provides postretirement health care benefits for certain retirees. As of the end of the current fiscal year, there were forty-six 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.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Hartford, VT for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Hartford  
Vermont**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

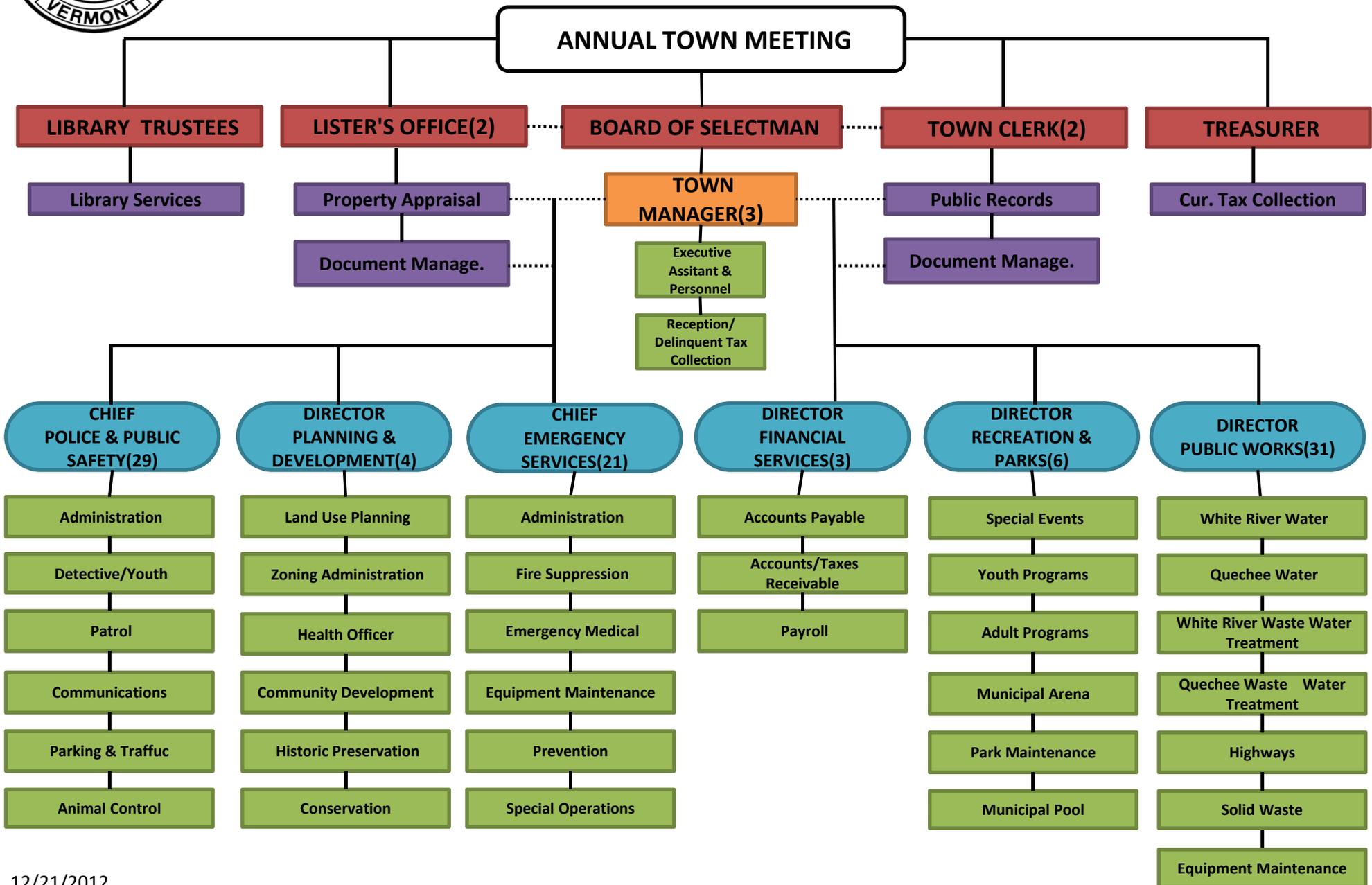
**June 30, 2012**

Executive Director/CEO



# 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, 2013**

Elected Officials

Board of Selectmen	Chuck Wooster Kenneth Parker Sabino Romano Alex DeFelice Simon Dennis F.X. Flinn Bethany Fleishman
Town Clerk	Mary E. Hill
Town Treasurer	John C. Clerkin
Lister's Office	Emile Grodin Theresa A. Chesbro Chip Jameson

Appointed Officials

Town Manager	Hunter F. Rieseberg
Director - Financial Services	Andrew J. Larkin
Public Safety Director	Steven A. Locke
Director - Public Works	Richard B. Menge
Utilities Superintendent	John C. Choate
Highway Superintendent	Allyn R. Ricker
Director - Recreation & Parks	John "Tad" Nunez
Director - Planning & Development	Lori Hirshfield



**FINANCIAL SECTION**



**Sullivan, Powers & Co., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Fred Duplessis, CPA  
Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
VT Lic. #92-000180

Independent Auditor's Report

Board of Selectmen  
Town of Hartford  
171 Bridge Street  
Hartford, Vermont 05001

***Report on the Financial Statements***

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, 2013, and the related notes to the financial statements, which collectively comprise the Town of Hartford, Vermont's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Hartford, Vermont's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hartford, Vermont's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hartford, Vermont, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 4 through 12 and Schedule 1 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

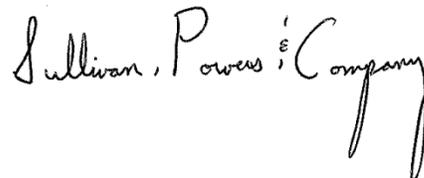
As described in Note I.F. to the financial statements, effective June 30, 2013, the Town of Hartford, Vermont implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position".

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 the enterprise funds 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.

**Other Reporting Required by "Government Auditing Standards"**

In accordance with "Government Auditing Standards", we have also issued our report dated January 20, 2014 on our consideration of the Town of Hartford, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements 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 performed in accordance with "Government Auditing Standards" in considering the Town of Hartford, Vermont's internal control over financial reporting and compliance.

January 20, 2014  
Montpelier, Vermont  
VT Lic. #92-000180



## 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, 2013. 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 \$46,295,091 (*net position*). Of this amount, \$7,651,278 (*unrestricted net position*) 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 position increased by \$1,364,242. Of this amount, net position attributable to governmental activities increased by \$1,652,583, and net position attributable to business-type activities decreased by \$288,341.
- As of the close of the current fiscal year, the Town of Hartford's governmental funds reported combined ending fund balances of \$5,964,504, an increase of \$183,202 in comparison with the prior year. Of this total amount, \$437,184 is *available for spending* at the government's discretion. Of this balance, \$814,194 represents negative fund balances for funds where revenues were received after June 30, 2013, and \$1,251,378 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,251,378 or 8.6 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 \$1,454,122 as of the current fiscal year.

### 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 position* presents information on all of the Town of Hartford's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 eighteen individual governmental funds, including the General Fund, four Special Revenue Funds, eleven 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, the Hurricane Irene Fund, and the Quechee Covered Bridge 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 Funds, and its Wastewater Funds.

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 Funds, and the Wastewater Funds, 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 POSITION

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 7,804,262	\$ 7,764,071	\$ 7,855,796	\$ 6,330,440	\$ 15,660,058	\$ 14,094,511
Capital assets	24,934,884	22,019,256	29,379,331	30,875,989	54,314,215	52,895,245
<b>Total Assets</b>	<b>32,739,146</b>	<b>29,783,327</b>	<b>37,235,127</b>	<b>37,206,429</b>	<b>69,974,273</b>	<b>66,989,756</b>
Long-term liabilities outstanding	4,669,350	3,488,619	15,743,189	15,923,316	20,412,539	19,411,935
Other liabilities	1,694,012	1,588,988	1,507,672	1,010,506	3,201,684	2,599,494
<b>Total Liabilities</b>	<b>6,363,362</b>	<b>5,077,607</b>	<b>17,250,861</b>	<b>16,933,822</b>	<b>23,614,223</b>	<b>22,011,429</b>
Unavailable revenues - prepaid taxes	64,959	47,478	-	-	64,959	47,478
<b>Total deferred inflows of resources</b>	<b>64,959</b>	<b>47,478</b>	<b>-</b>	<b>-</b>	<b>64,959</b>	<b>47,478</b>
<b>Net Position</b>						
Net investment in capital assets	22,226,677	20,238,216	13,377,776	15,107,523	35,604,453	35,345,739
Restricted	2,037,191	2,223,943	1,002,169	1,060,014	3,039,360	3,283,957
Unrestricted	2,046,957	2,196,083	5,604,321	4,105,070	7,651,278	6,301,153
<b>Total Net Position</b>	<b>\$ 26,310,825</b>	<b>\$ 24,658,242</b>	<b>\$ 19,984,266</b>	<b>\$ 20,272,607</b>	<b>\$ 46,295,091</b>	<b>\$ 44,930,849</b>

As noted earlier, net position 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 \$46,295,091 at the close of the most recent fiscal year.

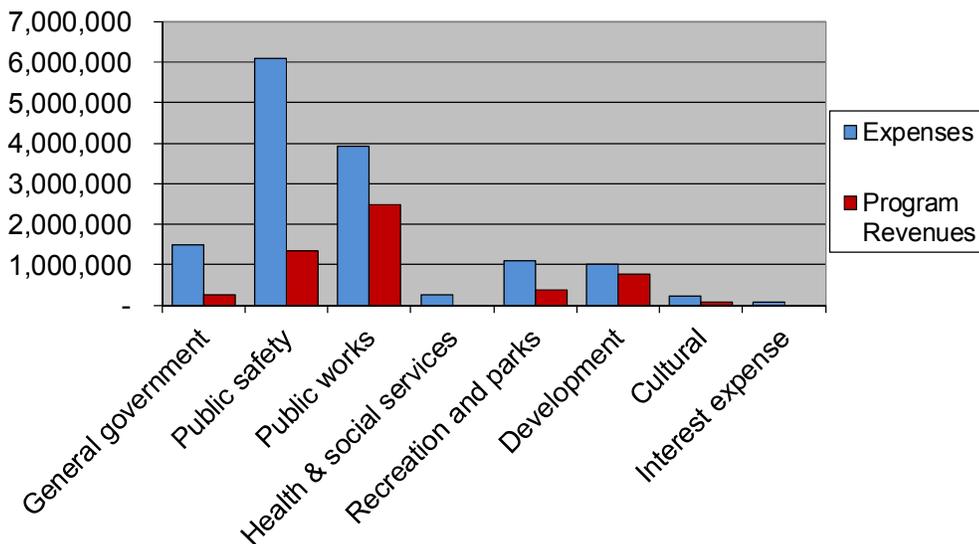
By far the largest portion of the Town of Hartford's net position (77%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Hartford uses these capital assets to provide 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 position (7%) represents resources that are subject to external restriction on how they may be used. The remaining balance of *unrestricted net position* (\$7,651,278) may be used to meet the government's ongoing obligations to citizens and creditors. Included in unrestricted net position 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 position 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 position by \$1,652,583 during the current fiscal year. Net investment in capital assets, net of related debt, increased by \$1,988,461. This increase resulted from the net effect of a increase as a result of depreciation exceeding capital outlays expense by \$2,915,630, an increase as a result of principal payments on long-term bonds and notes of \$202,066, a decrease as a result of proceeds from the issuance of long-term debt of \$1,135,225, and a \$5,993 change in retainage payable. Restricted net position decreased by \$186,752, primarily as a result of the use of impact fees and the use of Maxfield Property funds which both decreased the amount restricted. Unrestricted net position decreased by \$149,126, primarily as a result of created contributions of assets to the restricted category.

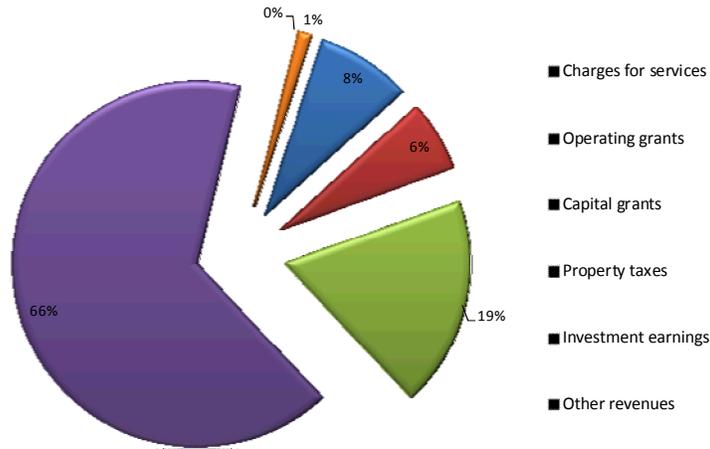
### Expenses and Program Revenues - Governmental Activities



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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 1,328,663	\$ 1,188,295	\$ 4,547,581	\$ 4,373,375	\$ 5,876,244	\$ 5,561,670
Operating grants and contributions	997,752	1,948,987	272,859	219,693	1,270,611	2,168,680
Capital grants and contributions	2,969,811	1,376,618	-	-	2,969,811	1,376,618
<b>General revenues</b>						
Property taxes	10,543,220	10,195,119	-	-	10,543,220	10,195,119
Unrestricted investment earnings	12,820	15,181	1,126	1,701	13,946	16,882
Gain(loss) on sale of capital assets	( 18,586)	-	-	-	( 18,586)	-
Other revenues	182,758	186,292	162,433	70,883	345,191	257,175
<b>Total Revenues</b>	<b>16,016,438</b>	<b>14,910,492</b>	<b>4,983,999</b>	<b>4,665,652</b>	<b>21,000,437</b>	<b>19,576,144</b>
<b>Expenses</b>						
<b>Governmental activities</b>						
<b>General government</b>						
Administration	688,321	705,490	-	-	688,321	705,490
Elections and vital statistics	201,313	150,775	-	-	201,313	150,775
Finance	391,263	396,849	-	-	391,263	396,849
Valuation	191,270	191,393	-	-	191,270	191,393
Boards & commissions	8,210	-	-	-	8,210	-
<b>Public safety</b>						
Police	2,485,084	2,524,202	-	-	2,485,084	2,524,202
Fire and ambulance	2,926,545	2,819,565	-	-	2,926,545	2,819,565
Dispatch	682,687	671,409	-	-	682,687	671,409
<b>Public works</b>						
Highways	3,801,663	4,068,137	-	-	3,801,663	4,068,137
Public works administration	127,981	174,541	-	-	127,981	174,541
Health and social services	257,425	255,821	-	-	257,425	255,821
<b>Recreation and parks</b>						
Recreation administration	191,942	183,384	-	-	191,942	183,384
Recreation programs	307,985	309,571	-	-	307,985	309,571
Parks	590,413	576,322	-	-	590,413	576,322
Conservation and development	1,011,685	600,520	-	-	1,011,685	600,520
Cultural	235,259	605,248	-	-	235,259	605,248
Interest on long-term debt	64,409	38,974	-	-	64,409	38,974
<b>Business-type activities</b>						
Outdoor facilities	-	-	198,217	193,511	198,217	193,511
Solid waste	-	-	885,474	903,486	885,474	903,486
Water and wastewater	-	-	4,389,049	3,896,000	4,389,049	3,896,000
<b>Total Expenses</b>	<b>14,163,455</b>	<b>14,272,201</b>	<b>5,472,740</b>	<b>4,992,997</b>	<b>19,636,195</b>	<b>19,265,198</b>
Change in net position before transfers	1,852,983	638,291	( 488,741)	( 327,345)	1,364,242	310,946
Transfers	( 200,400)	( 231,450)	200,400	231,450	-	-
Change in net position	1,652,583	406,841	( 288,341)	( 95,895)	1,364,242	310,946
Net position - beginning of year	24,658,242	24,251,401	20,272,607	20,368,502	44,930,849	44,619,903
<b>Net position - end of year</b>	<b>\$ 26,310,825</b>	<b>\$ 24,658,242</b>	<b>\$ 19,984,266</b>	<b>\$ 20,272,607</b>	<b>\$ 46,295,091</b>	<b>\$ 44,930,849</b>

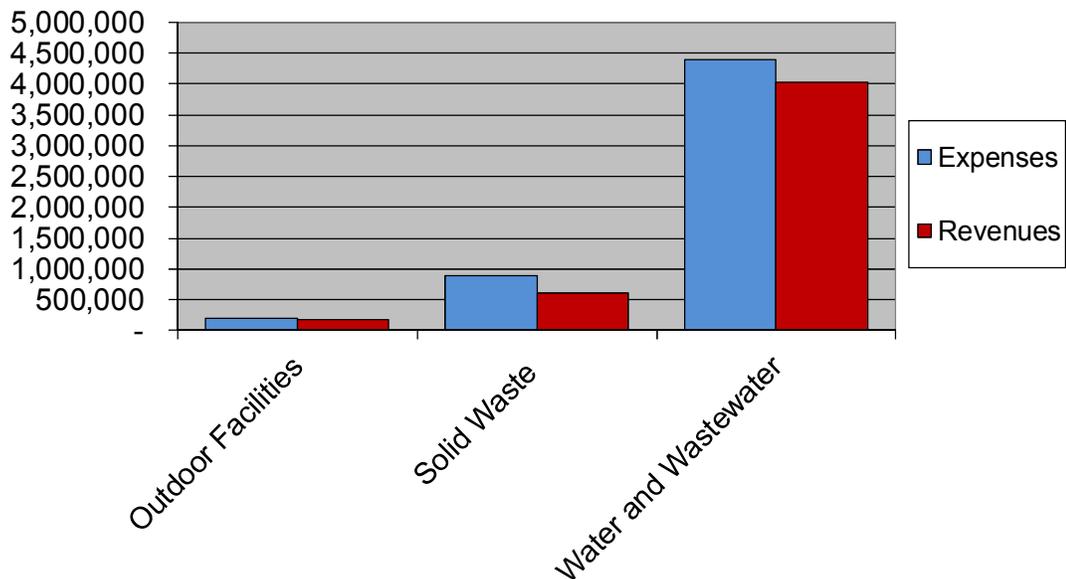
### Revenues by Source - Governmental Activities



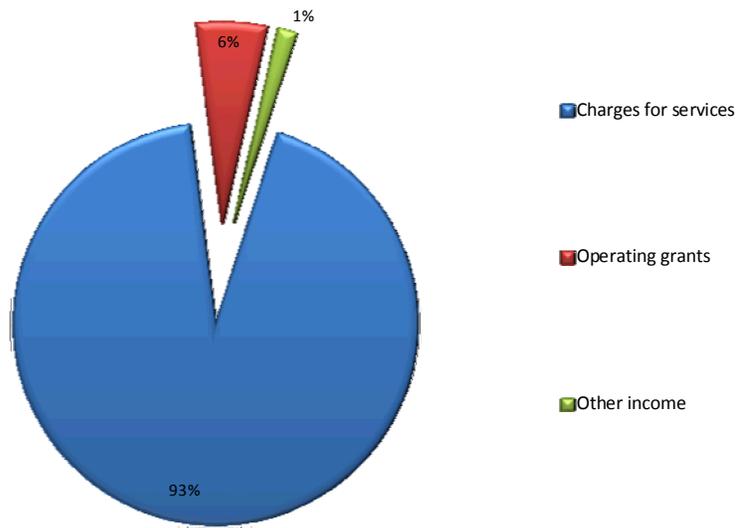
**Business-type activities.** Business-type activities decreased the Town of Hartford's net position by \$288,341 during the current fiscal year. Key elements of this change are as follows:

- Charges for services increased by 4.0%. Charges for services in the Water Fund remained relatively the same. Charges for services in the Wastewater Fund increased by 13.9%. Charges for services in the Solid Waste Fund decreased by 17.0%.
- Operating expenses (before depreciation) increased by 3.0%.
- Total depreciation expense for business-type activities is \$1,900,598, a 20% 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 \$5,964,504, an increase of \$183,202 in comparison to the prior year. Of this total amount, \$27,168 is non-spendable (permanent fund principal) and \$2,010,023 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, \$3,490,129 has been assigned by the Town for various purposes, and \$437,184 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 \$1,251,378, and assigned fund balance was \$3,034,274. 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 8.6 percent of general fund expenditures and operating transfers, while total fund balance represents 29.5 percent of that same amount.

The fund balance of the Town of Hartford's general fund increased by \$715,435 during the current fiscal year. Key factors in this change are as follows:

- The Town budgeted \$300,000 for WRJ revitalization but nothing was expended during the year.
- The Town budgeted \$47,317 in order to operate the West Hartford Library but because the library was severely damaged during Hurricane Irene only \$1,085 was expended.
- Highway expenditures were budgeted at \$3,354,469 but for a number of different reasons only \$3,016,024 was expended. Actual expenditures were under budget by \$338,445.

- The Town budgeted \$75,000 for construction and engineering to remove the lower reservoir dam but only \$3,877 was spent on this project during the year.
- Revenue from Charges for Services was over budget by \$194,003 during the year.

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. The Town uses a capital project fund to track revenue and expenditures related to the hurricane. This fund includes all repair projects except the Quechee Covered Bridge and the West Hartford Library which each have their own capital project fund. The fund deficit of this fund was \$328,592 as of June 30, 2013 due to revenue lagging behind expenditures significantly and the Town's share of hurricane repair expenses. As of June 30, 2013, the Town has assigned \$310,000 to cover the Town's share of hurricane repair expenses.

The Quechee Covered Bridge was destroyed by Hurricane Irene. Over the last years the Town has worked to fund and then construct a new covered bridge. The Town uses a capital project fund to track revenue and expenditures related to construction of the new bridge. This capital project fund is a major fund.

Special revenue funds consist primarily of community development funds (\$424,305) and impact fee funds (\$123,401). 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 funds to construct a new underpass next to the intersection of bridge street and railroad row near the center of town, stormwater runoff projects, improvements to the public works garage, infrastructure and other land improvements to the Maxfield property, and for construction of a new W. Hartford Library. In addition, three new capital project funds were established during FY2013. One for tracking renovations to the Wendell A. Barwood Arena, one for tracking improvements to the land known as Patriot's Park next to the W. Hartford Library, and one for renovations to the Town municipal building.

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 position of the Solid Waste Fund amounted to \$345,055 and those of the Water Fund amounted to \$1,785,141. Unrestricted net position of the Outdoor Facilities Fund amounted to \$100,496 and those of the Wastewater Fund amounted to \$3,373,629. Unrestricted net position of the Solid Waste Fund decreased by \$76,760, those of the Water Fund increased \$418,037 and those of the Wastewater Fund increased by \$1,122,947. Unrestricted net position of the Outdoor Facilities Fund increased by \$35,027. 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:

- The Town budgeted \$300,000 for WRJ revitalization but nothing was expended during the year.
- The Town budgeted \$47,317 in order to operate the West Hartford Library but because the library was severely damaged during Hurricane Irene only \$1,085 was expended.
- Highway expenditures were budgeted at \$3,354,469 but for a number of different reasons only \$3,016,024 was expended. Actual expenditures were under budget by \$338,445.
- The Town budgeted \$75,000 for construction and engineering to remove the lower reservoir dam but only \$3,877 was spent on this project during the year.
- Revenue from Charges for Services was over budget by \$194,003 during the year.

## 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, 2013, amounted to \$35,604,453 (net of accumulated depreciation and related debt). This net investment in capital assets includes land, buildings and improvements, vehicles and equipment, roads and bridges, water and wastewater distribution and collection systems, and construction in progress. The net investment in increased by 9.8 percent for governmental activities, and decreased 11.4 percent for business-type activities.

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

- Design, engineering, and construction of the new Quechee Covered Bridge(\$2,213,966)
- FY12/13 Paving(\$1,059,367)
- Design, engineering, and construction of the bridge street underpass(\$761,891)
- FY12/13 Sidewalk Paving(\$223,069)
- Caterpillar Model 924K Wheel Loader for Highway Department(\$129,429)

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 883,876	\$ 778,976	\$ 414,158	\$ 414,158	\$ 1,298,034	\$ 1,193,134
Land improvements	590,819	602,423	101,028	93,222	691,847	695,645
Buildings and improvements	2,228,464	2,368,913	16,810,542	17,902,528	19,039,006	20,271,441
Vehicles and equipment	2,832,264	2,934,991	297,265	236,825	3,129,529	3,171,816
Roads, bridges and sidewalks	15,967,788	13,754,514	-	-	15,967,788	13,754,514
Distribution and collection systems	-	-	11,669,702	12,225,256	11,669,702	12,225,256
Construction in progress	2,431,673	1,579,440	86,636	4,000	2,518,309	1,583,440
<b>Total Assets</b>	<b>\$ 24,934,884</b>	<b>\$ 22,019,257</b>	<b>\$ 29,379,331</b>	<b>\$ 30,875,989</b>	<b>\$ 54,314,215</b>	<b>\$ 52,895,246</b>

Additional information on the Town of Hartford's net position 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 \$18,395,402. Of this amount, \$2,230,225 represents bonded debt backed by the full faith and credit of the Town, and \$16,165,177 represents revolving loan debt issued by either the State of Vermont or the Federal Government.

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Bonds payable	\$ 1,870,225	\$ 840,000	\$ 360,000	\$ 465,000	\$ 2,230,225	\$ 1,305,000
Revolving loans payable	826,748	923,814	15,338,429	14,970,753	16,165,177	15,894,567
<b>Totals</b>	<b>\$ 2,696,973</b>	<b>\$ 1,763,814</b>	<b>\$ 15,698,429</b>	<b>\$ 15,435,753</b>	<b>\$ 18,395,402</b>	<b>\$ 17,199,567</b>

The Town of Hartford's total debt increased by \$1,195,835 during the year, reflecting repayments on existing debt of \$453,623, new revolving loan debt within the water and wastewater funds of \$514,233, new bond debt for the Quechee Covered Bridge of \$1,135,225..

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 \$133,023,940 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 2.5 percent, down from 3.3 percent one year ago. This compares with a 3.9 percent rate state-wide, down from 4.6 percent statewide one year ago.
- Health insurance rates have again increased significantly as a result of several factors affecting the healthcare industry
- Restricted, assigned and designated funds at the end of June 30, 2013, amounted to \$9,420,531. 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 \$275,000. 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 again 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 2015 fiscal year.

The Town of Hartford approved a general fund budget for fiscal year 2014 in the amount of \$13,481,930. This represents an increase of \$35,698 or 0.2 percent over the approved budget for the previous year. The Town will utilize \$532,150 in assigned capital funds and \$275,000 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 22, 2013 and were effective July 1, 2013. For the Outdoor Facilities Fund, the family season pass, youth season pass, adult season pass, prime time ice rental, off season full-day, off season hourly, and off season seasonal lease rates were increased by between 8% and 27%. 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 metered usage rates did not increase but the flat rates increased by between 10% and 25%.

### **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 POSITION**  
**JUNE 30, 2013**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,923,912	\$ 6,935,246	\$ 12,859,158
Investments	13,479	-	13,479
Receivables (net of allowance for uncollectible accounts)			
Taxes receivable	228,709	-	228,709
Accounts receivable	106,599	803,957	910,556
Notes receivable	129,013	-	129,013
Due from other governments	1,011,088	116,593	1,127,681
Restricted assets			
Cash and cash equivalents	391,462	-	391,462
Capital assets (net of accumulated depreciation)			
Land and land improvements	1,474,695	515,186	1,989,881
Buildings and building improvements	2,228,463	16,810,542	19,039,005
Vehicles and equipment	2,832,266	297,265	3,129,531
Roads, bridges and sidewalks	15,967,787	-	15,967,787
Distribution and collection systems	-	11,669,702	11,669,702
Construction in progress	2,431,673	86,636	2,518,309
	<u>32,739,146</u>	<u>37,235,127</u>	<u>69,974,273</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	679,551	205,392	884,943
Accrued payroll and benefits payable	188,395	35,311	223,706
Accrued compensated absences payable	340,281	90,226	430,507
Accrued interest payable	5,445	118,603	124,048
Due to other governments	124,435	268,363	392,798
Unearned revenue	3,948	-	3,948
Noncurrent liabilities			
Due within one year	351,957	789,777	1,141,734
Due in more than one year	4,669,350	15,743,189	20,412,539
	<u>6,363,362</u>	<u>17,250,861</u>	<u>23,614,223</u>
Total Liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues-prepaid taxes	64,959	-	64,959
	<u>64,959</u>	<u>-</u>	<u>64,959</u>
Total deferred inflows of resources			
<b>NET POSITION</b>			
Net investment in capital assets	22,226,677	13,377,776	35,604,453
Restricted for:			
Public safety	24,009	-	24,009
Impact fee eligible expenses	123,401	1,002,169	1,125,570
Recreation and parks	831,030	-	831,030
Community development	528,391	-	528,391
Debt service	391,462	-	391,462
Endowments and perpetual care			
Non-expendable	27,168	-	27,168
Expendable	5,351	-	5,351
Other purposes	106,379	-	106,379
Unrestricted	2,046,957	5,604,321	7,651,278
	<u>26,310,825</u>	<u>19,984,266</u>	<u>46,295,091</u>
Total Net Position			

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, 2013**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Functions/Programs</b>						
Governmental activities						
General government						
Administration	\$ 688,321	\$ -	\$ 32,911	\$ -	(\$ 655,410)	\$ - (\$ 655,410)
Elections and vital statistics	201,313	150,313	-	-	( 51,000)	- ( 51,000)
Finance	391,263	19,691	-	-	( 371,572)	- ( 371,572)
Valuation	191,270	6	53,886	-	( 137,378)	- ( 137,378)
Boards and commissions	8,210	-	-	-	( 8,210)	- ( 8,210)
Public safety						
Police	2,485,084	52,246	222,011	216	( 2,210,611)	- ( 2,210,611)
Fire and ambulance	2,926,545	519,714	43,830	155,511	( 2,207,490)	- ( 2,207,490)
Dispatch	682,687	343,946	-	-	( 338,741)	- ( 338,741)
Public works						
Highways	3,801,663	2,516	300,056	2,178,856	( 1,320,235)	- ( 1,320,235)
Public works administration	127,981	-	-	-	( 127,981)	- ( 127,981)
Health and social services						
Health and social services	257,425	-	-	-	( 257,425)	- ( 257,425)
Recreation and parks						
Recreation administration	191,942	-	1,375	-	( 190,567)	- ( 190,567)
Recreation programs	307,985	215,082	9,819	-	( 83,084)	- ( 83,084)
Parks	590,413	-	163,389	-	( 427,024)	- ( 427,024)
Conservation and development						
Conservation and development	1,011,685	25,149	170,410	567,478	( 248,648)	- ( 248,648)
Cultural	235,259	-	65	67,750	( 167,444)	- ( 167,444)
Interest on long-term debt	64,409	-	-	-	( 64,409)	- ( 64,409)
Total governmental activities	<u>14,163,455</u>	<u>1,328,663</u>	<u>997,752</u>	<u>2,969,811</u>	<u>( 8,867,229)</u>	<u>- ( 8,867,229)</u>
Business-type activities						
Outdoor facilities	198,217	180,455	-	-	- ( 17,762)	( 17,762)
Solid waste	885,474	605,884	4,817	-	- ( 274,773)	( 274,773)
Water and wastewater	4,389,049	3,761,242	268,042	-	- ( 359,765)	( 359,765)
Total business-type activities	<u>5,472,740</u>	<u>4,547,581</u>	<u>272,859</u>	<u>-</u>	<u>- ( 652,300)</u>	<u>( 652,300)</u>
Total primary government	<u>\$ 19,636,195</u>	<u>\$ 5,876,244</u>	<u>\$ 1,270,611</u>	<u>\$ 2,969,811</u>	<u>( 8,867,229)</u>	<u>( 652,300) ( 9,519,529)</u>
General revenues:						
Property taxes					10,543,220	- 10,543,220
Unrestricted investment earnings					12,820	1,126 13,946
Gain(loss) on sale of capital assets					( 18,586)	- ( 18,586)
Other revenues					182,758	162,433 345,191
Transfers					( 200,400)	200,400 -
Total general revenues and transfers					<u>10,519,812</u>	<u>363,959 10,883,771</u>
Change in net position					1,652,583	( 288,341) 1,364,242
Net position, July 1, 2012					<u>24,658,242</u>	<u>20,272,607 44,930,849</u>
Net position, June 30, 2013					<u>\$ 26,310,825</u>	<u>\$ 19,984,266 \$ 46,295,091</u>

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

**TOWN OF HARTFORD, VERMONT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	General Fund	Hurricane Irene Fund	Quechee Covered Bridge Fund	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 3,365,559	\$ -	\$ 291,468	\$ 2,266,885	\$ 5,923,912
Investments	-	-	-	13,479	13,479
Receivables (net of allowances for uncollectible accounts)					
Taxes receivable	290,709	-	-	-	290,709
Accounts receivable	68,056	-	-	38,543	106,599
Notes receivable	-	-	-	129,013	129,013
Due from other governments	92,985	31,112	382,567	504,424	1,011,088
Due from other funds	1,622,196	-	-	-	1,622,196
Restricted assets:					
Cash and equivalents	-	-	-	391,462	391,462
<b>Total Assets</b>	<u>5,439,505</u>	<u>31,112</u>	<u>674,035</u>	<u>3,343,806</u>	<u>9,488,458</u>
<b>LIABILITIES</b>					
Accounts payable	256,171	23,813	89,554	310,013	679,551
Accrued payroll and benefits payable	188,395	-	-	-	188,395
Due to other governments	-	-	-	124,435	124,435
Due to other funds	488,703	322,819	454,157	356,518	1,622,197
Unearned revenue	1,700	-	-	2,248	3,948
<b>Total Liabilities</b>	<u>934,969</u>	<u>346,632</u>	<u>543,711</u>	<u>793,214</u>	<u>2,618,526</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenues-property taxes	114,315	-	-	-	114,315
Unavailable revenues-prepaid taxes	64,959	-	-	-	64,959
Unavailable revenues-intergovernmental revenues	39,610	13,072	382,567	290,906	726,155
<b>Total deferred inflows of resources</b>	<u>218,884</u>	<u>13,072</u>	<u>382,567</u>	<u>290,906</u>	<u>905,429</u>
<b>FUND BALANCES</b>					
Non-spendable					
Permanent fund principal	-	-	-	27,168	27,168
Restricted for					
Public safety	-	-	-	24,009	24,009
Impact fee eligible expenses	-	-	-	123,401	123,401
Recreation and parks	-	-	-	831,030	831,030
Community development	-	-	-	528,391	528,391
Debt service	-	-	-	391,462	391,462
Endowments - Expendable	-	-	-	5,351	5,351
Other	-	-	-	106,379	106,379
Assigned for					
General government	1,393,374	-	-	-	1,393,374
Public safety	282,455	-	-	-	282,455
Public works	1,060,615	-	-	51,996	1,112,611
Health and social services	12,512	-	-	-	12,512
Recreation and parks	74,938	-	-	80,000	154,938
Conservation and development	170,850	-	-	-	170,850
Cultural	39,530	-	-	323,859	363,389
Unassigned, reported in:					
General fund	1,251,378	-	-	-	1,251,378
Hurricane Irene capital project fund	-	( 328,592)	-	-	( 328,592)
Special revenue funds	-	-	-	( 165,797)	( 165,797)
Capital projects funds	-	-	( 252,243)	( 67,562)	( 319,805)
<b>Total Fund Balances</b>	<u>4,285,652</u>	<u>( 328,592)</u>	<u>( 252,243)</u>	<u>2,259,687</u>	<u>5,964,504</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 5,439,505</u>	<u>\$ 31,112</u>	<u>\$ 674,035</u>	<u>\$ 3,343,806</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 24,934,884
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	432,744
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	( 5,021,307)
Net position of governmental activities	<u>\$ 26,310,825</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, 2013**

	General Fund	Hurricane Irene Fund	Quechee Covered Bridge Fund	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 10,346,491	\$ -	\$ -	\$ -	\$ 10,346,491
Tax penalties and interest	229,273	-	-	-	229,273
Permits and licenses	16,112	-	-	-	16,112
Intergovernmental revenues	835,489	1,437,365	764,746	1,092,779	4,130,379
Charges for current services	1,326,908	-	-	-	1,326,908
Fines and forfeits	3,623	-	-	-	3,623
Impact fees	-	-	-	15,723	15,723
Interest	4,993	-	-	7,828	12,821
Other revenues	115,443	-	10,020	23,209	148,672
	<u>12,878,332</u>	<u>1,437,365</u>	<u>774,766</u>	<u>1,139,539</u>	<u>16,230,002</u>
Total Revenues					
<b>EXPENDITURES</b>					
Current expenditures					
General government					
Administration	620,009	39,730	-	-	659,739
Elections and vital statistics	190,501	-	-	-	190,501
Finance	400,721	-	-	-	400,721
Valuation	179,114	-	-	-	179,114
Board and commissions	8,210	-	-	-	8,210
Public safety					
Police	2,296,197	-	-	4,185	2,300,382
Fire and ambulance	2,557,654	4,074	-	7,919	2,569,647
Dispatch	611,240	-	-	-	611,240
Public works					
Highways	1,533,383	546,309	-	-	2,079,692
Public works administration	121,699	-	-	-	121,699
Health and social services	252,851	-	-	-	252,851
Recreation and parks					
Recreation administration	181,303	-	-	-	181,303
Recreation programs	297,567	-	-	-	297,567
Parks	223,336	273,150	-	34,619	531,105
Conservation and development	425,214	458,901	-	102,950	987,065
Cultural	234,291	-	-	-	234,291
Debt service expenditures					
Principal	-	-	-	202,066	202,066
Interest	-	-	-	62,062	62,062
Capital expenditures					
General government					
Administration	-	-	-	87	87
Public safety					
Police	111,738	-	-	-	111,738
Fire and ambulance	87,405	-	-	111,846	199,251
Dispatch	7,500	-	-	-	7,500
Public works					
Highways	1,438,788	-	1,992,098	761,892	4,192,778
Recreation and parks					
Recreation programs	8,400	-	-	-	8,400
Parks	89,088	-	-	174,830	263,918
Conservation and development	62,711	104,900	-	97,242	264,853
Cultural	-	-	-	72,935	72,935
	<u>11,938,920</u>	<u>1,427,064</u>	<u>1,992,098</u>	<u>1,632,633</u>	<u>16,990,715</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	939,412	10,301	( 1,217,332)	( 493,094)	( 760,713)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,369,230	-	-	515,516	2,884,746
Transfers out	( 2,602,297)	-	-	( 482,849)	( 3,085,146)
Proceeds from issuance of debt	-	-	1,135,225	-	1,135,225
Proceeds from sale of capital assets	9,090	-	-	-	9,090
	<u>( 223,977)</u>	<u>-</u>	<u>1,135,225</u>	<u>32,667</u>	<u>943,915</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	715,435	10,301	( 82,107)	( 460,427)	183,202
Fund Balances - July 1, 2012	3,570,218	( 338,893)	( 170,136)	2,720,114	5,781,303
Fund Balances - June 30, 2013	<u>\$ 4,285,653</u>	<u>(\$ 328,592)</u>	<u>(\$ 252,243)</u>	<u>\$ 2,259,687</u>	<u>\$ 5,964,505</u>

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, 2013**

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)	\$ 183,202
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 capital outlays exceeded depreciation in the current period.	2,915,630
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	( 204,068)
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	( 933,159)
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>( 309,022)</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 1,652,583</u></u>

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

	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	\$ 842,594	\$ 1,885,847	\$ 4,101,543	\$ 105,262	\$ 6,935,246
Accounts receivable (net of allowance for uncollectible accounts)	33,052	241,549	529,356	-	803,957
Due from other governments	5,214	3,398	107,981	-	116,593
Total Current Assets	<u>880,860</u>	<u>2,130,794</u>	<u>4,738,880</u>	<u>105,262</u>	<u>7,855,796</u>
Noncurrent Assets					
Capital assets					
Land and land improvements	277,184	34,000	260,125	-	571,309
Buildings and building improvements	1,672,352	280,160	25,961,073	928,840	28,842,425
Vehicles and equipment	378,558	279,368	462,189	73,798	1,193,913
Distribution and collection systems	-	11,141,349	12,102,766	-	23,244,115
Construction in progress	-	-	82,636	4,000	86,636
Less accumulated depreciation	( 1,573,429)	( 5,321,372)	( 16,724,721)	( 939,545)	( 24,559,067)
Total Noncurrent Assets	<u>754,665</u>	<u>6,413,505</u>	<u>22,144,068</u>	<u>67,093</u>	<u>29,379,331</u>
Total Assets	<u>1,635,525</u>	<u>8,544,299</u>	<u>26,882,948</u>	<u>172,355</u>	<u>37,235,127</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	61,737	18,642	124,365	648	205,392
Accrued payroll and benefits payable	5,892	8,959	16,343	4,117	35,311
Accrued compensated absences payable	15,273	26,863	48,090	-	90,226
Accrued interest payable	-	5,003	113,600	-	118,603
Due to other governments	-	144,916	123,447	-	268,363
Accrued postclosure costs - current portion	23,000	-	-	-	23,000
Other post employment benefits - current portion	-	-	-	-	-
Bonds and notes payable - current portion	-	137,675	629,102	-	766,777
Total Current Liabilities	<u>105,902</u>	<u>342,058</u>	<u>1,054,947</u>	<u>4,765</u>	<u>1,507,672</u>
Noncurrent Liabilities					
Accrued postclosure costs	345,000	-	-	-	345,000
Other post employment benefits	84,903	126,277	255,357	-	466,537
Bonds and notes payable	-	1,838,237	13,093,415	-	14,931,652
Total Noncurrent Liabilities	<u>429,903</u>	<u>1,964,514</u>	<u>13,348,772</u>	<u>-</u>	<u>15,743,189</u>
Total Liabilities	<u>535,805</u>	<u>2,306,572</u>	<u>14,403,719</u>	<u>4,765</u>	<u>17,250,861</u>
<b>NET POSITION</b>					
Net investment in capital assets	754,665	4,287,885	8,268,132	67,094	13,377,776
Restricted					
Impact fee eligible expenses	-	164,701	837,468	-	1,002,169
Unrestricted	345,055	1,785,141	3,373,629	100,496	5,604,321
Total Net Position	<u>\$ 1,099,720</u>	<u>\$ 6,237,727</u>	<u>\$ 12,479,229</u>	<u>\$ 167,590</u>	<u>\$ 19,984,266</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 POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	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	\$ 605,884	\$ 1,320,491	\$ 2,440,751	\$ 180,455	\$ 4,547,581
Rents and other income	11,902	45,901	101,730	2,900	162,433
Total Operating Revenues	<u>617,786</u>	<u>1,366,392</u>	<u>2,542,481</u>	<u>183,355</u>	<u>4,710,014</u>
<b>OPERATING EXPENSES</b>					
Personal services	341,541	513,114	869,746	88,372	1,812,773
Administration expenses	4,788	25,011	24,711	-	54,510
Utilities	14,563	102,337	247,904	53,022	417,826
Contract services	403,788	52,170	137,717	10,458	604,133
Postclosure care costs	( 5,677)	-	-	-	( 5,677)
Franchise tax	9,394	-	-	-	9,394
Waste generation fee	5,973	-	-	-	5,973
Equipment operation	10,183	15,433	63,107	13,217	101,940
Repairs and maintenance	11,677	40,056	88,475	-	140,208
Materials and supplies	7,283	50,636	76,606	4,918	139,443
Insurance expense	8,417	12,742	32,665	7,588	61,412
Small equipment	575	21,999	7,160	5,554	35,288
Depreciation	72,969	372,148	1,440,612	14,869	1,900,598
Total Operating Expenses	<u>885,474</u>	<u>1,205,646</u>	<u>2,988,703</u>	<u>197,998</u>	<u>5,277,821</u>
Operating Income (Loss)	<u>( 267,688)</u>	<u>160,746</u>	<u>( 446,222)</u>	<u>( 14,643)</u>	<u>( 567,807)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	4,817	2,337	265,705	-	272,859
Interest revenue	197	325	584	20	1,126
Interest expense	-	( 63,951)	( 130,749)	( 219)	( 194,919)
Total Nonoperating Revenues (Expenses)	<u>5,014</u>	<u>( 61,289)</u>	<u>135,540</u>	<u>( 199)</u>	<u>79,066</u>
Income (Loss) Before Transfers	<u>( 262,674)</u>	<u>99,457</u>	<u>( 310,682)</u>	<u>( 14,842)</u>	<u>( 488,741)</u>
<b>TRANSFERS</b>					
Transfers in	211,780	662,675	1,132,500	77,000	2,083,955
Transfers out	( 61,380)	( 662,675)	( 1,132,500)	( 27,000)	( 1,883,555)
Total Transfers	<u>150,400</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>200,400</u>
Change in Net Position	<u>( 112,274)</u>	<u>99,457</u>	<u>( 310,682)</u>	<u>35,158</u>	<u>( 288,341)</u>
Total Net Position - July 1, 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>
Total Net Position - June 30, 2013	<u>\$ 1,099,720</u>	<u>\$ 6,237,727</u>	<u>\$ 12,479,229</u>	<u>\$ 167,590</u>	<u>\$ 19,984,266</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, 2013**

	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	\$ 618,027	\$ 1,370,015	\$ 2,521,711	\$ 185,392	\$ 4,695,145
Cash paid to employees	( 323,691)	( 499,865)	( 855,357)	( 89,770)	( 1,768,683)
Cash paid to suppliers	( 498,387)	( 329,900)	( 655,406)	( 94,588)	( 1,578,281)
Net cash provided (used) by operating activities	<u>( 204,051)</u>	<u>540,250</u>	<u>1,010,948</u>	<u>1,034</u>	<u>1,348,181</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to other governments	2,532	( 29,789)	( 46,814)	-	( 74,071)
Transfers from other funds	150,400	-	-	50,000	200,400
Net cash provided (used) by noncapital financing activities	<u>152,932</u>	<u>( 29,789)</u>	<u>( 46,814)</u>	<u>50,000</u>	<u>126,329</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Subsidies from government grants	4,817	63,856	286,602	-	355,275
Proceeds from issuance of debt	-	-	514,231	-	514,231
Principal payments - bonds and notes	-	( 134,103)	( 102,451)	( 15,000)	( 251,554)
Interest paid	-	( 64,307)	( 29,624)	( 284)	( 94,215)
Purchase of capital assets	( 37,455)	( 25,552)	( 340,929)	-	( 403,936)
Net cash provided (used) by capital and related financing activities	<u>( 32,638)</u>	<u>( 160,106)</u>	<u>327,829</u>	<u>( 15,284)</u>	<u>119,801</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	197	325	584	20	1,126
Net cash provided (used) by investing activities	<u>197</u>	<u>325</u>	<u>584</u>	<u>20</u>	<u>1,126</u>
Net increase (decrease) in cash and equivalents	( 83,560)	350,680	1,292,547	35,770	1,595,437
Cash and equivalents - July 1, 2012	<u>926,154</u>	<u>1,535,167</u>	<u>2,808,996</u>	<u>69,492</u>	<u>5,339,809</u>
Cash and equivalents - June 30, 2013	<u>842,594</u>	<u>1,885,847</u>	<u>4,101,543</u>	<u>105,262</u>	<u>6,935,246</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	( 267,688)	160,746	( 446,222)	( 14,643)	( 567,807)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	72,969	372,148	1,440,612	14,869	1,900,598
(Increase) decrease in accounts receivable	241	3,625	( 20,768)	2,037	( 14,865)
Increase (decrease) in accounts payable	( 4,423)	( 9,518)	( 3,505)	169	( 17,277)
Increase (decrease) in accrued expenses	( 5,150)	13,249	40,831	( 1,398)	47,532
Total adjustments	<u>63,637</u>	<u>379,504</u>	<u>1,457,170</u>	<u>15,677</u>	<u>1,915,988</u>
Net cash provided (used) by operating activities	<u>(\$ 204,051)</u>	<u>\$ 540,250</u>	<u>\$ 1,010,948</u>	<u>\$ 1,034</u>	<u>\$ 1,348,181</u>

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

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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 position 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, 2013**

**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.

Quechee Covered Bridge Fund. The Quechee Covered Bridge was destroyed by Hurricane Irene in August 2011. Over the last years the Town has worked to fund and construct a new covered bridge. The new Quechee Covered bridge was completed during August 2013.

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 Roundabout Fund, the Underpass Fund, the Combined Sewer Overflow (CSO) Project Fund, the DPW Garage Fund, the Maxfield Project Fund, the W. Hartford Library Fund and three new funds; the Wendell A. Barwood Arena Fund, the Patriot's Park Fund, and the Municipal Building Renovation 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.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

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.

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 position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

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.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 position). Fund equity (i.e., net total assets) is segregated into investment in capital assets, net of related debt; restricted net position; and unrestricted net position. 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. New Pronouncement – Deferred Outflows/Inflows of Resources**

Effective June 30, 2013, the Town implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. GASB Statement No 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This statement amends the net asset reporting requirements in Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items which arise under the modified accrual basis of accounting and one type which arises under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, “unavailable revenue”, is reported in the statement of net position and governmental funds balance sheet. The statement of net position reports unavailable revenues from one source; prepaid taxes. The governmental funds report unavailable revenues from three sources; unavailable property taxes, unavailable intergovernmental revenues and prepaid taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**G. 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 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 "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds."

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, 2013, taxes became due and payable on August 12, 2012, and February 3, 2013. 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, 2013, delinquent taxes receivable were \$290,709, net of a \$62,000 allowance for uncollectible taxes.

The tax rate for 2013 was as follows:

	<u>Homestead</u>	<u>Non-residential</u>
Homestead education tax	\$ 1.3158	\$ -
Non-residential education tax	-	1.4320
Town general fund appropriations	0.7295	0.7295
Town restricted appropriations	0.0106	0.0106
Windsor County tax	0.0030	0.0030
Local agreement tax	<u>0.0017</u>	<u>0.0017</u>
<b>Total</b>	<u>\$ 2.0606</u>	<u>\$ 2.1768</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

**3. Receivables(continued)**

The first installment of property taxes for the budget period from July 1, 2013, to June 30, 2014 is due and payable on August 9, 2013 and February 7, 2014. As of June 30, 2013, the Town had collected \$64,959 of those taxes. This amount is shown as unavailable revenue at June 30, 2013, and will be recorded as revenue in August, 2013.

**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.

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:

	Capitalization Threshold	Estimated Service Life
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.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

**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. Sixteen years remain of the Town's obligation under the statutes. The Town's engineers estimated this liability at \$368,000. This liability has been recorded as an accrued expense as of June 30, 2013. A total of \$496,838 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.

**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 position 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 position 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. Fund balances 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. The Town has established a policy to require the Selectboard to approve all fund assignments and document such approvals in the board meeting minutes.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 from 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. The total capital related difference for the year-ended June 30, 2013 of \$2,915,630 can be broken down as follows: Capital outlays for the year were \$5,121,460 and depreciation was \$2,187,245 resulting in capital outlays exceeding depreciation by \$2,934,215. Proceeds from the sale of capital assets were \$9,090 and the loss from sale of capital assets was \$9,496 resulting in proceeds from the sale of capital assets exceeding the loss from sale of capital assets by \$18,586.

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, 2013**

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

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

Detailed explanation of the differences between governmental funds balance sheet and government-wide statement of net position 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	\$ 5,923,912	\$ -	\$ -	\$ -	\$ -	\$ 5,923,912
Deposits	-	-	-	-	-	-
Investments	13,479	-	-	-	-	13,479
Receivables						
Taxes receivable	290,709	( 62,000)	-	-	-	228,709
Accounts receivable	106,599	-	-	-	-	106,599
Notes receivable	129,013	-	-	-	-	129,013
Due from other governments	1,011,088	-	-	-	-	1,011,088
Due from other funds	1,622,196	-	-	-	( 1,622,196)	-
Restricted assets						
Cash and equivalents	391,462	-	-	-	-	391,462
Capital assets	-	-	24,934,884	-	-	24,934,884
<b>Total Assets</b>	<b>9,488,458</b>	<b>( 62,000)</b>	<b>24,934,884</b>	<b>-</b>	<b>( 1,622,196)</b>	<b>32,739,146</b>
<b>LIABILITIES</b>						
Accounts payable	679,551	-	-	-	-	679,551
Accrued payroll and benefits payable	188,395	-	-	-	-	188,395
Accrued compensated absences payable	-	340,281	-	-	-	340,281
Accrued interest payable	-	5,445	-	-	-	5,445
Due to other funds	1,622,196	-	-	-	( 1,622,196)	-
Due to other governments	124,435	-	-	-	-	124,435
Unearned revenue	3,948	-	-	-	-	3,948
Noncurrent liabilities	-	-	-	5,021,307	-	5,021,307
<b>Total Liabilities</b>	<b>2,618,525</b>	<b>345,726</b>	<b>-</b>	<b>5,021,307</b>	<b>( 1,622,196)</b>	<b>6,363,362</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues-property taxes	114,315	( 114,315)	-	-	-	-
Unavailable revenues-prepaid taxes	64,959	-	-	-	-	64,959
Unavailable revenues-intergovt revenues	726,155	( 726,155)	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>905,429</b>	<b>( 840,470)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,959</b>
<b>NET POSITION</b>						
Net investment in capital assets	-	-	24,934,884	( 2,708,207)	-	22,226,677
Other	5,964,504	432,744	-	( 2,313,100)	-	4,084,148
<b>Total Net Position</b>	<b>\$ 5,964,504</b>	<b>\$ 432,744</b>	<b>\$ 24,934,884</b>	<b>(\$ 5,021,307)</b>	<b>\$ -</b>	<b>\$ 26,310,825</b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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	\$ 10,346,491	(\$ 32,544)	\$ -	\$ -	\$ 10,313,947
Tax penalties and interest	229,273				229,273
Permits and licenses	16,112				16,112
Intergovernmental revenues	4,130,379	( 173,279)			3,957,100
Charges for current services	1,326,908	1,755			1,328,663
Fines and forfeits	3,623				3,623
Impact fees	15,723				15,723
Interest	12,821				12,821
Other revenues	148,672				148,672
Other sources:					
Proceeds from sale of assets	9,090		( 18,586)		( 9,496)
Proceeds from issuance of debt	1,135,225	-	-	( 1,135,225)	-
<b>Total Revenues</b>	<b>17,374,317</b>	<b>( 204,068)</b>	<b>( 18,586)</b>	<b>( 1,135,225)</b>	<b>16,016,438</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
<b>General government</b>					
Administration	659,739	10,100	18,482		688,321
Elections and vital statistics	190,501	8,261	2,551		201,313
Finance	400,721	( 9,458)	-		391,263
Valuation	179,114	12,156	-		191,270
Board and commissions	8,210	-	-		8,210
<b>Public safety</b>					
Police	2,300,382	66,692	118,010		2,485,084
Fire and ambulance	2,569,647	84,972	271,926		2,926,545
Dispatch	611,240	43,906	27,541		682,687
<b>Public works</b>					
Highways	2,079,692	31,262	1,690,709		3,801,663
Public works administration	121,699	5,272	1,010		127,981
Health and social services	252,851	-	4,574		257,425
<b>Recreation and parks</b>					
Recreation administration	181,303	10,639	-		191,942
Recreation programs	297,567	10,418	-		307,985
Parks	531,105	7,834	51,474		590,413
Conservation and development	987,065	24,620	-		1,011,685
Cultural	234,291	-	968		235,259
Capital improvements	5,121,460	-	( 5,121,460)		-
<b>Debt service</b>					
Principal	202,066	-	-	( 202,066)	-
Interest	62,062	2,347	-	-	64,409
<b>Other uses:</b>					
Transfers to other funds	200,400	-	-	-	200,400
<b>Total Expenditures</b>	<b>17,191,115</b>	<b>309,021</b>	<b>( 2,934,215)</b>	<b>( 202,066)</b>	<b>14,363,855</b>
<b>Net change for the year</b>	<b>\$ 183,202</b>	<b>(\$ 513,089)</b>	<b>\$ 2,915,629</b>	<b>(\$ 933,159)</b>	<b>\$ 1,652,583</b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 position, 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, 2013, expenditures were under budget by \$634,298. 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 \$13,250,620, and the bank balance was \$13,526,776. Of the bank balance, \$269,041, was covered by federal depository insurance. Of the remaining balance, \$12,966,267 was collateralized with securities held by the financial institution's agent in the Town's name, \$291,468 was protected within a bank's Corporate Trust Department segregated from the regular deposit and lending activities of the bank, 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, 2013, consisted of 364.688 shares of Fidelity's Puritan Fund and 66.094 shares of Fidelity's Value Fund, which together had a cost basis of \$10,074 and a fair value of \$13,479. Unrealized gains and losses, which are included in revenue, resulted in an increase in value of \$1,921 for the year ended June 30, 2013.

**C. Accounts receivable**

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

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

**C. Accounts receivable(continued)**

	Governmental Activities	Business- Type Activities	Total
Ambulance accounts receivable (net of allowance of (\$709,842))	\$ 46,084	\$ -	\$ 46,084
Miscellaneous receivables (net of allowance of \$0 [general] and \$0 [enterprise])	18,448	18,594	37,042
Impact fees receivable	38,226	24,773	62,999
Accrued interest receivable	317	-	317
Account receivable - other	3,524	-	3,524
User charges receivable (net of allowance of (\$29,500))			
-Billed	-	397,533	397,533
-Unbilled	-	363,057	363,057
	<u>\$ 106,599</u>	<u>\$ 803,957</u>	<u>\$ 910,556</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 six loans, two were in arrears at June 30, 2013	\$ 129,013
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	769,013
Allowance for doubtful loan balances	<u>( 640,000)</u>
Net Notes Receivable	<u>\$ 129,013</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets, not being depreciated:				
Land	\$ 778,976	\$ 104,900	\$ -	\$ 883,876
Construction in progress	1,579,440	1,074,103	( 221,870)	2,431,673
Total capital assets not being depreciated	<u>2,358,416</u>	<u>1,179,003</u>	<u>( 221,870)</u>	<u>3,315,549</u>
Capital assets, being depreciated:				
Land improvements	809,697	15,450	-	825,147
Buildings and building improvements	4,990,962	21,077	( 45,773)	4,966,266
Vehicles and equipment	6,841,467	501,868	( 166,250)	7,177,085
Roads, bridges and sidewalks	26,398,513	3,625,930	-	30,024,443
Total capital assets being depreciated	<u>39,040,639</u>	<u>4,164,325</u>	<u>( 212,023)</u>	<u>42,992,941</u>
Total Governmental Capital Assets	<u>41,399,055</u>	<u>5,343,328</u>	<u>( 433,893)</u>	<u>46,308,490</u>
Less accumulated depreciation for:				
Land improvements	207,274	27,054	-	234,328
Buildings and building improvements	2,622,049	146,044	( 30,290)	2,737,803
Vehicles and equipment	3,906,476	601,490	( 163,147)	4,344,819
Roads, bridges and sidewalks	12,643,999	1,412,657	-	14,056,656
Total capital assets, accumulated depreciation	<u>19,379,798</u>	<u>2,187,245</u>	<u>( 193,437)</u>	<u>21,373,606</u>
Total Governmental Capital Assets, Net	<u>22,019,257</u>	<u>3,156,083</u>	<u>( 240,456)</u>	<u>24,934,884</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets, not being depreciated:				
Land	414,158	-	-	414,158
Construction in progress	4,000	82,636	-	86,636
Total capital assets not being depreciated	<u>418,158</u>	<u>82,636</u>	<u>-</u>	<u>500,794</u>
Capital assets, being depreciated:				
Land improvements	142,184	14,967	-	157,151
Buildings and building improvements	28,791,058	57,772	-	28,848,830
Vehicles and equipment	1,068,124	119,385	( 11,361)	1,176,148
Distribution and collection systems	23,115,211	128,904	-	23,244,115
Total capital assets being depreciated	<u>53,116,577</u>	<u>321,028</u>	<u>( 11,361)</u>	<u>53,426,244</u>
Total Business-Type Capital Assets	<u>53,534,735</u>	<u>403,664</u>	<u>( 11,361)</u>	<u>53,927,038</u>
Less accumulated depreciation for:				
Land improvements	48,962	7,163	-	56,125
Buildings and building improvements	10,888,530	1,149,761	-	12,038,291
Vehicles and equipment	831,299	58,942	( 11,361)	878,880
Distribution and collection systems	10,889,955	684,456	-	11,574,411
Total capital assets, accumulated depreciation	<u>22,658,746</u>	<u>1,900,322</u>	<u>( 11,361)</u>	<u>24,547,707</u>
Total Business-Type Capital Assets, Net	<u>\$ 30,875,989</u>	<u>(\$ 1,496,658)</u>	<u>\$ -</u>	<u>\$ 29,379,331</u>

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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	\$	18,482
Election and vital statistics		2,551
Public safety		
Police		118,010
Fire and ambulance		271,926
Dispatch		27,541
Public works		
Highways		1,690,709
Public works administration		1,010
Health and social services		4,574
Recreation and parks		
Parks		51,474
Cultural		968
		<u>968</u>
Total depreciation expense	\$	<u>2,187,245</u>

**F. Accrued Compensated Absences**

Changes in accrued compensated absences during the year were as follows

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 324,589	\$ 89,465	\$ 414,054
Additions	324,755	89,575	414,330
Reductions	( 309,063)	( 88,814)	( 397,877)
Ending Balance	<u>340,281</u>	<u>90,226</u>	<u>430,507</u>
Due Within One Year	<u>\$ 340,281</u>	<u>\$ 90,226</u>	<u>\$ 430,507</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013, were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Purpose</u>	<u>Amount</u>
General Fund - Unassigned	Hurricane Irene Fund	Short-term loan to cover period before grant reimbursement	\$ 322,819
	Quechee Covered Bridge Fund	Short-term loan to cover period before grant reimbursement	\$ 454,157
	Non-Major Governmental Funds	Short-term loan to cover period before grant reimbursement.	350,403
	Non-Major Governmental Funds	Expense reimbursements due from Non-Major Governmental Funds	6,114
	General Fund - Assigned	Expense reimbursements due from Reserve Accounts	100,487
General Fund - Assigned	General Fund - Unassigned	Reserve Account contributions for FY12-13	388,216
TOTAL GOVERNMENTAL FUNDS DUE TO & DUE FROM			\$ 1,622,196

Interfund transfers for the year ended June 30, 2013, 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	\$ 1,100,914
	General Fund - Assigned	Assignment to 13-14 budget	275,000
	General Fund - Assigned	New encumbrances	80,170
	Outdoor Facilities Fund - Undesignated	Annual operating transfer	50,000
	Solid Waste Fund - Undesignated	Fund curbside recycling program	150,400
	W. Hartford Library Capital Project Fund	Fund construction of new library	150,000
	Children's Pool/Pump House CPF	Fund construction of children's pool/pump house	80,000
	Non-Major Governmental Funds	Small transfers to close out non-major funds	60
	Debt Service Fund	Bond payments and bond reserve fund	285,456
	General Fund - Assigned	General Fund - Unassigned	Reimbursement from capital reserves
General Fund - Unassigned		Release of unused encumbrances/assignments	79,309
General Fund - Unassigned		Release of assignment to fund 12-13 budget	250,000
Total General Fund			\$ 2,602,297
Nonmajor Governmental Funds	General Fund - Unassigned	Reimbursement from fire/ems impact fee fund	\$ 39,269
	General Fund - Unassigned	W. Hartford Library CPF funding reversal	441,000
	General Fund - Unassigned	Close out of special revenue funds	2,518
	General Fund - Unassigned	Permanent fund earnings transfer	62
Total Non-Major Governmental Funds			\$ 482,849
Outdoor Facilities Fund - Undesignated	Outdoor Facilities Fund - Invest. in Capital Assets	Bond principal payment	\$ 15,000
	Outdoor Facilities Fund - Designated	Addition to capital reserve	12,000
Total Outdoor Facilities Fund			\$ 27,000
Solid Waste Fund - Undesignated	Solid Waste Fund - Designated	Addition to capital reserve	\$ 6,602
Solid Waste Fund - Designated	Solid Waste Fund - Invest. in Capital Assets	Asset additions	37,455
	Solid Waste Fund - Undesignated	Reimbursement from closure reserve	17,323
Total Solid Waste Fund			\$ 61,380
Central Water Fund - Undesignated	Central Water Fund - Designated	Addition to capital reserve	\$ 175,000
	Central Water Fund - Invest. in Capital Assets	Changes in invested in capital assets	156,878
Central Water Fund -Designated	Central Water Fund - Undesignated	Reimbursement from impact fee fund	144,916
	Central Water Fund - Undesignated	Reimbursement from capital reserve	6,328
Total Central Water Fund			\$ 483,122

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

<i>CONTINUED...</i>			
Quechee Water Fund - Undesignated	Quechee Water Fund - Designated	Addition to capital reserve	\$ 150,000
	Quechee Water Fund - Designated	Correction to impact fee fund	61
	Quechee Water Fund - Invest. in Capital Assets	Changes in invested in capital assets	27,776
Quechee Water Fund -Designated	Quechee Water Fund - Undesignated	Reimbursement from capital reserve	<u>1,716</u>
Total Quechee Water Fund			<u>\$ 179,553</u>
Central Wastewater Fund - Undesignated	Central Wastewater Fund - Designated	Addition to capital reserve	\$ 400,000
	Central Wastewater Fund - Designated	Correction to impact fee fund	40,767
Central Wastewater Fund - Invest. in Capital Assets	Central Wastewater Fund - Undesignated	Changes in invested in capital assets	<u>219,009</u>
Total Central Wastewater Fund			<u>\$ 659,776</u>
Quechee Wastewater Fund - Undesignated	Quechee Wastewater Fund - Designated	Addition to capital reserve	\$ 320,000
Quechee Wastewater Fund - Invest. in Capital Assets	Quechee Wastewater Fund - Undesignated	Changes in invested in capital assets	<u>152,724</u>
Total Quechee Wastewater Fund			<u>\$ 472,724</u>

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the General Fund consists of \$114,315 of delinquent property taxes, penalties and interest on those taxes and \$39,610 of intergovernmental revenues that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. This also includes \$64,959 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$218,884.

**I. 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, 2013**

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

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

General obligation bonds and revolving loans outstanding at June 30, 2013, are as follows:

<b>BONDS AND NOTES PAYABLE</b>		
Purpose	Interest/Admin Rates	Amount
<u>Governmental Activities - Bonds</u>		
DPW Building	1.87% - 4.73%	\$ 735,000
Quechee Covered Bridge Bond	1.10% - 3.91%	1,135,225
<u>Governmental Activities - Revolving Loans</u>		
Combined Sewer Overflow - #1	0.00%	115,261
Combined Sewer Overflow - #2	0.00%	711,487
Total General Long-term Debt		<u>2,696,973</u>
<u>Business-type Activities - Bonds</u>		
2001 Quechee Water Bond	2.8% - 4.98%	60,000
2001 Quechee Wastewater Bond	2.8% - 4.98%	300,000
<u>Business-type Activities - Revolving Loans</u>		
2004 Wilder Well Loan	1.00%	1,915,913
2012 AR1-006 Clean Water Loan(Fund 60 Portion)	2.00%	262,386
2012 AR1-006 Clean Water Loan(Fund 65 Portion)	2.00%	377,250
2013 Hartford W/W Treatment Facility Loan	2.00%	7,429,490
2013 Quechee W/W Treatment Facility Loan	2.00%	5,353,390
Total Enterprise Funds		<u>15,698,429</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	\$ 840,000	\$ 1,135,225	\$ 105,000	\$ 1,870,225	\$ 161,761
Revolving loans payable	923,814	-	97,066	826,748	190,196
Other postemployment benefits	<u>2,033,347</u>	<u>442,727</u>	<u>151,741</u>	<u>2,324,333</u>	-
Total Governmental Activities Long-term Liabilities	<u>\$ 3,797,161</u>	<u>\$ 1,577,952</u>	<u>\$ 353,807</u>	<u>\$ 5,021,306</u>	<u>\$ 351,957</u>
<b>Business-type Activities</b>					
Bonds payable	\$ 465,000	\$ -	\$ 105,000	\$ 360,000	\$ 90,000
Revolving loans payable	14,970,752	514,231	146,554	15,338,429	676,777
Other postemployment benefits	396,863	101,378	31,702	466,539	-
Postclosure care costs	<u>391,000</u>	-	<u>23,000</u>	<u>368,000</u>	<u>23,000</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 16,223,615</u>	<u>\$ 615,609</u>	<u>\$ 306,256</u>	<u>\$ 16,532,968</u>	<u>\$ 789,777</u>

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

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

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2013, 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>
2014	\$ 351,957	\$ 62,364	\$ 766,777	\$ 341,277
2015	236,697	55,284	781,548	322,230
2016	236,696	48,326	796,638	302,763
2017	236,696	42,657	812,071	282,878
2018	573,509	39,911	737,854	264,854
2019-2023	493,806	112,342	3,938,748	1,074,795
2024-2028	283,806	56,137	4,024,660	628,578
2029-2033	283,806	27,174	3,840,133	231,849
Total	<u>\$ 2,696,973</u>	<u>\$ 444,195</u>	<u>\$ 15,698,429</u>	<u>\$ 3,449,224</u>

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

<p><b>TOWN OF HARTFORD, VERMONT</b>  <b>NOTES TO FINANCIAL STATEMENTS</b>  <b>JUNE 30, 2013</b></p>
---

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

**J. Restricted, Assigned and Designated Fund Balances/Net Position**

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

GOVERNMENTAL ACTIVITIES

RESTRICTED

Special Revenue Funds	
Police Drug Forfeiture Fund - restricted by statute	\$ 21,134
Engine 494 Fund - restricted by donor agreement	6,497
Trees Matter Fund - restricted by donor agreement	2,724
Dog Park Fund - restricted by donor agreement	9,569
Glory Days Fund - restricted by donor agreement	4,625
Watershed Grant Fund - restricted by grant agreement	1,853
Quechee Gorge Visitor Center - restricted by grant agreement	43,428
Rehabilitation Loan Funds - restricted by grant agreement	107,833
Revolving Loan Fund - restricted by grant agreement	375,278
Police Youth Safety Fair - restricted by donor agreement	2,874
Fire/EMS Impact Fee Fund - restricted by statute	54,081
Recreation Impact Fee Fund - restricted by statute	66,331
Library Impact Fee Fund - restricted by statute	<u>2,988</u>
Total Special Revenue Funds	<u>699,215</u>
Capital Projects Fund	
CSO Fund - restricted by bond agreement	82,965
Maxfield Project Fund - restricted by donor agreement	<u>831,030</u>
Total Capital Projects Fund	<u>913,995</u>
Debt Service Fund	
CSO Bond Reserve Fund - restricted by bond agreement	<u>391,462</u>
Total Debt Service Fund	<u>391,462</u>
Permanent Fund	
Town Trust Funds - restricted by Trust agreement	<u>32,519</u>
Total Permanent Fund	<u>32,519</u>
<b>TOTAL GOVERNMENTAL RESTRICTED</b>	
<b>NET POSITION</b>	<b><u>2,037,191</u></b>

GOVERNMENTAL FUNDS

NON-SPENDABLE

Special Revenue Funds	
Town Trust Funds - restricted by Trust agreement(Non-Expendable)	<u>27,168</u>
<b>TOTAL GOVERNMENTAL NON-SPENDABLE</b>	
<b>FUND BALANCE</b>	<b><u>\$ 27,168</u></b>

BUSINESS-TYPE ACTIVITIES

Central Water Impact Fee Fund - restricted by statute	\$ 108,983
Quechee Water Impact Fee Fund - restricted by statute	55,718
Central Wastewater Impact Fee Fund - restricted by statute	627,048
Quechee Wastewater Impact Fee Fund - restricted by statute	<u>210,420</u>
<b>TOTAL BUSINESS-TYPE RESTRICTED NET POSITION</b>	<b><u>\$ 1,002,169</u></b>

<b>TOWN OF HARTFORD, VERMONT</b> <b>NOTES TO FINANCIAL STATEMENTS</b> <b>JUNE 30, 2013</b>
--

**IV. DETAILED NOTES ON ALL FUNDS(continued)**  
**J. Restricted, Assigned and Designated Fund Balances/Net Position(continued)**

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

GOVERNMENTAL ACTIVITIES

General Fund	
Assigned to Town Clerk digital imaging/record restoration	\$ 255,356
Assigned to Town office renovation	61,717
Assigned Building Energy Improvements	5,000
Assigned to accounting software	6,124
Assigned to Revaluation	272,231
Assigned to Fire/EMS capital purchases	237,322
Assigned to communications center upgrade	39,286
Assigned to Highway equipment expenditures	229,909
Assigned to Highway bridges and culverts	335,537
Assigned to Highway capital expenditures	375,000
Assigned to street light maintenance reserve	8,552
Assigned to street light replacement reserve	14,953
Assigned to Senior Center renovations	12,512
Assigned to Recreation expenses	51,417
Assigned to Skatepark expenses	7,879
Assigned to Conservation and Development expenditures	90,619
Assigned to police body cameras	5,846
Assigned to street globes & lights	7,000
Assigned to sidewalks	70,115
Assigned Fairview Terrace Wall Engineering	4,550
Assigned to paving	15,000
Assigned to conversion of subdivision regulation	2,000
Assigned to W. Hartford Library & Community Center	39,530
Assigned to increased Windsor County Tax	34,794
Assigned to municipal building improvements	98,153
Assigned to WRJ revitalization	78,231
Assigned to dam construction	15,642
Assigned to Hurricane irene town share	310,000
Assigned Solid Waste Recycling Program	75,000
Assigned to subsequent year expenditures	<u>275,000</u>
Total General Fund	<u>3,034,275</u>
Capital Projects Funds	
DPW Garage Fund - assigned to capital expenditures	51,996
W. Hartford Library Fund - assigned to new library construction	323,859
Patriot's Park Fund - assigned to land conversion	<u>80,000</u>
Total Capital Projects Funds	<u>455,855</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	
<b>ASSIGNED FUND BALANCES</b>	<b><u>\$ 3,490,130</u></b>

BUSINESS-TYPE ACTIVITIES

Outdoor Facilities Capital Reserve Fund - designated for capital expenditures	74,399
Solid Waste Capital Reserve Fund - designated for capital expenditures	29,955
Solid Waste Closure Reserve Fund - designated for postclosure expenditures	105,901
Solid Waste Equipment Reserve Fund - designated for equipment purchases	51,800
Central Water Capital Reserve Fund - designated for capital expenditures	659,239
Quechee Water Capital Reserve Fund - designated for capital expenditures	356,548
Central Wastewater Capital Reserve Fund - designated for capital expenditures	862,954
Quechee Wastewater Capital Reserve Fund - designated for capital expenditures	<u>750,245</u>
<b>TOTAL BUSINESS-TYPE</b>	
<b>DESIGNATED NET POSITION</b>	<b><u>\$ 2,891,041</u></b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

**J. Restricted, Assigned and Designated Fund Balances/Net Position(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, 2013. These fund balances are negative partially because expenditures have gone out but the grant reimbursement revenue was not received soon enough after June 30, 2013 to be recognized within the year. When the grant revenues are recognized some of the negative fund balances will be restored. Any negative fund balance remaining after all grant revenues have been received is the Town's share of the expense. For the Hurricane Irene Fund, the Town has assigned \$310,000 to cover the Town's share of repair expenses.

**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 \$-0- in unemployment claims during the fiscal year ended June 30, 2013.

**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, 2013**

**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 Benefit & Contribution Pension Plans**

Highway department, solid waste department, and water department employees who are members of the Hartford Department of Public Works Chapter of the AFSCME can elect to be covered by the State of Vermont Municipal Employees Retirement System (VMERS) Group B Plan, a defined benefit plan, or the VMERS Group DC Plan, a defined contribution plan. Under the VMERS Group B Plan, employees are required to contribute 4.5% of their gross salary and the Town contributes 5%; however, under the agreement between the Town and the Public Works Chapter, the Town actually contributes 7% and the employees contribute 2.5%.

Wastewater department employees who are members of the Hartford Department of Public Works Chapter of the AFSCME, employees who are members of the Hartford Police Chapter of AFSCME, employees who are members of the Hartford Career Firefighters' Association, 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. Under the VMERS Group C Plan, employees are required to contribute 9.25% of their gross salary and the Town contributes 6.5%; 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 8.75%, and also for non-union employees, the Town actually contributes 8 % and the employees contribute 7.75%.

Three employees, all non-union, have elected coverage under the VMERS Group DC Plan. Under the VMERS Group DC Plan, employees are required to contribute 5% of their gross salary and the Town contributes 5.125%; however, for non-union employees the Town actually contributes 8% and the employees contribute 2.125% and for union employees the Town actually contributes 7% and the employees contribute 3.125%.

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 these plans is done in the aggregate, not by municipality. The net position available for benefits as well as present value of vested and nonvested plan benefits by municipality are not available. Covered payroll for these plans was \$3,860,787 and Town contributions for the year ended June 30, 2013 were \$279,874. Contributions for the years ended June 30, 2012 and June 30, 2011 were \$240,767 and \$260,541, respectively.

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 \$2,129,091. Town contributions for the year ended June 30, 2013 were \$172,327. Contributions for the years ended June 30, 2012 and June 30, 2011 were \$170,906 and \$172,202, respectively.

**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.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**V. OTHER INFORMATION(continued)**

**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.

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 Town's annual OPEB cost is made up of an Annual Required Contribution(ARC) of \$586,529, interest on the net OPEB obligation of \$60,549, and an adjustment to ARC of (\$102,973). The following table shows a breakdown of the Town's annual OPEB cost for the year.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Annual OPEB Cost	\$ 442,727	\$ 101,378	\$ 544,105
Contributions Made	<u>151,741</u>	<u>31,702</u>	<u>183,443</u>
Increase in Net OPEB Obligation	290,986	69,676	360,662
Net OPEB Obligation, Beginning of Year	<u>2,033,349</u>	<u>396,861</u>	<u>2,430,210</u>
Net OPEB Obligation, End of Year	<u>\$ 2,324,335</u>	<u>\$ 466,537</u>	<u>\$ 2,790,872</u>
Percentage of Annual OPEB Cost Contributed			<u>33.71%</u>

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.

<b>TOWN OF HARTFORD, VERMONT</b> <b>NOTES TO FINANCIAL STATEMENTS</b> <b>JUNE 30, 2013</b>
--

**V. OTHER INFORMATION(continued)**

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

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. The Level-Dollar Amortization Method and a thirty year amortization period were used.

The following table shows the components of the Town’s annual OPEB cost for the previous two fiscal years.

	Government-wide Total FYE 6/30/11	Government-wide Total FYE 6/30/12
Annual OPEB Cost	\$ 795,000	\$ 544,105
Contributions Made	<u>99,972</u>	<u>132,211</u>
Increase in Net OPEB Obligation	695,028	411,894
Net OPEB Obligation, Beginning of Year	1,323,288	2,018,316
Net OPEB Obligation, End of Year	<u>\$ 2,018,316</u>	<u>\$ 2,430,210</u>
Percentage of Annual OPEB Cost Contributed	<u>12.58%</u>	<u>24.30%</u>

**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. During the fiscal year ended June 30, 2013 Town of Hartford employees continued work to repair the damage leftover from the Hurricane. Most repair projects including the Quechee Covered Bridge were completed by the end of June 2013. Four projects were not completed until after June 2013 and they all involve hazard mitigation to reduce the risk of damage from a future storm. Those four projects include; hazard mitigation at the W. Hartford Library, mitigation at the Maple St Pump Station, mitigation at the Bridge St Pump Station, and mitigation at the Ferry Boat Rd Pump Station.

Larger sized projects funded by the Federal Management Agency Public Assistance Program(FEMA) require documentation be submitted in order to close out each project. As of June 30, 2013, there were seven projects for which the closeout process had not yet been finalized. Included in those seven projects are the four projects listed above.

Recovery from Tropical Storm Irene has taken a great deal of effort from many employees at the Town of Hartford. Town employees and town residents are excited to be winding down on most recovery efforts. The Town Selectboard and officers are aware that a similar disaster could happen before long and we want to be as prepared as possible for any such future event.

**I. Subsequent Events**

On March 6, 2012, voters authorized the issuance of general obligation bonds in the amounts of \$500,000 minus any federal or state grant funding for the construction of a new West Hartford Library and Community Center. On March 5, 2013, voters authorized the issuance of general obligation bonds in the amounts of \$5,740,000 for various projects.

Bonds were approved by the Vermont Municipal Bond Bank in the amount of \$6,155,000. Bonds proceeds were broken down as follows; \$3,100,000 for Maxfield property recreational facility renovations, \$2,500,000 for Wendell A. Barwood Arena renovations, \$140,000 for building a pump house and children’s pool at the Hartford High School, and \$415,000 for construction of the new West Hartford Library & Community Center. The bond requires annual debt service between \$514 K and 322 K for twenty years starting in November 2013.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION(RSI)**

**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, 2013**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 10,319,714	\$ 10,346,491	\$ 26,777
Tax penalties and interest	239,500	229,273	( 10,227)
Permits and licenses	16,345	16,112	( 233)
Intergovernmental revenues	624,208	835,489	211,281
Charges for services	1,132,905	1,326,908	194,003
Fines and forfeits	12,400	3,623	( 8,777)
Interest	9,000	4,631	( 4,369)
Other revenues	102,160	115,075	12,915
Total Revenues	12,456,232	12,877,602	421,370
<b>EXPENDITURES</b>			
Current expenditures			
General government			
Administration	605,644	620,009	( 14,365)
Elections and vital statistics	173,499	190,501	( 17,002)
Finance	362,117	400,721	( 38,604)
Valuation	187,039	179,114	7,925
Boards and commissions	10,246	8,210	2,036
Public safety			
Police	2,365,289	2,292,592	72,697
Fire and ambulance	2,437,995	2,557,654	( 119,659)
Dispatch	591,869	611,240	( 19,371)
Public works			
Highways	1,710,885	1,525,824	185,061
Public works administration	127,584	120,185	7,399
Health and social services	261,412	252,851	8,561
Recreation and parks			
Recreation administration	170,703	181,303	( 10,600)
Recreation programs	282,779	297,567	( 14,788)
Parks	265,837	223,336	42,501
Conservation and development			
Cultural	280,642	234,291	46,351
Capital expenditures			
Public safety			
Police	108,220	111,738	( 3,518)
Fire and ambulance	82,400	87,405	( 5,005)
Dispatch	-	7,500	( 7,500)
Public works			
Highways	1,516,000	1,370,013	145,987
Recreation and parks			
Recreation administration	6,000	-	6,000
Recreation programs	10,000	8,400	1,600
Parks	74,963	24,730	50,233
Conservation and development	300,000	-	300,000
Total Expenditures	12,360,769	11,726,471	634,298
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	985,000	913,146	( 71,854)
Transfers out	( 1,085,463)	( 2,172,000)	( 1,086,537)
Proceeds from sale of capital assets	5,000	9,090	4,090
Total Other Financing Sources (Uses)	( 95,463)	( 1,249,764)	( 1,154,301)
Net change in fund balance	\$ -	(\$ 98,633)	(\$ 98,633)
<b>RECONCILIATION OF CHANGE IN FUND BALANCES - BUDGETARY BASIS</b> <b>TO CHANGE IN FUND BALANCES - GAAP BASIS</b>			
Change in Fund Balances - Budgetary Basis		(\$ 98,633)	
Transfer to Assigned Fund Balance		1,456,084	
Transfer from Assigned Fund Balance		( 430,297)	
Expenditures from Assigned Fund Balance		( 212,449)	
Assigned Fund Balance Interest Income		730	
Change in Fund Balances - GAAP Basis		\$ 715,435	

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unassigned</u>	<u>Assigned</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 10,346,491	\$ -	\$ 10,346,491
Tax penalties and interest	229,273	-	229,273
Permits and licenses	16,112	-	16,112
Intergovernmental revenues	835,489	-	835,489
Charges for current services	1,326,908	-	1,326,908
Fines and forfeits	3,623	-	3,623
Interest	4,631	362	4,993
Other revenues	115,075	368	115,443
	<u>12,877,602</u>	<u>730</u>	<u>12,878,332</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Current expenditures			
General government			
Administration	620,009	-	620,009
Elections and vital statistics	190,501	-	190,501
Finance	400,721	-	400,721
Valuation	179,114	-	179,114
Boards and commissions	8,210	-	8,210
Public safety			
Police	2,292,592	3,605	2,296,197
Fire and ambulance	2,557,654	-	2,557,654
Dispatch	611,240	-	611,240
Public works			
Highways	1,525,824	7,559	1,533,383
Public works administration	120,185	1,514	121,699
Health and social services			
Recreation and parks	252,851	-	252,851
Recreation administration	181,303	-	181,303
Recreation programs	297,567	-	297,567
Parks	223,336	-	223,336
Conservation and development	421,287	3,927	425,214
Cultural	234,291	-	234,291
Capital expenditures			
Public safety			
Police	111,738	-	111,738
Fire	87,405	-	87,405
Dispatch	7,500	-	7,500
Public works			
Highways	1,370,013	68,775	1,438,788
Recreation and parks			
Recreation programs	8,400	-	8,400
Parks	24,730	64,358	89,088
Conservation and development	-	62,711	62,711
	<u>11,726,471</u>	<u>212,449</u>	<u>11,938,920</u>
<b>Total Expenditures</b>			
Excess (deficiency) of Revenues Over (Under)			
Expenditures	1,151,131	( 211,719)	939,412
	<u>1,151,131</u>	<u>( 211,719)</u>	<u>939,412</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	913,146	1,456,084	2,369,230
Transfers out	( 2,172,000)	( 430,297)	( 2,602,297)
Proceeds from sale of capital assets	9,090	-	9,090
	<u>913,146</u>	<u>1,456,084</u>	<u>2,369,230</u>
	<u>( 2,172,000)</u>	<u>( 430,297)</u>	<u>( 2,602,297)</u>
	<u>9,090</u>	<u>-</u>	<u>9,090</u>
<b>Total Other Financing Sources (Uses)</b>			
	<u>( 1,249,764)</u>	<u>1,025,787</u>	<u>( 223,977)</u>
Net Change in Fund Balances	( 98,633)	814,068	715,435
Fund Balances - July 1, 2012	1,350,011	2,220,207	3,570,218
	<u>1,350,011</u>	<u>2,220,207</u>	<u>3,570,218</u>
Fund Balances - June 30, 2013	\$ 1,251,378	\$ 3,034,275	\$ 4,285,653
	<u>\$ 1,251,378</u>	<u>\$ 3,034,275</u>	<u>\$ 4,285,653</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 761,937	\$ 1,485,908	\$ -	\$ 19,040	\$ 2,266,885
Investments	-	-	-	13,479	13,479
Receivables (net of allowances for uncollectible accounts)					
Accounts receivable	38,543	-	-	-	38,543
Notes receivable	129,013	-	-	-	129,013
Due from other governments	180,477	323,947	-	-	504,424
Restricted assets:					
Cash and equivalents	-	-	391,462	-	391,462
Total Assets	<u>1,109,970</u>	<u>1,809,855</u>	<u>391,462</u>	<u>32,519</u>	<u>3,343,806</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	60,522	249,491	-	-	310,013
Due to other governments	124,435	-	-	-	124,435
Due to other funds	225,798	130,719	-	-	356,518
Unearned revenue	-	2,248	-	-	2,248
Total Liabilities	<u>410,755</u>	<u>382,458</u>	<u>-</u>	<u>-</u>	<u>793,214</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenues-intergovernmental revenues	165,797	125,109	-	-	290,906
Total deferred inflows of resources	<u>165,797</u>	<u>125,109</u>	<u>-</u>	<u>-</u>	<u>290,906</u>
<b>FUND BALANCES</b>					
Non-spendable					
Permanent fund principal	-	-	-	27,168	27,168
Restricted for					
Public safety	24,009	-	-	-	24,009
Impact fees	123,401	-	-	-	123,401
Recreation and parks	-	831,030	-	-	831,030
Community development	528,391	-	-	-	528,391
Debt service	-	-	391,462	-	391,462
Endowments - Expendable	-	-	-	5,351	5,351
Other	23,414	82,965	-	-	106,379
Assigned to					
Recreation and parks	-	80,000	-	-	80,000
Public works	-	51,996	-	-	51,996
Cultural	-	323,859	-	-	323,859
Unassigned	( 165,797)	( 67,562)	-	-	( 233,359)
Total Fund Balances	<u>533,418</u>	<u>1,302,288</u>	<u>391,462</u>	<u>32,519</u>	<u>2,259,687</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,109,970</u>	<u>\$ 1,809,855</u>	<u>\$ 391,462</u>	<u>\$ 32,519</u>	<u>\$ 3,343,806</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Non-major Governmental Funds
<b>REVENUES</b>					
Intergovernmental revenues	\$ 305,960	\$ 786,819	\$ -	\$ -	\$ 1,092,779
Impact fees	15,723	-	-	-	15,723
Interest	7,613	38	121	56	7,828
Other revenues	<u>20,964</u>	<u>-</u>	<u>-</u>	<u>2,245</u>	<u>23,209</u>
Total Revenues	<u>350,260</u>	<u>786,857</u>	<u>121</u>	<u>2,301</u>	<u>1,139,539</u>
<b>EXPENDITURES</b>					
Current expenditures					
Public safety					
Police	4,185	-	-	-	4,185
Fire and ambulance	7,919	-	-	-	7,919
Recreation and parks					
Parks	34,619	-	-	-	34,619
Conservation and development					
	102,950	-	-	-	102,950
Debt service expenditures					
Principal	-	-	202,066	-	202,066
Interest	-	-	62,062	-	62,062
Capital expenditures					
General government					
Administration	-	87	-	-	87
Public safety					
Fire and ambulance	111,846	-	-	-	111,846
Public works					
Highways	-	761,892	-	-	761,892
Recreation and parks	-	174,830	-	-	174,830
Conservation and development	97,242	-	-	-	97,242
Cultural	<u>-</u>	<u>72,935</u>	<u>-</u>	<u>-</u>	<u>72,935</u>
Total Expenditures	<u>358,761</u>	<u>1,009,744</u>	<u>264,128</u>	<u>-</u>	<u>1,632,633</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	<u>( 8,501)</u>	<u>( 222,887)</u>	<u>( 264,007)</u>	<u>2,301</u>	<u>( 493,094)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	60	230,000	285,456	-	515,516
Transfers out	<u>( 41,787)</u>	<u>( 441,000)</u>	<u>-</u>	<u>( 62)</u>	<u>( 482,849)</u>
Total Other Financing Sources (Uses)	<u>( 41,727)</u>	<u>( 211,000)</u>	<u>285,456</u>	<u>( 62)</u>	<u>32,667</u>
Net Change in Fund Balances	<u>( 50,228)</u>	<u>( 433,887)</u>	<u>21,449</u>	<u>2,239</u>	<u>( 460,427)</u>
Fund Balances - July 1, 2012	<u>583,646</u>	<u>1,736,175</u>	<u>370,013</u>	<u>30,280</u>	<u>2,720,114</u>
Fund Balances - June 30, 2013	<u>\$ 533,418</u>	<u>\$ 1,302,288</u>	<u>\$ 391,462</u>	<u>\$ 32,519</u>	<u>\$ 2,259,687</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	Community Development Funds	Recreation Funds	Public Safety Funds	Impact Fee Funds	Totals
<b>ASSETS</b>					
Cash and equivalents	\$ 502,265	\$ 23,632	\$ 24,009	\$ 212,031	\$ 761,937
Receivables (net of allowances for uncollectible accounts)					
Accounts receivable	317	-	-	38,226	38,543
Notes receivable	129,013	-	-	-	129,013
Due from other governments	118,766	-	61,711	-	180,477
Total Assets	<u>750,361</u>	<u>23,632</u>	<u>85,720</u>	<u>250,257</u>	<u>1,109,970</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	3,776	-	56,746	-	60,522
Due to other governments	-	-	-	124,435	124,435
Due to other funds	218,194	218	4,965	2,421	225,798
Total Liabilities	<u>221,970</u>	<u>218</u>	<u>61,711</u>	<u>126,856</u>	<u>410,755</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenues-intergovernmental revenues	104,086	-	61,711	-	165,797
Total deferred inflows of resources	<u>104,086</u>	<u>-</u>	<u>61,711</u>	<u>-</u>	<u>165,797</u>
<b>FUND BALANCES</b>					
Restricted for					
Public safety	-	-	24,009	-	24,009
Impact fees	-	-	-	123,401	123,401
Community development	528,391	-	-	-	528,391
Other	-	23,414	-	-	23,414
Unassigned	( 104,086)	-	( 61,711)	-	( 165,797)
Total Fund Balances	<u>424,305</u>	<u>23,414</u>	<u>( 37,702)</u>	<u>123,401</u>	<u>533,418</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 750,361</u>	<u>\$ 23,632</u>	<u>\$ 85,720</u>	<u>\$ 250,257</u>	<u>\$ 1,109,970</u>

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Community Development Funds	Recreation Funds	Public Safety Funds	Impact Fee Funds	Total
<b>REVENUES</b>					
Intergovernmental revenues	\$ 181,899	\$ 10,253	\$ 113,808	\$ -	\$ 305,960
Impact fees	-	-	-	15,723	15,723
Interest income	7,552	9	9	43	7,613
Other revenues	<u>1,090</u>	<u>18,724</u>	<u>1,150</u>	<u>-</u>	<u>20,964</u>
Total Revenues	<u>190,541</u>	<u>28,986</u>	<u>114,967</u>	<u>15,766</u>	<u>350,260</u>
<b>EXPENDITURES</b>					
Current expenditures					
Public safety - police	-	-	4,185	-	4,185
Public safety - fire & ambulance	-	-	7,919	-	7,919
R & P - Parks	-	34,619	-	-	34,619
Conservation and development	102,950	-	-	-	102,950
Capital expenditures					
Public safety - fire & ambulance	-	-	111,846	-	111,846
Conservation and development	<u>97,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,242</u>
Total Expenditures	<u>200,192</u>	<u>34,619</u>	<u>123,950</u>	<u>-</u>	<u>358,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	( 9,651)	( 5,633)	( 8,983)	15,766	( 8,501)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	60	-	-	-	60
Transfers out	<u>( 2,445)</u>	<u>( 73)</u>	<u>-</u>	<u>( 39,269)</u>	<u>( 41,787)</u>
Total Other Financing Sources (Uses)	<u>( 2,385)</u>	<u>( 73)</u>	<u>-</u>	<u>( 39,269)</u>	<u>( 41,727)</u>
Net Change in Fund Balances	( 12,036)	( 5,706)	( 8,983)	( 23,503)	( 50,228)
Fund Balances - July 1, 2012	<u>436,341</u>	<u>29,120</u>	<u>( 28,719)</u>	<u>146,904</u>	<u>583,646</u>
Fund Balances - June 30, 2013	<u>\$ 424,305</u>	<u>\$ 23,414</u>	<u>(\$ 37,702)</u>	<u>\$ 123,401</u>	<u>\$ 533,418</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2013**

	Roundabout Fund	Underpass Fund	CSO Project Fund	DPW Garage Fund
<b>ASSETS</b>				
Cash and equivalents	\$ -	\$ -	\$ 82,965	\$ 51,996
Due from other governments	2,248	252,868	-	-
Total Assets	2,248	252,868	82,965	51,996
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	-	133,433	-	-
Due to other funds	2,248	119,436	-	-
Deferred revenues	2,248	-	-	-
Total Liabilities	4,496	252,869	-	-
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenues-intergovernmental revenues	-	56,278	-	-
Total deferred inflows of resources	-	56,278	-	-
Fund Balances				
Restricted	-	-	82,965	-
Assigned	-	-	-	51,996
Unassigned	( 2,248)	( 56,279)	-	-
Total Fund Balances	( 2,248)	( 56,279)	82,965	51,996
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,248	\$ 252,868	\$ 82,965	\$ 51,996

**TOWN OF HARTFORD, VERMONT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2013**

Maxfield Project Fund	W. Hartford Library Fund	Wendell A. Barwood Arena Fund	Patriot's Park Fund	Municipal Building Renovation Fund	Totals
\$ 945,698	\$ 325,249	\$ -	\$ 80,000	\$ -	\$ 1,485,908
-	68,831	-	-	-	323,947
<u>945,698</u>	<u>394,080</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>1,809,855</u>
114,668	1,390	-	-	-	249,491
-	-	8,948	-	87	130,719
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,248</u>
<u>114,668</u>	<u>1,390</u>	<u>8,948</u>	<u>-</u>	<u>87</u>	<u>382,458</u>
<u>-</u>	<u>68,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,109</u>
<u>-</u>	<u>68,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,109</u>
831,030	-	-	-	-	913,995
-	323,859	-	80,000	-	455,855
<u>-</u>	<u>-</u>	<u>( 8,948)</u>	<u>-</u>	<u>( 87)</u>	<u>( 67,562)</u>
<u>831,030</u>	<u>323,859</u>	<u>( 8,948)</u>	<u>80,000</u>	<u>( 87)</u>	<u>1,302,288</u>
<u>\$ 945,698</u>	<u>\$ 394,080</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 1,809,855</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Roundabout Fund</u>	<u>Underpass Fund</u>	<u>CSO Project Fund</u>	<u>DPW Garage Fund</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 766,688	\$ -	\$ -
Interest Income	<u>-</u>	<u>-</u>	<u>27</u>	<u>11</u>
Total Revenues	<u>-</u>	<u>766,688</u>	<u>27</u>	<u>11</u>
<b>EXPENDITURES</b>				
Capital expenditures				
GG - Administration	-	-	-	-
Highway	-	761,892	-	-
Recreation and parks	-	-	-	-
Cultural	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>761,892</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>4,796</u>	<u>27</u>	<u>11</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<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	-	4,796	27	11
Fund Balances - July 1, 2012	( 2,248)	( 61,075)	82,938	51,985
Fund Balances - June 30, 2013	<u>(\$ 2,248)</u>	<u>(\$ 56,279)</u>	<u>\$ 82,965</u>	<u>\$ 51,996</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Maxfield Project Fund	W. Hartford Library Fund	Wendell A. Barwood Arena Fund	Patriot's Park Fund	Municipal Building Renovation Fund	Totals
\$ -	\$ 20,131	\$ -	\$ -	\$ -	\$ 786,819
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
<u>-</u>	<u>20,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786,857</u>
-	-	-	-	87	87
-	-	-	-	-	761,892
165,882	-	8,948	-	-	174,830
<u>-</u>	<u>72,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,935</u>
<u>165,882</u>	<u>72,935</u>	<u>8,948</u>	<u>-</u>	<u>87</u>	<u>1,009,744</u>
<u>( 165,882)</u>	<u>( 52,804)</u>	<u>( 8,948)</u>	<u>-</u>	<u>( 87)</u>	<u>( 222,887)</u>
-	150,000	-	80,000	-	230,000
<u>-</u>	<u>( 441,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 441,000)</u>
<u>-</u>	<u>( 291,000)</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>( 211,000)</u>
<u>( 165,882)</u>	<u>( 343,804)</u>	<u>( 8,948)</u>	<u>80,000</u>	<u>( 87)</u>	<u>( 433,887)</u>
<u>996,912</u>	<u>667,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,736,175</u>
<u>\$ 831,030</u>	<u>\$ 323,859</u>	<u>(\$ 8,948)</u>	<u>\$ 80,000</u>	<u>(\$ 87)</u>	<u>\$ 1,302,288</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF NET POSITION**  
**WATER AND WASTEWATER FUNDS**  
**JUNE 30, 2013**

	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	\$ 1,082,420	\$ 803,427	\$ 1,885,847	\$ 2,346,499	\$ 1,755,044	\$ 4,101,543
Accounts receivable (net of allowance for uncollectible accounts)	184,697	56,852	241,549	302,152	227,204	529,356
Due from other governments	-	3,398	3,398	107,981	-	107,981
<b>Total Current Assets</b>	<u>1,267,117</u>	<u>863,677</u>	<u>2,130,794</u>	<u>2,756,632</u>	<u>1,982,248</u>	<u>4,738,880</u>
Noncurrent Assets						
Capital assets						
Land and land improvements	20,000	14,000	34,000	171,158	88,967	260,125
Buildings and building improvements	276,160	4,000	280,160	16,427,756	9,533,317	25,961,073
Vehicles and equipment	161,236	118,132	279,368	289,679	172,510	462,189
Distribution and collection systems	8,857,664	2,283,685	11,141,349	3,735,815	8,366,951	12,102,766
Construction in progress	-	-	-	82,636	-	82,636
Less accumulated depreciation	( 4,204,991)	( 1,116,381)	( 5,321,372)	( 9,813,791)	( 6,910,930)	( 16,724,721)
<b>Total Noncurrent Assets</b>	<u>5,110,069</u>	<u>1,303,436</u>	<u>6,413,505</u>	<u>10,893,253</u>	<u>11,250,815</u>	<u>22,144,068</u>
<b>Total Assets</b>	<u>6,377,186</u>	<u>2,167,113</u>	<u>8,544,299</u>	<u>13,649,885</u>	<u>13,233,063</u>	<u>26,882,948</u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	15,575	3,067	18,642	110,365	14,000	124,365
Accrued payroll and benefits payable	6,917	2,042	8,959	10,455	5,888	16,343
Accrued compensated absences payable	16,508	10,355	26,863	28,877	19,213	48,090
Accrued interest payable	4,790	213	5,003	17,023	96,577	113,600
Due to other governments	144,916	-	144,916	123,447	-	123,447
Bonds and notes payable - current portion	122,675	15,000	137,675	317,257	311,845	629,102
<b>Total Current Liabilities</b>	<u>311,381</u>	<u>30,677</u>	<u>342,058</u>	<u>607,424</u>	<u>447,523</u>	<u>1,054,947</u>
Noncurrent Liabilities						
Other post employment benefits	88,135	38,142	126,277	149,906	105,451	255,357
Bonds and notes payable	1,793,237	45,000	1,838,237	7,374,620	5,718,795	13,093,415
<b>Total Noncurrent Liabilities</b>	<u>1,881,372</u>	<u>83,142</u>	<u>1,964,514</u>	<u>7,524,526</u>	<u>5,824,246</u>	<u>13,348,772</u>
<b>Total Liabilities</b>	<u>2,192,753</u>	<u>113,819</u>	<u>2,306,572</u>	<u>8,131,950</u>	<u>6,271,769</u>	<u>14,403,719</u>
<b>NET POSITION</b>						
Net investment in capital assets	3,044,450	1,243,435	4,287,885	3,060,907	5,207,225	8,268,132
Restricted for:						
Impact fee eligible expenses	108,983	55,718	164,701	627,048	210,420	837,468
Unrestricted	1,031,000	754,141	1,785,141	1,829,980	1,543,649	3,373,629
<b>Total Net Position</b>	<u>\$ 4,184,433</u>	<u>\$ 2,053,294</u>	<u>\$ 6,237,727</u>	<u>\$ 5,517,935</u>	<u>\$ 6,961,294</u>	<u>\$ 12,479,229</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**WATER AND WASTEWATER FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	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	\$ 992,663	\$ 327,828	\$ 1,320,491	\$ 1,433,035	\$ 1,007,716	\$ 2,440,751
Rents and other income	39,997	5,904	45,901	86,336	15,394	101,730
Total Operating Revenues	<u>1,032,660</u>	<u>333,732</u>	<u>1,366,392</u>	<u>1,519,371</u>	<u>1,023,110</u>	<u>2,542,481</u>
<b>OPERATING EXPENSES</b>						
Personal services	393,317	119,797	513,114	546,136	323,610	869,746
Administration expenses	20,365	4,646	25,011	11,581	13,130	24,711
Utilities	69,474	32,863	102,337	178,042	69,862	247,904
Contract services	49,057	3,113	52,170	53,296	84,421	137,717
Equipment operation	11,055	4,378	15,433	47,094	16,013	63,107
Repairs and maintenance	30,921	9,135	40,056	73,230	15,245	88,475
Materials and supplies	41,735	8,901	50,636	53,926	22,680	76,606
Insurance expense	10,440	2,302	12,742	24,651	8,014	32,665
Small equipment	16,411	5,588	21,999	4,344	2,816	7,160
Depreciation	277,632	94,516	372,148	646,428	794,184	1,440,612
Total Operating Expenses	<u>920,407</u>	<u>285,239</u>	<u>1,205,646</u>	<u>1,638,728</u>	<u>1,349,975</u>	<u>2,988,703</u>
Operating Income (Loss)	<u>112,253</u>	<u>48,493</u>	<u>160,746</u>	<u>( 119,357)</u>	<u>( 326,865)</u>	<u>( 446,222)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	2,066	271	2,337	110,914	154,791	265,705
Interest income	240	85	325	351	233	584
Interest expense	<u>( 60,753)</u>	<u>( 3,198)</u>	<u>( 63,951)</u>	<u>( 17,935)</u>	<u>( 112,814)</u>	<u>( 130,749)</u>
Total Nonoperating Revenues (Expenses)	<u>( 58,447)</u>	<u>( 2,842)</u>	<u>( 61,289)</u>	<u>93,330</u>	<u>42,210</u>	<u>135,540</u>
Income (Loss) Before Transfers	<u>53,806</u>	<u>45,651</u>	<u>99,457</u>	<u>( 26,027)</u>	<u>( 284,655)</u>	<u>( 310,682)</u>
<b>TRANSFERS</b>						
Transfers in	483,122	179,553	662,675	659,776	472,724	1,132,500
Transfers out	<u>( 483,122)</u>	<u>( 179,553)</u>	<u>( 662,675)</u>	<u>( 659,776)</u>	<u>( 472,724)</u>	<u>( 1,132,500)</u>
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	53,806	45,651	99,457	( 26,027)	( 284,655)	( 310,682)
Total Net Position, July 1, 2012	<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>
Total Net Position, June 30, 2013	<u>\$ 4,184,433</u>	<u>\$ 2,053,294</u>	<u>\$ 6,237,727</u>	<u>\$ 5,517,935</u>	<u>\$ 6,961,294</u>	<u>\$ 12,479,229</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT  
COMBINING SCHEDULE OF CASH FLOWS  
WATER AND WASTEWATER FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	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	\$ 1,029,379	\$ 340,636	\$ 1,370,015	\$ 1,551,120	\$ 970,591	\$ 2,521,711
Cash paid to employees	( 386,579)	( 113,286)	( 499,865)	( 520,245)	( 335,112)	( 855,357)
Cash paid to suppliers	( 255,639)	( 74,261)	( 329,900)	( 438,165)	( 217,241)	( 655,406)
Net cash provided (used) by operating activities	<u>387,161</u>	<u>153,089</u>	<u>540,250</u>	<u>592,710</u>	<u>418,238</u>	<u>1,010,948</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Due to other governments	( 29,789)	-	( 29,789)	( 46,814)	-	( 46,814)
Net cash provided (used) by noncapital financing activities	( 29,789)	-	( 29,789)	( 46,814)	-	( 46,814)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Subsidies from government grants	2,066	61,790	63,856	21,593	265,009	286,602
Proceeds from issuance of debt	-	-	-	514,231	-	514,231
Principal payments - bonds and notes	( 119,103)	( 15,000)	( 134,103)	( 11,261)	( 91,190)	( 102,451)
Interest paid	( 61,051)	( 3,256)	( 64,307)	( 5,473)	( 24,151)	( 29,624)
Purchase of capital assets	( 12,776)	( 12,776)	( 25,552)	( 182,822)	( 158,107)	( 340,929)
Net cash provided (used) by capital and related financing activities	( 190,864)	30,758	( 160,106)	336,268	( 8,439)	327,829
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	240	85	325	351	233	584
Net cash provided (used) by investing activities	<u>240</u>	<u>85</u>	<u>325</u>	<u>351</u>	<u>233</u>	<u>584</u>
Net increase (decrease) in cash and equivalents	166,748	183,932	350,680	882,515	410,032	1,292,547
Cash and equivalents - July 1, 2012	915,672	619,495	1,535,167	1,463,981	1,345,015	2,808,996
Cash and equivalents - June 30, 2013	<u>1,082,420</u>	<u>803,427</u>	<u>1,885,847</u>	<u>2,346,496</u>	<u>1,755,047</u>	<u>4,101,543</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>						
Operating income	112,253	48,493	160,746	( 119,357)	( 326,865)	( 446,222)
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation	277,632	94,516	372,148	646,428	794,184	1,440,612
(Increase) decrease in accounts receivable	( 3,280)	6,905	3,625	31,750	( 52,518)	( 20,768)
Increase (decrease) in accounts payable	( 6,182)	( 3,336)	( 9,518)	7,998	( 11,503)	( 3,505)
Increase (decrease) in accrued expenses	6,738	6,511	13,249	25,891	14,940	40,831
Total adjustments	<u>274,908</u>	<u>104,596</u>	<u>379,504</u>	<u>712,067</u>	<u>745,103</u>	<u>1,457,170</u>
Net cash provided (used) by operating activities	<u>\$ 387,161</u>	<u>\$ 153,089</u>	<u>\$ 540,250</u>	<u>\$ 592,710</u>	<u>\$ 418,238</u>	<u>\$ 1,010,948</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**OUTDOOR FACILITIES FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Operating Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 180,455	\$ -	\$ -	\$ 180,455
Rents and other income	<u>2,900</u>	<u>-</u>	<u>-</u>	<u>2,900</u>
Total Operating Revenues	<u>183,355</u>	<u>-</u>	<u>-</u>	<u>183,355</u>
<b>OPERATING EXPENSES</b>				
Personal services	88,372	-	-	88,372
Utilities	53,022	-	-	53,022
Contract services	10,458	-	-	10,458
Equipment operation	13,217	-	-	13,217
Materials and supplies	4,918	-	-	4,918
Insurance expense	7,588	-	-	7,588
Small equipment	5,554	-	-	5,554
Depreciation	<u>-</u>	<u>-</u>	<u>14,869</u>	<u>14,869</u>
Total Operating Expenses	<u>183,129</u>	<u>-</u>	<u>14,869</u>	<u>197,998</u>
Operating Income (Loss)	<u>226</u>	<u>-</u>	<u>( 14,869)</u>	<u>( 14,643)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	-	20	-	20
Interest expense	<u>( 219)</u>	<u>-</u>	<u>-</u>	<u>( 219)</u>
Total Nonoperating Revenues (Expenses)	<u>( 219)</u>	<u>20</u>	<u>-</u>	<u>( 199)</u>
Income (Loss) Before Transfers	<u>7</u>	<u>20</u>	<u>( 14,869)</u>	<u>( 14,842)</u>
<b>TRANSFERS</b>				
Transfers in	50,000	12,000	15,000	77,000
Transfers out	<u>( 27,000)</u>	<u>-</u>	<u>-</u>	<u>( 27,000)</u>
Total Transfers	<u>23,000</u>	<u>12,000</u>	<u>15,000</u>	<u>50,000</u>
Change in Net Position	23,007	12,020	131	35,158
Total Net Position, July 1, 2012	<u>3,090</u>	<u>62,379</u>	<u>66,963</u>	<u>132,432</u>
Total Net Position, June 30, 2013	<u>\$ 26,097</u>	<u>\$ 74,399</u>	<u>\$ 67,094</u>	<u>\$ 167,590</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**SOLID WASTE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Operating Fund	Equipment Reserve Fund	Closure Reserve Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>						
Charges for services	\$ 605,884	\$ -	\$ -	\$ -	\$ -	\$ 605,884
Rents and other income	11,902	-	-	-	-	11,902
Total Operating Revenues	<u>617,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,786</u>
<b>OPERATING EXPENSES</b>						
Personal services	341,541	-	-	-	-	341,541
Administration expenses	4,788	-	-	-	-	4,788
Utilities	14,563	-	-	-	-	14,563
Contract services	403,788	-	-	-	-	403,788
Postclosure care costs	17,323	-	( 23,000)	-	-	( 5,677)
Franchise tax	9,394	-	-	-	-	9,394
Waste generation fee	5,973	-	-	-	-	5,973
Equipment operation	10,183	-	-	-	-	10,183
Repairs and maintenance	11,677	-	-	-	-	11,677
Materials and supplies	7,283	-	-	-	-	7,283
Insurance expense	8,417	-	-	-	-	8,417
Small equipment	575	-	-	-	-	575
Depreciation	-	-	-	-	72,969	72,969
Total Operating Expenses	<u>835,505</u>	<u>-</u>	<u>( 23,000)</u>	<u>-</u>	<u>72,969</u>	<u>885,474</u>
Operating Income (Loss)	<u>( 217,719)</u>	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>( 72,969)</u>	<u>( 267,688)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	4,817	-	-	-	-	4,817
Interest income	-	18	171	8	-	197
Total Nonoperating Revenues (Expenses)	<u>4,817</u>	<u>18</u>	<u>171</u>	<u>8</u>	<u>-</u>	<u>5,014</u>
Income (Loss) Before Transfers	<u>( 212,902)</u>	<u>18</u>	<u>23,171</u>	<u>8</u>	<u>( 72,969)</u>	<u>( 262,674)</u>
<b>TRANSFERS</b>						
Transfers in	167,723	-	-	6,602	37,455	211,780
Transfers out	( 44,057)	-	( 17,323)	-	-	( 61,380)
Total Transfers	<u>123,666</u>	<u>-</u>	<u>( 17,323)</u>	<u>6,602</u>	<u>37,455</u>	<u>150,400</u>
Change in Net Position	<u>( 89,236)</u>	<u>18</u>	<u>5,848</u>	<u>6,610</u>	<u>( 35,514)</u>	<u>( 112,274)</u>
Total Net Position, July 1, 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>
Total Net Position, June 30, 2013	<u>\$ 157,399</u>	<u>\$ 51,800</u>	<u>\$ 105,901</u>	<u>\$ 29,955</u>	<u>\$ 754,665</u>	<u>\$ 1,099,720</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**CENTRAL WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 992,663	\$ -	\$ -	\$ -	\$ 992,663
Rents and other income	29,895	10,102	-	-	39,997
Total Operating Revenues	<u>1,022,558</u>	<u>10,102</u>	<u>-</u>	<u>-</u>	<u>1,032,660</u>
<b>OPERATING EXPENSES</b>					
Personal services	393,317	-	-	-	393,317
Administration expenses	20,365	-	-	-	20,365
Utilities	69,474	-	-	-	69,474
Contract services	49,057	-	-	-	49,057
Equipment operation	11,055	-	-	-	11,055
Repairs and maintenance	30,921	-	-	-	30,921
Materials and supplies	41,735	-	-	-	41,735
Insurance expense	10,440	-	-	-	10,440
Small equipment	16,411	-	-	-	16,411
Depreciation	-	-	-	277,632	277,632
Total Operating Expenses	<u>642,775</u>	<u>-</u>	<u>-</u>	<u>277,632</u>	<u>920,407</u>
Operating Income (Loss)	<u>379,783</u>	<u>10,102</u>	<u>-</u>	<u>( 277,632)</u>	<u>112,253</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	2,066	-	-	-	2,066
Interest income	-	80	160	-	240
Interest expense	( 60,753)	-	-	-	( 60,753)
Total Nonoperating Revenues (Expenses)	<u>( 58,687)</u>	<u>80</u>	<u>160</u>	<u>-</u>	<u>( 58,447)</u>
Income (Loss) Before Transfers	<u>321,096</u>	<u>10,182</u>	<u>160</u>	<u>( 277,632)</u>	<u>53,806</u>
<b>TRANSFERS</b>					
Transfers in	151,244	-	175,000	156,878	483,122
Transfers out	( 331,878)	( 144,916)	( 6,328)	-	( 483,122)
Total Transfers	<u>( 180,634)</u>	<u>( 144,916)</u>	<u>168,672</u>	<u>156,878</u>	<u>-</u>
Change in Net Position	140,462	( 134,734)	168,832	( 120,754)	53,806
Total Net Position, July 1, 2012	<u>231,299</u>	<u>243,717</u>	<u>490,407</u>	<u>3,165,204</u>	<u>4,130,627</u>
Total Net Position, June 30, 2013	<u>\$ 371,761</u>	<u>\$ 108,983</u>	<u>\$ 659,239</u>	<u>\$ 3,044,450</u>	<u>\$ 4,184,433</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**QUECHEE WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 327,828	\$ -	\$ -	\$ -	\$ 327,828
Rents and other income	2,334	3,570	-	-	5,904
Total Operating Revenues	<u>330,162</u>	<u>3,570</u>	<u>-</u>	<u>-</u>	<u>333,732</u>
<b>OPERATING EXPENSES</b>					
Personal services	119,797	-	-	-	119,797
Administration expenses	4,646	-	-	-	4,646
Utilities	32,863	-	-	-	32,863
Contract services	3,113	-	-	-	3,113
Equipment operation	4,378	-	-	-	4,378
Repairs and maintenance	9,135	-	-	-	9,135
Materials and supplies	8,901	-	-	-	8,901
Insurance expense	2,302	-	-	-	2,302
Small equipment	5,588	-	-	-	5,588
Depreciation	-	-	-	94,516	94,516
Total Operating Expenses	<u>190,723</u>	<u>-</u>	<u>-</u>	<u>94,516</u>	<u>285,239</u>
Operating Income (Loss)	<u>139,439</u>	<u>3,570</u>	<u>-</u>	<u>( 94,516)</u>	<u>48,493</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	271	-	-	-	271
Interest revenue	-	17	68	-	85
Interest expense	<u>( 3,198)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 3,198)</u>
Total Nonoperating Revenues (Expenses)	<u>( 2,927)</u>	<u>17</u>	<u>68</u>	<u>-</u>	<u>( 2,842)</u>
Income (Loss) Before Transfers	<u>136,512</u>	<u>3,587</u>	<u>68</u>	<u>( 94,516)</u>	<u>45,651</u>
<b>TRANSFERS</b>					
Transfers in	1,716	61	150,000	27,776	179,553
Transfers out	<u>( 177,837)</u>	<u>-</u>	<u>( 1,716)</u>	<u>-</u>	<u>( 179,553)</u>
Total Transfers	<u>( 176,121)</u>	<u>61</u>	<u>148,284</u>	<u>27,776</u>	<u>-</u>
Change in Net Position	<u>( 39,609)</u>	<u>3,648</u>	<u>148,352</u>	<u>( 66,740)</u>	<u>45,651</u>
Total Net Position, July 1, 2012	<u>437,202</u>	<u>52,070</u>	<u>208,196</u>	<u>1,310,175</u>	<u>2,007,643</u>
Total Net Position, June 30, 2013	<u>\$ 397,593</u>	<u>\$ 55,718</u>	<u>\$ 356,548</u>	<u>\$ 1,243,435</u>	<u>\$ 2,053,294</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**CENTRAL WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,433,035	\$ -	\$ -	\$ -	\$ 1,433,035
Rents and other income	65,455	20,881	-	-	86,336
Total Operating Revenues	<u>1,498,490</u>	<u>20,881</u>	<u>-</u>	<u>-</u>	<u>1,519,371</u>
<b>OPERATING EXPENSES</b>					
Personal services	546,136	-	-	-	546,136
Administration expenses	11,581	-	-	-	11,581
Utilities	178,042	-	-	-	178,042
Contract services	53,296	-	-	-	53,296
Equipment operation	47,094	-	-	-	47,094
Repairs and maintenance	73,230	-	-	-	73,230
Materials and supplies	53,926	-	-	-	53,926
Insurance expense	24,651	-	-	-	24,651
Small equipment	4,344	-	-	-	4,344
Depreciation	-	-	-	646,428	646,428
Total Operating Expenses	<u>992,300</u>	<u>-</u>	<u>-</u>	<u>646,428</u>	<u>1,638,728</u>
Operating Income (Loss)	<u>506,190</u>	<u>20,881</u>	<u>-</u>	<u>( 646,428)</u>	<u>( 119,357)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	110,914	-	-	-	110,914
Interest income	-	199	152	-	351
Interest expense	<u>( 17,935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 17,935)</u>
Total Nonoperating Revenues (Expenses)	<u>92,979</u>	<u>199</u>	<u>152</u>	<u>-</u>	<u>93,330</u>
Income (Loss) Before Transfers	<u>599,169</u>	<u>21,080</u>	<u>152</u>	<u>( 646,428)</u>	<u>( 26,027)</u>
<b>TRANSFERS</b>					
Transfers in	219,009	40,767	400,000	-	659,776
Transfers out	<u>( 440,767)</u>	<u>-</u>	<u>-</u>	<u>( 219,009)</u>	<u>( 659,776)</u>
Total Transfers	<u>( 221,758)</u>	<u>40,767</u>	<u>400,000</u>	<u>( 219,009)</u>	<u>-</u>
Change in Net Position	377,411	61,847	400,152	( 865,437)	( 26,027)
Total Net Position, July 1, 2012	<u>589,615</u>	<u>565,201</u>	<u>462,802</u>	<u>3,926,344</u>	<u>5,543,962</u>
Total Net Position, June 30, 2013	<u>\$ 967,026</u>	<u>\$ 627,048</u>	<u>\$ 862,954</u>	<u>\$ 3,060,907</u>	<u>\$ 5,517,935</u>

See Disclaimer in Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**QUECHEE WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,007,716	\$ -	\$ -	\$ -	\$ 1,007,716
Rents and other income	4,065	11,329	-	-	15,394
Total Operating Revenues	<u>1,011,781</u>	<u>11,329</u>	<u>-</u>	<u>-</u>	<u>1,023,110</u>
<b>OPERATING EXPENSES</b>					
Personal services	323,610	-	-	-	323,610
Administration expenses	13,130	-	-	-	13,130
Utilities	69,862	-	-	-	69,862
Contract services	84,421	-	-	-	84,421
Equipment operation	16,013	-	-	-	16,013
Repairs and maintenance	15,245	-	-	-	15,245
Materials and supplies	22,680	-	-	-	22,680
Insurance expense	8,014	-	-	-	8,014
Small equipment	2,816	-	-	-	2,816
Depreciation	-	-	-	794,184	794,184
Total Operating Expenses	<u>555,791</u>	<u>-</u>	<u>-</u>	<u>794,184</u>	<u>1,349,975</u>
Operating Income (Loss)	<u>455,990</u>	<u>11,329</u>	<u>-</u>	<u>( 794,184)</u>	<u>( 326,865)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	154,791	-	-	-	154,791
Interest revenue	-	65	141	27	233
Interest expense	<u>( 112,814)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 112,814)</u>
Total Nonoperating Revenues (Expenses)	<u>41,977</u>	<u>65</u>	<u>141</u>	<u>27</u>	<u>42,210</u>
Income (Loss) Before Transfers	<u>497,967</u>	<u>11,394</u>	<u>141</u>	<u>( 794,157)</u>	<u>( 284,655)</u>
<b>TRANSFERS</b>					
Transfers in	-	-	320,000	152,724	472,724
Transfers out	<u>( 472,724)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 472,724)</u>
Total Transfers	<u>( 472,724)</u>	<u>-</u>	<u>320,000</u>	<u>152,724</u>	<u>-</u>
Change in Net Position	25,243	11,394	320,141	( 641,433)	( 284,655)
Total Net Position, July 1, 2012	<u>768,161</u>	<u>199,026</u>	<u>430,104</u>	<u>5,848,658</u>	<u>7,245,949</u>
Total Net Position, June 30, 2013	<u>\$ 793,404</u>	<u>\$ 210,420</u>	<u>\$ 750,245</u>	<u>\$ 5,207,225</u>	<u>\$ 6,961,294</u>

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 219,640	\$ 180,455	(\$ 39,185)
Rents and other income	50,000	52,900	2,900
Total Operating Revenues	269,640	233,355	( 36,285)
<b>OPERATING EXPENSES</b>			
Personal services	108,588	88,372	20,216
Utilities	53,900	53,022	878
Contract services	6,500	10,458	( 3,958)
Equipment operation	4,500	13,217	( 8,717)
Materials and supplies	4,950	4,918	32
Insurance expense	6,849	7,588	( 739)
Small equipment	12,000	5,554	6,446
Debt service	15,394	15,219	175
Capital reserve	46,959	12,000	34,959
Capital outlay	10,000	-	10,000
Total Operating Expenses	269,640	210,348	59,292
Change in Net Position	\$ -	\$ 23,007	\$ 23,007

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

Change in Net Position - Budgetary Basis	\$ 23,007
Depreciation Expense	( 14,869)
Purchase of Capital Assets	12,000
Principal Payments on Bonds and Leases	15,000
Interest Income	20
Change in Net Position - GAAP Basis	\$ 35,158

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 693,664	\$ 605,884	(\$ 87,780)
Rents and other income	<u>326,700</u>	<u>167,119</u>	<u>( 159,581)</u>
Total Operating Revenues	<u>1,020,364</u>	<u>773,003</u>	<u>( 247,361)</u>
<b>OPERATING EXPENSES</b>			
Personal services	309,198	341,541	( 32,343)
Administration expenses	6,950	4,788	2,162
Utilities	16,110	14,563	1,547
Contract services	458,518	403,788	54,730
Postclosure care costs	24,000	17,323	6,677
Franchise tax	8,400	9,394	( 994)
Waste generation fee	9,050	5,973	3,077
Equipment operation	16,225	10,183	6,042
Repairs and maintenance	53,200	11,677	41,523
Materials and supplies	7,000	7,283	( 283)
Insurance expense	8,411	8,417	( 6)
Small equipment	21,700	575	21,125
Capital reserve	6,602	6,602	-
Capital outlay	<u>75,000</u>	<u>37,455</u>	<u>37,545</u>
Total Operating Expenses	<u>1,020,364</u>	<u>879,562</u>	<u>140,802</u>
Change in Net Position	<u>\$ -</u>	<u>(\$ 106,559)</u>	<u>(\$ 106,559)</u>

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

Change in Net Position - Budgetary Basis	(\$ 106,559)
Depreciation Expense	( 72,969)
Purchase of Capital Assets	37,455
Landfill Closure Costs	23,000
Transfers to/(from) Capital Reserve Fund	6,602
Interest Income	<u>197</u>
Change in Net Position - GAAP Basis	<u>(\$ 112,274)</u>

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 986,770	\$ 992,663	\$ 5,893
Rents and other income	<u>338,222</u>	<u>183,205</u>	<u>( 155,017)</u>
Total Operating Revenues	<u>1,324,992</u>	<u>1,175,868</u>	<u>( 149,124)</u>
<b>OPERATING EXPENSES</b>			
Personal services	327,106	393,317	( 66,211)
Administration expenses	20,500	20,365	135
Utilities	74,400	69,474	4,926
Contract services	45,950	49,057	( 3,107)
Equipment operation	13,992	11,055	2,937
Repairs and maintenance	30,250	30,921	( 671)
Materials and supplies	380,057	41,735	338,322
Insurance expense	10,918	10,440	478
Small equipment	16,180	16,411	( 231)
Debt service	182,430	177,848	4,582
Capital reserve	223,209	175,000	48,209
Capital outlay	<u>-</u>	<u>12,776</u>	<u>( 12,776)</u>
Total Operating Expenses	<u>1,324,992</u>	<u>1,008,399</u>	<u>316,593</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 167,469</u>	<u>\$ 167,469</u>

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

Change in Net Position - Budgetary Basis	\$ 167,469
Depreciation Expense	( 277,632)
Purchase of Capital Assets	12,776
Principal Payments on Bonds and Leases	117,095
Transfers to/(from) Impact Fee Funds	( 144,916)
Transfers to/(from) Capital Reserve Funds	168,672
Impact Fee Income	10,102
Interest Income	<u>240</u>
Change in Net Position - GAAP Basis	<u>\$ 53,806</u>

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 336,659	\$ 327,828	(\$ 8,831)
Rents and other	<u>12,689</u>	<u>4,321</u>	<u>( 8,368)</u>
Total Operating Revenues	<u>349,348</u>	<u>332,149</u>	<u>( 17,199)</u>
<b>OPERATING EXPENSES</b>			
Personal services	150,762	119,797	30,965
Administration expenses	6,250	4,646	1,604
Utilities	31,800	32,863	( 1,063)
Contract services	16,220	3,113	13,107
Equipment operation	5,840	4,378	1,462
Repairs and maintenance	18,700	9,135	9,565
Materials and supplies	6,750	8,901	( 2,151)
Insurance expense	2,345	2,302	43
Small equipment	33,480	5,588	27,892
Debt service	18,937	18,198	739
Capital reserve	58,264	150,000	( 91,736)
Capital outlay	<u>-</u>	<u>12,776</u>	<u>( 12,776)</u>
Total Operating Expenses	<u>349,348</u>	<u>371,697</u>	<u>( 22,349)</u>
Change in Net Position	<u>\$ -</u>	<u>(\$ 39,548)</u>	<u>(\$ 39,548)</u>

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

Change in Net Position - Budgetary Basis	(\$ 39,548)
Depreciation Expense	( 94,516)
Purchase of Capital Assets	12,776
Principal Payments on Bonds and Leases	15,000
Transfers to/(from) Capital Reserve Funds	148,284
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	3,570
Interest Income	<u>85</u>
Change in Net Position - GAAP Basis	<u>\$ 45,651</u>

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,468,654	\$ 1,433,035	(\$ 35,619)
Rents and other income	<u>184,163</u>	<u>176,369</u>	<u>( 7,794)</u>
Total Operating Revenues	<u>1,652,817</u>	<u>1,609,404</u>	<u>( 43,413)</u>
<b>OPERATING EXPENSES</b>			
Personal services	551,832	546,136	5,696
Administration expenses	13,175	11,581	1,594
Utilities	193,300	178,042	15,258
Contract services	92,500	53,296	39,204
Equipment operation	71,960	47,094	24,866
Repairs and maintenance	244,057	73,230	170,827
Materials and supplies	40,400	53,926	( 13,526)
Insurance expense	24,423	24,651	( 228)
Small equipment	29,900	4,344	25,556
Debt service	-	17,935	( 8,730)
Capital reserve	391,270	400,000	( 17,935)
Capital outlay	<u>-</u>	<u>182,822</u>	<u>( 182,822)</u>
Total Operating Expenses	<u>1,652,817</u>	<u>1,593,057</u>	<u>59,760</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 16,347</u>	<u>\$ 16,347</u>

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

Change in Net Position - Budgetary Basis	\$ 16,347
Depreciation Expense	( 646,428)
Purchase of Capital Assets	182,822
Transfers to/(from) Capital Reserve Funds	400,000
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	20,881
Interest Income	<u>351</u>
Change in Net Position - GAAP Basis	<u>(\$ 26,027)</u>

See Disclaimer in Accompanying Independent Auditors' Report

**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, 2013**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 982,387	\$ 1,007,716	\$ 25,329
Rents and other income	94,654	158,856	64,202
	<u>1,077,041</u>	<u>1,166,572</u>	<u>89,531</u>
<b>OPERATING EXPENSES</b>			
Personal services	307,359	323,610	( 16,251)
Administration expenses	14,550	13,130	1,420
Utilities	74,600	69,862	4,738
Contract services	112,300	84,421	27,879
Equipment operation	19,270	16,013	3,257
Repairs and maintenance	83,200	15,245	67,955
Materials and supplies	21,000	22,680	( 1,680)
Insurance expense	5,889	8,014	( 2,125)
Small equipment	27,700	2,816	24,884
Debt service	94,684	187,814	( 93,130)
Capital reserve	316,489	320,000	( 3,511)
Capital outlay	-	158,108	( 158,108)
	<u>1,077,041</u>	<u>1,221,713</u>	<u>( 144,672)</u>
Change in Net Position	<u>\$ -</u>	<u>(\$ 55,141)</u>	<u>(\$ 55,141)</u>

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

Change in Net Position - Budgetary Basis	(\$ 55,141)
Depreciation Expense	( 794,184)
Purchase of Capital Assets	158,108
Principal Payments on Bonds and Leases	75,000
Transfers to/(from) Capital Reserve Funds	320,000
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	11,329
Interest Income	233
Change in Net Position - GAAP Basis	<u>(\$ 284,655)</u>

See Disclaimer in Accompanying Independent Auditors' Report



**STATISTICAL SECTION**



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

	<u>2013</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>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 22,226,677	\$ 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
Restricted for:										
Public safety	24,009	22,079	9,336	-	-	-	-	-	-	-
Impact fee eligible expenses	123,401	146,904	523,614	491,076	555,668	692,983	778,013	810,566	805,281	690,189
Recreation and parks	831,030	1,079,850	1,167,014	497,400	-	-	-	-	-	-
Community development	528,391	530,453	531,871	550,545	547,593	540,718	789,589	755,222	684,616	721,769
Debt service	391,462	370,013	348,497	326,763	304,629	281,708	253,934	223,716	195,671	170,955
Other purposes	138,898	74,644	50,960	119,560	133,349	131,113	127,264	111,661	105,421	108,714
Unrestricted	<u>2,046,957</u>	<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>
Subtotal - Governmental Activities Net Position	<u>26,310,825</u>	<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>
<b>Business-type Activities</b>										
Net investment in capital assets	13,377,776	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
Restricted for:										
Impact fee eligible expenses	1,002,169	1,060,014	1,050,297	1,017,963	993,906	1,029,260	944,705	931,441	853,664	742,368
Unrestricted	<u>5,604,321</u>	<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>
Subtotal - Business-type Activities Net Position	<u>19,984,266</u>	<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>
<b>Total Net Position</b>										
Net investment in capital assets	35,604,453	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
Restricted for:										
Public safety	24,009	22,079	9,336	-	-	-	-	-	-	-
Impact fees	1,125,570	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
Recreation and parks	831,030	1,079,850	1,167,014	497,400	-	-	-	-	-	-
Community development	528,391	530,453	531,871	550,545	547,593	540,718	789,589	755,222	684,616	721,769
Debt service	391,462	370,013	348,497	326,763	304,629	281,708	253,934	223,716	195,671	170,955
Other purposes	138,898	74,644	50,960	119,560	133,349	131,113	127,264	111,661	105,421	108,714
Unrestricted	<u>7,651,278</u>	<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>
Total Government-wide Net Position	<u>\$ 46,295,091</u>	<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>

**Notes:**  
Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is 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>2013</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>
<b>Expenses</b>										
Governmental Activities										
General government	\$ 1,480,377	\$ 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
Public safety	6,094,316	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
Public works	3,929,644	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
Health and social services	257,425	255,821	258,891	252,200	244,486	240,959	234,049	230,138	193,161	181,574
Recreation and parks	1,090,340	1,069,277	794,072	770,746	717,711	740,763	630,355	612,434	572,965	540,374
Conservation and development	1,011,685	600,520	528,671	521,996	488,074	507,320	489,666	482,059	2,158,045	885,777
Cultural	235,259	605,248	255,007	242,069	231,460	221,705	201,839	198,621	199,061	173,434
Education		-	10	64,622	76,567	91,154	177,824	100,000	100,000	100,000
Interest on long-term debt	64,409	38,974	42,807	47,348	53,988	61,177	67,955	74,159	65,082	28,706
Total Government Activities Expenses	<u>14,163,455</u>	<u>14,272,201</u>	<u>12,528,908</u>	<u>11,948,689</u>	<u>11,705,843</u>	<u>11,179,523</u>	<u>10,737,612</u>	<u>9,772,431</u>	<u>11,105,729</u>	<u>8,839,544</u>
Business-type Activities										
Outdoor facilities	198,217	193,511	185,388	185,020	215,349	190,741	190,404	167,510	160,429	163,746
Solid waste	885,474	903,486	856,217	896,218	900,911	839,806	878,819	764,624	802,307	750,540
Water and wastewater	<u>4,389,049</u>	<u>3,896,000</u>	<u>3,234,763</u>	<u>3,202,749</u>	<u>3,118,240</u>	<u>3,213,116</u>	<u>3,092,867</u>	<u>3,101,625</u>	<u>2,758,569</u>	<u>2,594,862</u>
Total Business-type Activities Expenses	<u>5,472,740</u>	<u>4,992,997</u>	<u>4,276,368</u>	<u>4,283,987</u>	<u>4,234,500</u>	<u>4,243,663</u>	<u>4,162,090</u>	<u>4,033,759</u>	<u>3,721,305</u>	<u>3,509,148</u>
Total Expenses	<u>19,636,195</u>	<u>19,265,198</u>	<u>16,805,276</u>	<u>16,232,676</u>	<u>15,940,343</u>	<u>15,423,186</u>	<u>14,899,702</u>	<u>13,806,190</u>	<u>14,827,034</u>	<u>12,348,692</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for services										
General government	170,010	147,606	137,481	150,793	140,089	143,877	140,311	155,972	165,994	198,786
Public safety	915,906	826,887	745,279	873,854	859,599	445,662	408,380	534,116	462,220	365,476
Public works	2,516	11,036	7,544	7,804	7,404	7,073	7,817	2,810	15,634	5,078
Health and social services	-	-	-	-	-	-	-	-	-	-
Recreation and parks	215,082	182,990	166,377	151,908	138,241	150,416	163,769	179,638	193,300	181,920
Conservation and development	25,149	19,776	24,100	25,615	27,036	39,978	66,951	38,227	60,176	64,234
Cultural	-	-	100	103	107	71	745	583	1,320	1,458
Education	-	-	-	21,713	23,300	12,991	100,736	74,809	170,276	147,527
Operating grants and contributions	997,752	1,948,987	822,379	732,564	820,848	654,827	774,904	707,955	2,238,555	942,827
Capital grants and contributions	<u>2,969,811</u>	<u>1,376,618</u>	<u>226,734</u>	<u>636,807</u>	<u>573,494</u>	<u>74,374</u>	<u>787,065</u>	<u>1,974,233</u>	<u>1,092,911</u>	<u>404,929</u>
Total Government Activities Program Revenues	<u>5,296,226</u>	<u>4,513,900</u>	<u>2,129,994</u>	<u>2,601,161</u>	<u>2,590,118</u>	<u>1,529,269</u>	<u>2,450,678</u>	<u>3,668,343</u>	<u>4,400,386</u>	<u>2,312,235</u>
Business-type Activities										
Charges for services										
Outdoor facilities	180,455	179,618	170,216	185,726	157,895	184,761	132,408	147,708	138,923	137,415
Solid waste	605,884	730,222	710,520	703,361	704,624	693,517	672,351	591,358	603,228	641,484
Water and wastewater	<u>3,761,242</u>	<u>3,463,535</u>	<u>3,256,110</u>	<u>3,201,026</u>	<u>3,160,640</u>	<u>3,337,807</u>	<u>3,010,581</u>	<u>2,784,349</u>	<u>2,364,160</u>	<u>2,000,272</u>
Operating grants and contributions	272,859	219,693	4,852	9,881	4,883	4,749	4,472	3,414	2,091	2,389
Capital grants and contributions	-	-	-	3,678,551	-	-	20,622	-	-	-
Total Business-type Activities Program Revenues	<u>4,820,440</u>	<u>4,593,068</u>	<u>4,141,698</u>	<u>7,778,545</u>	<u>4,028,042</u>	<u>4,220,834</u>	<u>3,840,434</u>	<u>3,526,829</u>	<u>3,108,402</u>	<u>2,781,560</u>
Total Program Revenues	<u>\$ 10,116,666</u>	<u>\$ 9,106,968</u>	<u>\$ 6,271,692</u>	<u>\$ 10,379,706</u>	<u>\$ 6,618,160</u>	<u>\$ 5,750,103</u>	<u>\$ 6,291,112</u>	<u>\$ 7,195,172</u>	<u>\$ 7,508,788</u>	<u>\$ 5,093,795</u>

**Note:**

Table continued on following page.

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

	<u>2013</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>
<b>Net (Expenses)/Revenues</b>										
<b>Governmental Activities</b>										
General government	(\$ 1,223,570)	(\$ 1,213,516)	(\$ 1,264,365)	(\$ 1,092,452)	(\$ 1,103,268)	(\$ 1,033,531)	(\$ 1,081,359)	(\$ 879,360)	(\$ 774,228)	(\$ 617,530)
Public safety	( 4,756,842)	( 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)
Public works	( 1,448,216)	( 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)
Health and social services	( 257,425)	( 255,821)	( 258,891)	( 252,200)	( 244,486)	( 240,959)	( 234,049)	( 230,138)	( 193,161)	( 181,574)
Recreation and parks	( 700,675)	( 586,207)	( 618,335)	( 601,320)	( 578,290)	( 573,577)	( 466,190)	( 432,790)	( 306,811)	( 305,859)
Conservation and development	( 248,648)	( 431,200)	( 454,039)	( 428,312)	( 411,264)	( 369,091)	( 275,763)	( 266,331)	( 54,952)	( 120,414)
Cultural	( 167,444)	( 348,117)	( 253,971)	( 241,902)	( 231,353)	( 220,409)	( 200,901)	( 193,376)	( 165,169)	( 171,876)
Education	-	-	( 10)	( 42,909)	( 53,267)	( 78,163)	( 77,088)	( 25,191)	( 70,276)	( 47,527)
Interest on long-term debt	( 64,409)	( 38,974)	( 42,807)	( 47,348)	( 53,988)	( 61,177)	( 67,955)	( 74,159)	( 65,082)	( 28,706)
<b>Total Net Government Activities (Expenses)/Revenues</b>	<b>( 8,867,229)</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>Business-type Activities</b>										
Outdoor facilities	( 17,762)	( 13,893)	( 15,172)	706	( 57,454)	( 5,980)	( 57,996)	( 19,802)	( 21,506)	( 26,331)
Solid waste	( 274,773)	( 170,888)	( 140,845)	( 182,976)	( 191,404)	( 141,540)	( 201,996)	( 169,852)	( 196,988)	( 106,667)
Water and wastewater	( 359,765)	( 215,148)	21,347	3,676,828	42,400	124,691	( 61,664)	( 317,276)	( 394,409)	( 594,590)
<b>Total Net Business-type Activities (Expenses)/Revenues</b>	<b>( 652,300)</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>Total Net (Expenses)/Revenues</b>	<b>( 9,519,529)</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>General Revenues</b>										
<b>Governmental Activities</b>										
Property taxes	10,543,220	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
Investment earnings	12,820	15,181	20,875	29,687	57,667	161,563	265,350	206,175	105,277	83,880
Gain(loss) on sale of capital assets	( 18,586)	-	( 12,857)	1,663,809	45,745	8,817	12,440	-	-	114,543
Other revenues	182,758	186,292	256,030	170,733	291,412	327,838	273,021	252,604	92,764	70,377
Transfers	( 200,400)	( 231,450)	( 235,063)	( 231,194)	( 180,444)	( 433,284)	( 185,995)	( 152,848)	( 149,781)	( 144,671)
<b>Total Government Activities General Revenues</b>	<b>10,519,812</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>Business-type Activities</b>										
Investment earnings	1,126	1,701	17,540	15,925	16,062	61,281	85,451	62,764	29,002	16,991
Other revenues	162,433	70,883	-	-	-	12,667	73,221	131,563	15,415	17,705
Transfers	200,400	231,450	235,063	231,194	180,444	433,284	185,995	152,848	149,781	144,671
<b>Total Business-type Activities General Revenues</b>	<b>363,959</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>Total General Revenues</b>	<b>10,883,771</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>Change in Net Position</b>										
Governmental Activities	1,652,583	406,841	146,745	2,678,619	990,623	( 173,524)	916,662	2,247,315	949,104	844,995
Business-type Activities	( 288,341)	( 95,895)	117,933	3,741,677	( 9,952)	484,403	23,011	( 159,755)	( 418,705)	( 548,221)
<b>Total Change in Net Position</b>	<b>\$ 1,364,242</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>

**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.

Table 3

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

	<u>2013</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>
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,373	\$ 497,913	\$ 566,674	\$ 493,695	\$ 586,077
Unreserved	-	-	-	-	-	1,607,407	1,394,734	1,659,699	1,767,599	1,737,729
Assigned	3,034,274	2,220,207	2,439,318	1,769,298	1,697,531	-	-	-	-	-
Unassigned	<u>1,251,378</u>	<u>1,350,011</u>	<u>1,703,832</u>	<u>1,535,467</u>	<u>1,265,081</u>	-	-	-	-	-
Subtotal - General Fund	<u>4,285,652</u>	<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>
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	-	-	1,643,737	1,948,052	1,876,589	1,790,989	1,691,627
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	( 18,794)	( 29,205)	( 15,825)	( 315,002)	( 193,796)
Capital Projects Funds	-	-	-	-	-	35,914	51,034	50,031	65,594	( 1,441,753)
Non-spendable	27,168	30,212	127,171	27,168	27,168	-	-	-	-	-
Restricted	2,010,023	2,193,731	2,604,126	1,958,176	1,512,017	-	-	-	-	-
Assigned	455,855	707,448	51,970	51,935	51,861	-	-	-	-	-
Unassigned, Reported in										
Hurricane Irene Capital Project Fund	( 328,592)	( 338,893)	-	-	-	-	-	-	-	-
Quechee Covered Bridge Capital Project Fund	( 252,243)	-	-	-	-	-	-	-	-	-
Special Revenue Funds	( 165,797)	( 147,954)	( 195,339)	( 65,824)	( 11,209)	-	-	-	-	-
Non-Major Capital Projects Funds	( 67,562)	( 233,458)	( 56,866)	( 3,152)	( 19,228)	-	-	-	-	-
Subtotal - All Other Governmental Funds	<u>1,678,852</u>	<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>
<b>Total Governmental Funds</b>										
Reserved	-	-	-	-	-	1,959,110	2,445,965	2,443,263	2,284,684	2,277,704
Unreserved	-	-	-	-	-	1,624,527	1,416,563	1,693,905	1,518,191	102,180
Non-spendable	27,168	30,212	127,171	27,168	27,168	-	-	-	-	-
Restricted	2,010,023	2,193,731	2,604,126	1,958,176	1,512,017	-	-	-	-	-
Assigned	3,490,129	2,927,655	2,491,288	1,821,233	1,749,392	-	-	-	-	-
Unassigned	<u>437,184</u>	<u>629,706</u>	<u>1,451,627</u>	<u>1,466,491</u>	<u>1,234,644</u>	-	-	-	-	-
Total Governmental Funds	<u>\$ 5,964,504</u>	<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>

**Notes:**

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>2013</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>
<b>Revenues</b>										
Taxes	\$ 10,346,491	\$ 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
Tax penalties and interest	229,273	214,695	244,857	275,555	212,490	233,137	168,618	227,885	200,899	125,452
Permits and licenses	16,112	17,174	16,064	18,297	19,816	16,589	15,535	13,234	13,216	9,463
Intergovernmental revenues	4,130,379	2,462,786	807,319	1,038,294	1,451,693	680,620	801,055	1,035,523	3,205,809	1,242,981
Charges for current services	1,326,908	1,216,916	1,177,844	1,116,860	1,243,867	737,629	835,651	840,098	835,487	768,067
Fines and forfeits	3,623	10,444	13,091	13,700	20,127	16,723	27,906	18,461	35,792	29,960
Impact fees	15,723	762	34,534	33,820	20,924	30,111	132,547	102,407	226,673	199,773
Interest	12,821	15,182	20,875	29,687	57,667	161,563	265,350	260,175	105,277	83,880
Other revenues	148,672	209,074	202,917	162,045	297,215	11,416	254,760	227,676	53,218	160,131
<b>Total Revenues</b>	<u>16,230,002</u>	<u>14,093,316</u>	<u>12,866,564</u>	<u>12,777,545</u>	<u>12,996,917</u>	<u>11,026,394</u>	<u>11,224,714</u>	<u>10,393,356</u>	<u>12,121,250</u>	<u>9,726,455</u>
<b>Expenditures</b>										
Current expenditures										
General government	1,438,285	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
Public safety	5,481,269	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
Public works	2,201,391	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
Health and social services	252,851	251,247	249,307	242,616	229,893	226,366	219,456	215,545	178,568	166,981
Recreation and parks	1,009,975	990,565	697,951	679,380	642,017	680,329	575,534	591,286	538,646	543,131
Conservation and development	987,065	531,722	493,543	489,023	483,980	506,318	487,367	478,364	2,159,117	1,038,146
Cultural	234,291	221,975	251,518	238,167	226,827	217,072	197,206	193,988	196,469	172,118
Education	-	369,772	10	64,622	76,567	91,154	177,824	100,000	100,000	100,000
Debt service expenditures										
Principal	202,066	202,066	202,066	237,066	272,066	272,066	264,572	257,079	144,585	141,106
Interest	62,062	39,197	43,139	47,929	54,529	61,750	68,486	74,636	60,516	29,084
Capital expenditures	5,121,460	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
<b>Total Expenditures</b>	<u>16,990,715</u>	<u>15,006,742</u>	<u>12,041,357</u>	<u>12,716,502</u>	<u>11,876,889</u>	<u>11,175,345</u>	<u>11,313,358</u>	<u>9,906,215</u>	<u>12,123,478</u>	<u>10,889,029</u>
Excess (deficiency) of revenues										
Over expenditures	( 760,713)	( 913,426)	825,207	61,043	1,120,028	( 148,951)	( 88,644)	487,141	( 2,228)	( 1,162,574)
<b>Other Financing Sources (Uses)</b>										
Proceeds of debt issuance	1,135,225	-	-	-	-	-	-	-	1,575,000	-
Proceeds from sale of capital assets	9,090	5,843	811,000	920,000	-	-	-	-	-	-
Insurance proceeds	-	246,125	-	-	-	-	-	-	-	-
Transfers in	2,884,746	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
Transfers out	( 3,085,146)	( 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)
<b>Net Change in Fund Balances</b>	<u>\$ 183,202</u>	<u>(\$ 892,908)</u>	<u>\$ 1,401,144</u>	<u>\$ 1,235,609</u>	<u>\$ 939,584</u>	<u>(\$ 582,235)</u>	<u>(\$ 274,639)</u>	<u>\$ 334,293</u>	<u>\$ 1,422,991</u>	<u>(\$ 1,307,245)</u>
<b>Debt service as a percentage of non-capital expenditures</b>										
	2.23%	2.02%	2.41%	2.91%	3.24%	3.45%	3.57%	3.74%	2.07%	1.99%

**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
2013	\$ 1,372,295	\$ 1,403,858	\$ 0.7448	621,550	751,079
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	-	-

**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
2013	0.7448	n/a	n/a	1.3158	1.4320	2.0606	2.1768
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

**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, 2013 AND JUNE 30, 2004**

Taxpayer	Type of Property	June 30, 2013	
		Assessed Valuation	Percentage of Total Valuation
Transcanada Hydro Northeast Inc	Electric Utility	\$ 32,442,700	2.36%
Green Mountain Power	Electric Utility	12,180,600	0.89%
The Larkin Family Partnership	Hotels	6,443,100	0.47%
Vermont Transco LLC	Electric Utility	5,752,400	0.42%
Valley Land Corporation	Real Estate	5,377,200	0.39%
Mascoma Savings Bank	Bank	4,920,900	0.36%
William Copeland, Jr.	Residence	4,532,700	0.33%
Butson WRJ II LLC	Hotel	4,025,100	0.29%
Terrace Communities Norwich LLC	Assisted Living Facility	3,734,900	0.27%
Northmac Inc.	Hotels	3,523,400	0.26%
Total		<u>\$ 82,933,000</u>	<u>6.04%</u>

Taxpayer	Type of Property	June 30, 2004	
		Assessed Valuation	Percentage of Total Valuation
USGen New England, Inc.	Electric Utility	\$ 10,600,000	1.38%
Valley Land Corporation	Real Estate	6,948,000	0.90%
QL Resorts, LLC	Real Estate Developer	6,853,000	0.89%
Northmac, Inc.	Hotels	4,700,000	0.61%
Green Mountain Power	Electric Utility	3,614,000	0.47%
Terrace Communities Norwich LLC	Assisted Living Facility	3,531,000	0.46%
Niteen Hotels (VT) LLC	Hotel	3,400,000	0.44%
Bell Atlantic/Verizon	Telephone Utility	3,192,000	0.42%
Central Vermont Public Service Corp	Electric Utility	2,932,000	0.38%
CHA White River Jct.	Hotel	2,851,000	0.37%
Total		<u>\$ 48,621,000</u>	<u>6.33%</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
2013	10,222	8,743	85.5%	1,253	9,996	97.8%	226	2.21%
2012	9,920	8,792	88.6%	1,125	9,917	100.0%	3	0.03%
2011	10,247	8,598	83.9%	1,648	10,246	100.0%	1	0.01%
2010	10,016	7,995	79.8%	2,020	10,015	100.0%	1	0.01%
2009	9,576	8,296	86.6%	1,275	9,571	99.9%	1	0.01%
2008	9,076	7,221	79.6%	1,855	9,076	100.0%	-	0.00%
2007	8,561	7,491	87.5%	1,070	8,561	100.0%	-	0.00%
2006	7,748	6,034	77.9%	1,715	7,749	100.0%	-	0.00%
2005	7,339	5,778	78.7%	1,561	7,339	100.0%	-	0.00%
2004	7,050	6,176	87.6%	874	7,050	100.0%	-	0.00%

**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					
2013	\$ 1,870,225	\$ 826,748	\$ -	\$ 360,000	\$ 15,338,429	\$ -	\$ 18,395,402	9,952	\$ 1,848	1,372,294,500	1.34%
2012	840,000	923,814	-	465,000	14,970,753	-	17,199,567	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%

**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.
- Fiscal year 2013, the Town incurred \$514,233 in new revolving loan debt for engineering and construction costs for the new Hartford wastewater treatment plant and \$1,135,225 in new bond debt for the Quechee Covered bridge.

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 through 2013.

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
2013	\$ 18,395,402	\$ 391,462	\$ 15,698,429	\$ 2,305,511	9,952	\$ 232	\$ 1,372,294,500	0.17%
2012	17,199,567	370,013	15,435,753	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	0.11%
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%

**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.
- Fiscal year 2013, the Town incurred \$514,233 in new revolving loan debt for engineering and construction costs for the new Hartford wastewater treatment plant and \$1,135,225 in new bond debt for the Quechee Covered bridge.

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 through 2013.

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, 2013**

<u>Jurisdiction</u>	Net General Obligation Debt <u>Outstanding</u>	Percentage Applicable to Town	Amount Applicable to Town of <u>Hartford</u>
<b>Direct</b>			
Town of Hartford	\$ 2,305,511	100.00%	\$ 2,305,511
<b>Overlapping</b>			
Hartford School District	<u>4,910,000</u>	100.00%	<u>4,910,000</u>
Total	<u>\$ 7,215,511</u>		<u>\$ 7,215,511</u>

**Notes:**

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

The method used to determine the percentage of overlap for the "Net General Obligation Debt Outstanding" is the value of the property in Hartford, VT. The exact same property will provide the resources for the Town of Hartford debt repayment as for the Hartford School District debt repayment.

**TOWN OF HARTFORD, VERMONT  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2013**

Grand List Valuation		\$ <u>13,722,945</u>
Legal debt margin		
Debt limitation - ten times last grand list		\$ 137,229,450
Debt applicable to limitation		
Total bonded debt	\$ 18,395,402	
Less: Revenue bonds	15,698,429	
Amount available for repayment of general obligation bonds	<u>391,462</u>	
 Total debt applicable to limitation		 <u>2,305,511</u>
 Legal debt margin		 <u>\$ 134,923,939</u>
 Debt as Percent of Debt Limit		 <u>1.68%</u>

**LEGAL DEBT MARGIN  
PRECEDING NINE YEARS**

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percent of Debt Limit
2012	137,877,530	1,393,801	\$ 136,483,729	1.01%
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%

**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	
2013	\$ 183	\$ 183	\$ -	\$ 15	\$ -	\$ 15	0.00
2012	184	177	7	15	1	16	0.44
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

Table 14

**CENTRAL WATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 1,023	\$ 642	\$ 381	\$ 119	\$ 66	\$ 185	2.06
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

Table 15

**QUECHEE WATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 330	\$ 191	\$ 139	\$ 15	\$ 3	\$ 18	7.72
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

**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	
2013	\$ 1,498	\$ 992	\$ 506	\$ 11	\$ 18	\$ 29	17.45
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

**Notes:**

Payments on the AR1-006 Clean Water Loan began during the year ended June 30, 2013

Table 17

**QUECHEE WASTEWATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 1,012	\$ 556	\$ 456	\$ 91	\$ 113	\$ 204	2.24
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

**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>
2013	9,952	n/a	n/a	2.7%	3.8%
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%

**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 through 2013.

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

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

		<u>June 30, 2013</u>	
Veteran's Administration	US Government/Hospital	1,000	5.57%
Hartford School District	Public School	410	2.28%
Quechee Lakes Landowners Association	Resort	206	1.15%
King Arthur Flour	Wholesale/retail	197	1.10%
US Postal Service	Postal Service	189	1.05%
Simon Pearce	Retail/crafts/restaurant	114	0.64%
Mascoma Savings Bank	Bank	108	0.60%
Town of Hartford	Municipal offices	101	0.56%
Concepts ETI	Technology	95	0.53%
RSD Transportation	Warehouse/trucking	<u>90</u>	<u>0.50%</u>
		<u>2,510</u>	<u>13.98%</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.

Table 20

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

<u>Function/Program</u>	<u>2013</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>
General government										
Administration	2.50	2.50	2.50	2.50	2.70	2.50	2.50	2.50	3.30	2.50
Elections and vital statistics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75
Finance	2.90	3.90	2.85	2.85	3.90	3.90	3.90	3.90	3.90	3.90
Valuation	2.37	2.37	2.37	2.37	2.37	2.37	1.87	1.87	1.87	1.87
Public safety										
Police	23.00	24.00	23.75	23.15	24.50	24.75	25.75	25.55	22.00	23.00
Fire and ambulance	19.87	20.87	20.87	20.87	20.87	22.87	22.87	22.87	19.87	19.87
Dispatch	7.00	7.00	7.00	7.10	7.00	5.00	5.00	5.00	4.00	5.00
Public works										
Highways	10.25	10.25	10.25	10.25	9.00	10.00	11.00	11.00	9.65	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
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	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	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
Solid Waste Management	4.96	4.96	4.86	4.36	5.06	5.06	5.06	5.16	4.56	5.16
Water	5.43	5.43	5.33	5.33	5.43	5.43	5.43	5.43	4.48	4.43
Wastewater	9.43	9.43	9.33	9.33	9.43	9.43	9.43	9.43	9.43	9.43
Total Employees	<u>101.09</u>	<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>

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

<u>Function/Program</u>	<u>2013</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>
General government										
Full-time positions filled	10	11	10	10	9	12	10	12	8	n/a
Tax bills mailed	5,474	5,459	5,507	5,518	5,477	5,474	5,473	5,472	5,266	5,287
Water/wastewater bills mailed	13,476	13,484	13,471	13,462	13,424	13,448	13,440	13,410	12,902	n/a
Zoning permits issued	257	255	283	324	319	304	382	374	496	434
Police										
Total incidents	4,645	4,705	6,528	6,542	4,357	4,182	3,913	4,387	4,301	4,508
Physical arrests	511	378	436	374	435	410	396	389	381	399
Traffic violations	711	851	1,097	759	993	946	901	871	854	895
Fire and ambulance										
Fire calls answered	517	415	347	366	325	350	325	335	350	337
Ambulance calls answered	1,413	1,290	1,269	1,197	1,410	1,425	1,375	1,175	1,250	1,099
Water system										
Service connections	2,773	2,773	2,769	2,762	2,759	2,759	2,758	2,758	2,743	2,728
Wastewater system										
Service connections	3,169	3,168	3,162	3,160	3,157	3,145	3,125	3,103	3,088	3,076

Table 22

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

<u>Function/Program</u>	<u>2013</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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	9	9	9	9	9	9	9	9	9
Vehicles	11	11	11	10	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	8	7	7	7	7
Ambulance vehicles	2	2	2	2	2	2	2	2	2	2
Recreation and parks										
Parks	13	13	13	13	12	12	11	11	11	10
Acreage	251	251	251	251	244	244	236	236	236	235
Water system										
Water treatment facilities	2	2	2	2	2	2	2	2	2	2
Miles of water mains	50	50	50	50	47	47	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	77	58	50	50	50	50	50
Miles of storm sewers	11	11	11	11	11	11	11	11	11	11