



**TOWN OF HARTFORD, VERMONT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**



Prepared by: **Andrew J. Larkin**  
Finance Director

**TOWN OF HARTFORD, VERMONT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

**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 Position	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 Position – Proprietary Funds	25
Exhibit G – Statement of Revenues, Expenses and Changes in Fund Net Position – 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, 2014**

**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 Position – Water and Wastewater Funds	62
Schedule 10 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – 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 Position – Outdoor Facilities Fund	65
Schedule 13 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – Solid Waste Fund	66
Schedule 14 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – Central Water Fund	67
Schedule 15 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – Quechee Water Fund	68
Schedule 16 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – Central Wastewater Fund	69
Schedule 17 – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – 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 Position by Category	77
Table 2 – Change in Net Position	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, 2014**

**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



# TOWN OF HARTFORD MUNICIPAL OFFICES

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



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

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January 30, 2015

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, 2014. 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 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

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, 2014, 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, 2014, 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 continued improvement in consumer confidence 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 with additional building construction planned for the near future. More recently, there has been significant development on Prospect Street, the downtown White River junction area, and other areas of Town. Unemployment remains at near record low levels in the Hartford area. 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 buyout of several properties destroyed by Hurricane Irene through the Federal Emergency Management Agency(FEMA) Hazard Mitigation, Buyout Program, near completion of the Bridge Street Underpass project, continued development of the Maxfield Sports Complex, near completion of the West Hartford

Community Center & Library, and planning and engineering related to the Municipal Building Renovation project. These projects were worked on along with regular projects occurring every year involving repair and expansion of existing Town roads, guardrails, sidewalks, and other highway infrastructure.

The FEMA Hazard Mitigation Buyout Program allows the Town to mitigate the risk of damage to the properties in Town from future hurricane's or flooding events. See the MD&A and Notes I.B and V.H to the financial statements for more details related to this project.

During the year-ended June 30, 2014 progress on the bridge street underpass continued at a strong pace. 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 almost complete. Soon after year-end the project was concluded, including new sidewalks and water drainage. The new underpass replaces what had been a blemish to the historic downtown area and also solves the traffic clogging created by the old underpass.

On March 4, 2014 the Town of Hartford voters approved the issuance of a \$4,900,000 bond for the design and renovation of the existing Town Municipal Building. Planning and engineering began immediately after passage of the bond with Town employees moving to temporary office space and construction beginning during May 2014. The new municipal building will create an efficient and healthy place for municipal employees to serve the taxpayers of the Town. In addition, renovation of the building will complete a project that has been long overdue while also preserving Town history by maintaining much of the infrastructure and aesthetics of the old building built in the early 19<sup>th</sup> century.

Also on March 4, 2014, the Town of Hartford voters approved the issuance of a \$900,000 bond for improvements to public infrastructure within the Prospect Street TIF District. Activation of this district will create economic development and increased tax base within the Town. See Note V.I to the financial statements for additional details.

During the year ended June 30, 2014, the Town spent in excess of \$990,000 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.

***Long-term financial planning.*** The Selectboard continues to invest in the Town's infrastructure, with \$910,000 budgeted for paving and road reclamation in the 2014-2015 budget, as well as over \$45,000 in funds for construction of new sidewalks, and \$213,00 for upgrades and improvements to Town bridges.

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. The CIP will again be updated and presented for Selectboard consideration and approval during FY2015.

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 transfers for the General Fund, and 5% of expenditures and transfers for all Enterprise Funds. All funds met this goal as of June 30, 2014, 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 FY2014, the Town continued to fund its capital reserve accounts for equipment, bridges & culverts, and other necessary capital items. As of June 30, 2014, the town had over \$2.8 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 detective vehicle, a forestry truck for the fire department, a snowmobile ambulance, a caterpillar backhoe loader for the highway and public works department, and a new dump truck also for the highway and public works department.

***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, 2014, 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 \$1,048 in unemployment claims during fiscal year 2014.

**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-four former employees receiving these benefits, which are financed through annual appropriations. The Town hired an actuary to determine the present value of the future benefits of the plan as well as the annual required contribution (ARC).

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

## **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, 2013. 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



**INTRODUCTORY SECTION**





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

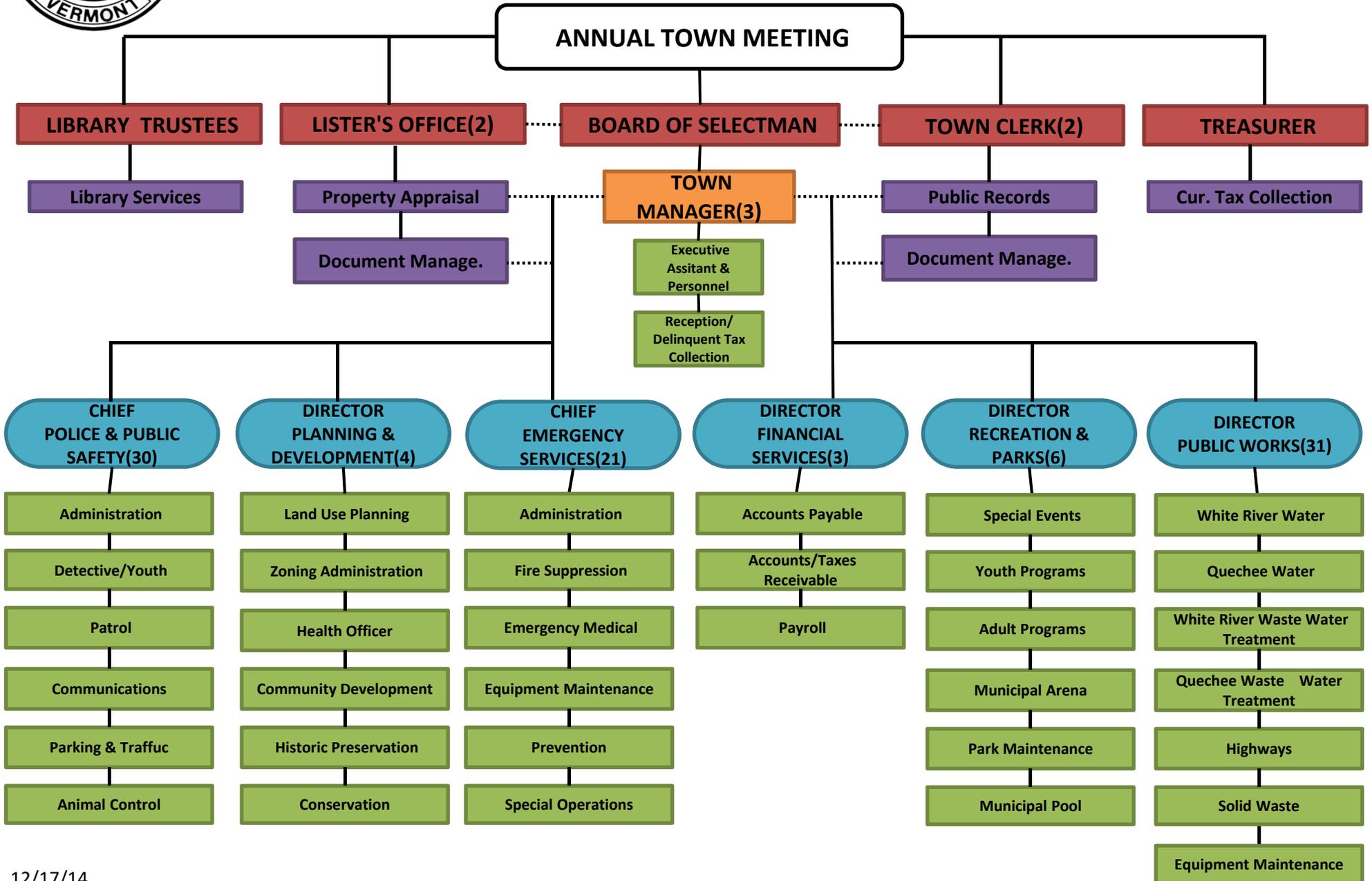
**June 30, 2013**

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, 2014**

Elected Officials

Board of Selectmen	Chuck Wooster Kenneth Parker Richard Grassi Alex DeFelice Simon Dennis Matt Bucy Sandra Mariotti
Town Clerk	Mary E. Hill
Town Treasurer	John C. Clerkin
Lister's Office	Emile Grodin Theresa A. Chesbro Susan Foster

Appointed Officials

Town Manager	Hunter F. Rieseberg
Director - Financial Services	Andrew J. Larkin
Chief - Emergency Services	Steven A. Locke
Acting Chief - Police & Public Safety	Leonard Roberts
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.**  
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Fred Duplessis, CPA  
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Wendy C. Gilwee, CPA  
VT Lic. #92-000180

Independent Auditors' 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, 2014, 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 previously 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, 2014, 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 management's discussion and analysis and the budgetary comparison for the General Fund in 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***

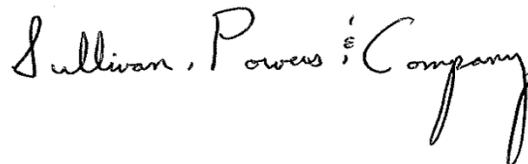
Our audit was conducted for the purpose of forming opinions, on the financial statements that collectively comprise the Town of Hartford, Vermont's basic financial statements. The accompanying financial information listed as Schedules 2 through 11 in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. These Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The combining and budgetary schedules listed in the table of contents as Schedules 12 through 23 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 do not express an opinion or provide any assurance on them.

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

In accordance with "Government Auditing Standards", we have also issued our report dated January 29, 2015 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 29, 2015  
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, 2014. 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 \$48,330,148 (*net position*). Of this amount, \$8,091,301 (*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 \$2,035,057. Of this amount, net position attributable to governmental activities increased by \$2,196,899 and net position attributable to business-type activities decreased by \$161,842.
- As of the close of the current fiscal year, the Town of Hartford's governmental funds reported combined ending fund balances of \$5,006,061, a decrease of \$958,443 in comparison with the prior year. Of this total amount, \$547,804 is *available for spending* at the government's discretion. Of this balance, \$574,090 represents negative fund balances for funds where revenues were received after June 30, 2014, and \$1,121,894 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,121,894 or 8.3 percent of unassigned general fund expenditures and 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 transfers, or \$1,354,633 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, the Bridge Street Underpass Fund, and the Maxfield Sports Complex Fund which are considered to be 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 Outdoor Facilities Fund, 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.

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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 7,161,879	\$ 7,804,262	\$ 10,183,103	\$ 7,855,796	\$ 17,344,982	\$ 15,660,058
Capital assets	31,702,958	24,934,884	29,093,253	29,379,331	60,796,211	54,314,215
Total Assets	38,864,837	32,739,146	39,276,356	37,235,127	78,141,193	69,974,273
Long-term liabilities outstanding	8,208,921	4,669,350	17,525,644	15,743,189	25,734,565	20,412,539
Other liabilities	2,082,939	1,694,012	1,928,288	1,507,672	4,011,227	3,201,684
Total Liabilities	10,291,860	6,363,362	19,453,932	17,250,861	29,745,792	23,614,223
Unavailable revenues - prepaid taxes	65,253	64,959	-	-	65,253	64,959
Total deferred inflows of resources	65,253	64,959	-	-	65,253	64,959
Net Position						
Net investment in capital assets	25,469,023	22,226,677	12,745,819	13,377,776	38,214,842	35,604,453
Restricted	996,409	2,037,191	1,027,596	1,002,169	2,024,005	3,039,360
Unrestricted	2,042,292	2,046,957	6,049,009	5,604,321	8,091,301	7,651,278
Total Net Position	\$ 28,507,724	\$ 26,310,825	\$ 19,822,424	\$ 19,984,266	\$ 48,330,148	\$ 46,295,091

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 \$48,330,148 at the close of the most recent fiscal year.

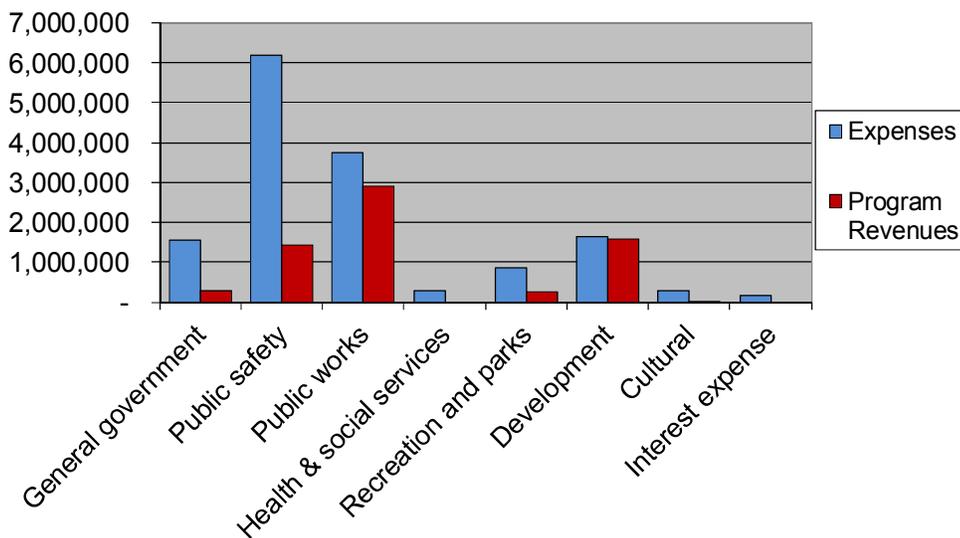
By far the largest portion of the Town of Hartford's net position (79%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Hartford uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the Town of Hartford's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Hartford's net position (4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of *unrestricted net position* (\$8,091,301) 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 \$2,196,899 during the current fiscal year. Net investment in capital assets, net of related debt, increased by \$3,242,346. This increase resulted from the net effect of an increase as a result of depreciation exceeding capital outlays expense by \$6,768,117, an increase as a result of principal payments on long-term bonds and notes of \$351,957, a decrease as a result of proceeds from the issuance of long-term debt of \$3,655,000, and a decrease resulting from an increase in retainage payable of \$222,728. Restricted net position decreased by \$1,040,782, primarily as a result of the use of donated Maxfield Property funds previously restricted, and also from the use of Debt Service funds. Unrestricted net position decreased by \$4,665, as the result of several offsetting normal factors that influence net position from year to year.

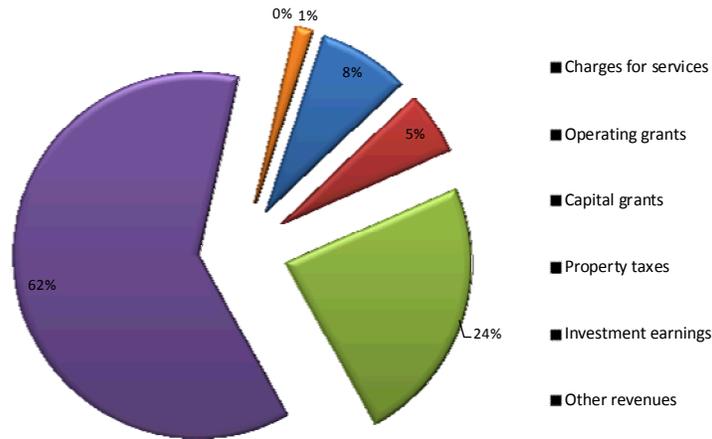
### Expenses and Program Revenues - Governmental Activities



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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 1,374,270	\$ 1,328,663	\$ 4,812,363	\$ 4,547,581	\$ 6,186,633	\$ 5,876,244
Operating grants and contributions	971,331	997,752	112,490	272,859	1,083,821	1,270,611
Capital grants and contributions	4,123,938	2,969,811	-	-	4,123,938	2,969,811
<b>General revenues</b>						
Property taxes	10,778,959	10,543,220	-	-	10,778,959	10,543,220
Unrestricted investment earnings	6,353	12,820	442	1,126	6,795	13,946
Gain(loss) on sale of capital assets	8,424	( 18,586)	-	-	8,424	( 18,586)
Other revenues	246,232	182,758	56,433	162,433	302,665	345,191
<b>Total Revenues</b>	<b>17,509,507</b>	<b>16,016,438</b>	<b>4,981,728</b>	<b>4,983,999</b>	<b>22,491,235</b>	<b>21,000,437</b>
<b>Expenses</b>						
<b>Governmental activities</b>						
<b>General government</b>						
Administration	866,760	688,321	-	-	866,760	688,321
Elections and vital statistics	170,645	201,313	-	-	170,645	201,313
Finance	319,429	391,263	-	-	319,429	391,263
Valuation	188,982	191,270	-	-	188,982	191,270
Boards & commissions	5,992	8,210	-	-	5,992	8,210
<b>Public safety</b>						
Police	2,533,487	2,485,084	-	-	2,533,487	2,485,084
Fire and ambulance	2,938,187	2,926,545	-	-	2,938,187	2,926,545
Dispatch	717,106	682,687	-	-	717,106	682,687
<b>Public works</b>						
Highways	3,617,023	3,801,663	-	-	3,617,023	3,801,663
Public works administration	133,375	127,981	-	-	133,375	127,981
Health and social services	272,020	257,425	-	-	272,020	257,425
<b>Recreation and parks</b>						
Recreation administration	200,798	191,942	-	-	200,798	191,942
Recreation programs	341,659	307,985	-	-	341,659	307,985
Parks	319,208	590,413	-	-	319,208	590,413
Conservation and development	1,631,858	1,011,685	-	-	1,631,858	1,011,685
Cultural	291,569	235,259	-	-	291,569	235,259
Interest on long-term debt	179,176	64,409	-	-	179,176	64,409
<b>Business-type activities</b>						
Outdoor facilities	-	-	265,863	198,217	265,863	198,217
Solid waste	-	-	886,207	885,474	886,207	885,474
Water and wastewater	-	-	4,576,834	4,389,049	4,576,834	4,389,049
<b>Total Expenses</b>	<b>14,727,274</b>	<b>14,163,455</b>	<b>5,728,904</b>	<b>5,472,740</b>	<b>20,456,178</b>	<b>19,636,195</b>
Change in net position before transfers	2,782,233	1,852,983	( 747,176)	( 488,741)	2,035,057	1,364,242
Transfers	( 585,334)	( 200,400)	585,334	200,400	-	-
Change in net position	2,196,899	1,652,583	( 161,842)	( 288,341)	2,035,057	1,364,242
Net position - beginning of year	26,310,825	24,658,242	19,984,266	20,272,607	46,295,091	44,930,849
<b>Net position - end of year</b>	<b>\$ 28,507,724</b>	<b>\$ 26,310,825</b>	<b>\$ 19,822,424</b>	<b>\$ 19,984,266</b>	<b>\$ 48,330,148</b>	<b>\$ 46,295,091</b>

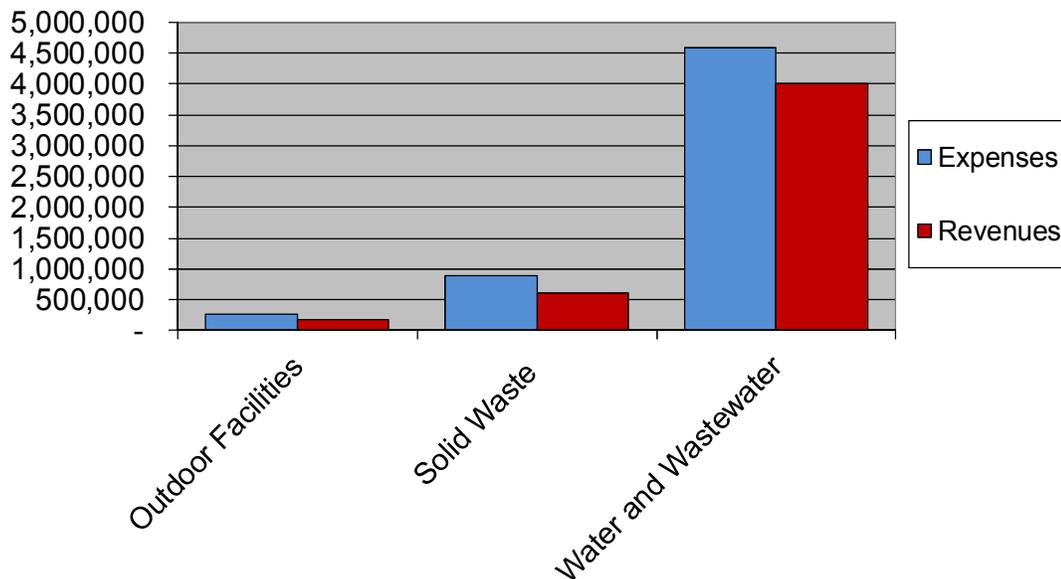
### Revenues by Source - Governmental Activities



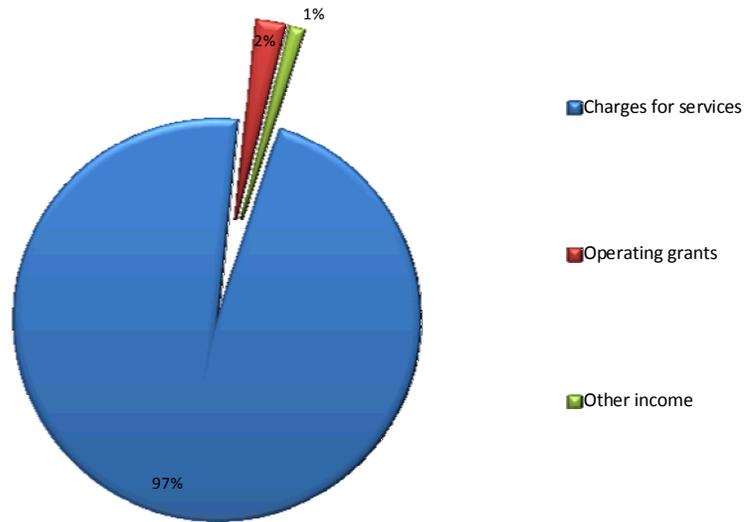
**Business-type activities.** Business-type activities decreased the Town of Hartford’s net position by \$161,842 during the current fiscal year. Key elements of this change are as follows:

- Charges for services increased by 5.8%. Charges for services in the Outdoor Facilities Fund, Solid Waste and Water Funds remained relatively the same. Charges for services in the Wastewater Funds increased by 9.5%
- Operating expenses(before depreciation) increased by 0.7%.
- Total depreciation expense for business-type activities is \$1,909,135, a 0.4% 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 \$5,006,061, a decrease of \$958,443 in comparison to the prior year. Of this total amount, \$27,168 is non-spendable (permanent fund principal) and \$969,241 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, \$3,461,849 has been assigned by the Town for various purposes, and \$547,804 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 \$1,121,894, and assigned fund balance was \$2,486,080. 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 transfers. Unassigned fund balance represents 8.3 percent of general fund expenditures and transfers, while total fund balance represents 26.6 percent of that same amount.

The fund balance of the Town of Hartford's general fund decreased by \$677,679 during the current fiscal year. Key factors in this change are as follows:

- The Town transferred \$355,000 from the General Fund to provide funding for the Wendell A. Barwood Arena Renovation Project.
- The Town transferred \$310,000 assigned within the General Fund for the Town's share of Hurricane Irene repair expenses to the Hurricane Irene Fund in preparation for close out of this fund.
- The Town transferred \$75,000 assigned within the General Fund for the Solid Waste Curbside Recycling Program to the Solid Waste Fund.

- Revenue from Taxes was \$190,395 under budget during the year as a result of significantly more taxes not received soon enough after the end of the year to fund current operations of the General Fund.

Special revenue funds consist primarily of community development funds (\$481,204) and impact fee funds (\$120,332). 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 made up a significant portion of the Town's activity during the year. Three funds were large enough and met the criteria to be reported as major funds within the Town's financial statements. These three major funds were the Hurricane Irene Fund(negative \$81,511), The Bridge St Underpass Fund(negative \$75,605), and the Maxfield Sports Complex Fund(\$655,147). The Hurricane Irene Fund has seen the majority of its activity winding down with the exception of the Hazard Mitigation Buyout Program. This program allows the Town to buyout properties severely damaged during Hurricane Irene and at high-risk of future flooding with 100% state and federal grant funding. The Bridge Underpass Fund is used to track revenues and expenditures related to designing a new underpass and sidewalks at the intersection of bridge street and railroad rowe near the White River Junction downtown area. The project geared up significantly during FY13-14 and was almost complete by June 30, 2014. The Maxfield Sports Complex Fund is used to track revenues and expenditures related to designing and constructing a sports complex including several sports fields, basketball courts, tennis courts, and other necessary infrastructure on donated land off from Route 5/North Hartland Road. New capital project funds at the Town include the Pump House & Children's Pool Fund(\$220,000) for tracking construction of a new pump house and children's pool at the pool near the Hartford high school, the Municipal Building Renovation Fund(negative \$285,200) used to track revenue and expenditures related to designing and constructing renovations to the Town's existing municipal building at 171 Bridge Street, and the Prospect Street TIF District Fund which will be used to track improvements to the infrastructure within the Prospect Street TIF District.

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 \$309,858 and those of the Water Fund amounted to \$1,769,172. Unrestricted net position of the Outdoor Facilities Fund amounted to \$463,704 and those of the Wastewater Fund amounted to \$3,506,275. Unrestricted net position of the Solid Waste Fund decreased by \$35,197, those of the Water Fund decreased \$15,969 and those of the Wastewater Fund decreased by \$132,646. Unrestricted net position of the Outdoor Facilities Fund increased by \$363,208. 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 transferred \$355,000 from the General Fund to provide funding for the Wendell A. Barwood Arena Renovation Project but nothing was budgeted for this transfer
- Tax revenue was budgeted at \$10,545,177 but only \$10,354,782 in revenue was recognized resulting in tax revenue being \$190,395 under budget. Compared to prior years, significantly less taxes were received soon enough after the end of the year to fund current operations of the General Fund and thus could not be recognized as revenue during FY13-14.
- Intergovernmental grant revenue was over budget by \$153,114 as a result of grants the Town did not plan for at the time of budgeting but were subsequently identified, applied for, and received.

- The General Government – Administration line was over budget by \$144,104 mostly as the result of legal expenditures being higher than budgeted and expenditures within the Information Technology Department also being over budget.
- The Public Safety – Fire & Ambulance line was under budget by \$237,868 during the year mostly due to personnel positions budgeted for but not filled, workman’s compensation insurance coming in under budget, and public safety building expenditures budgeted for but not completed during the year.
- Capital expenditures for Town parks were under budget by \$184,868 during the year due to time constraints which forced the budgeted park projects to be pushed back to future years.

### 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, 2014, amounted to \$38,214,842(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 capital assets increased by 14.6 percent for governmental activities, and decreased 4.8 percent for business-type activities.

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

- Design, engineering, and construction of the new Maxfield Sports Complex(\$3,267,131)
- Design, engineering, and construction related to renovation of the Barwood Municipal Arena(\$1,241,605)
- Design, engineering, and construction of the bridge street underpass(\$2,456,199)
- FY13-14 Paving(\$907,499)
- Design, engineering, and construction of the new West Hartford Library(\$768,060)
- Design, engineering, and construction related to the municipal building renovation(\$410,448)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,107,776	\$ 883,876	\$ 424,307	\$ 414,158	\$ 1,532,083	\$ 1,298,034
Land improvements	644,417	590,819	83,527	101,028	727,944	691,847
Buildings and improvements	2,089,412	2,228,464	15,659,492	16,810,542	17,748,904	19,039,006
Vehicles and equipment	2,827,857	2,832,264	318,436	297,265	3,146,293	3,129,529
Roads, bridges and sidewalks	15,623,129	15,967,788	-	-	15,623,129	15,967,788
Distribution and collection systems	-	-	11,263,238	11,669,702	11,263,238	11,669,702
Construction in progress	9,410,367	2,431,673	1,344,253	86,636	10,754,620	2,518,309
<b>Total Assets</b>	<b>\$ 31,702,958</b>	<b>\$ 24,934,884</b>	<b>\$ 29,093,253</b>	<b>\$ 29,379,331</b>	<b>\$ 60,796,211</b>	<b>\$ 54,314,215</b>

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

**Long-term debt.** At the end of the current year, the Town of Hartford had total long-term debt outstanding of \$23,585,367. Of this amount, \$8,133,464 represents bonded debt backed by the full faith and credit of the Town, and \$15,451,903 represents revolving loan debt issued by either the State of Vermont or the Federal Government.

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Bonds payable	\$ 5,363,464	\$ 1,870,225	\$ 2,770,000	\$ 360,000	\$ 8,133,464	\$ 2,230,225
Revolving loans payable	636,552	826,748	14,815,351	15,338,429	15,451,903	16,165,177
<b>Totals</b>	<b>\$ 6,000,016</b>	<b>\$ 2,696,973</b>	<b>\$ 17,585,351</b>	<b>\$ 15,698,429</b>	<b>\$ 23,585,367</b>	<b>\$ 18,395,402</b>

The Town of Hartford's total debt increased by \$5,189,965 during the year, reflecting repayments on existing debt of \$1,125,337, new revolving loan debt within the Hartford wastewater fund of \$160,302, new bond debt for the Maxfield Sports Complex, West Hartford Library, and Children's Pool & Pump House of \$3,655,000 and new bond debt for the Barwood Municipal Arena Renovation of \$2,500,000.

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 \$132,475,580 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.I. 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, remaining unchanged from the rate one year ago. This compares with a 3.9 percent rate state-wide, also unchanged from one year ago.
- Health insurance rates have increased, albeit at a slower pace than seen in past recent years
- Restricted, assigned and designated funds at the end of June 30, 2014, amounted to \$9,231,639. 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 \$200,000. 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 2016 fiscal year.

The Town of Hartford approved a general fund budget for fiscal year 2015 in the amount of \$14,543,765. This represents an increase of \$1,061,835 or 7.9 percent over the approved budget for the previous year. The Town will utilize \$633,436 in assigned capital funds and \$200,000 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 21, 2014 and were effective July 1, 2014. For the Outdoor Facilities Fund, the family season pass, youth season pass, adult season pass, and senior season pass were all increased by \$5 which represents an increase between 6.7% and 33.3%. Rates for the Solid Waste Fund remained the same with the exception of residential rates. The rate for disposal of up to 50 lbs. of regular waste increased from \$3.05 to \$3.25, or 6.6%. 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 rates remained unchanged.

### **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, 2014**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,086,203	\$ 9,077,108	\$ 14,163,311
Investments	15,857	-	15,857
Receivables (net of allowance for uncollectible accounts)			
Taxes receivable	453,388	-	453,388
Accounts receivable	79,195	885,884	965,079
Notes receivable	87,695	-	87,695
Deposit receivable	8,917	-	8,917
Due from other governments	1,211,319	220,111	1,431,430
Restricted assets			
Cash and cash equivalents	219,305	-	219,305
Capital assets (net of accumulated depreciation)			
Land and land improvements	1,752,193	507,834	2,260,027
Buildings and building improvements	2,089,412	15,659,492	17,748,904
Vehicles and equipment	2,827,857	318,436	3,146,293
Roads, bridges and sidewalks	15,623,129	-	15,623,129
Distribution and collection systems	-	11,263,238	11,263,238
Construction in progress	9,410,367	1,344,253	10,754,620
	38,864,837	39,276,356	78,141,193
<b>Total Assets</b>			
<b>LIABILITIES</b>			
Accounts payable	1,013,915	704,528	1,718,443
Accrued payroll and benefits payable	204,991	41,858	246,849
Accrued compensated absences payable	375,785	93,159	468,944
Accrued interest payable	20,003	123,672	143,675
Due to other governments	43,101	28,798	71,899
Unearned revenue	5,698	-	5,698
Noncurrent liabilities			
Due within one year	419,446	936,273	1,355,719
Due in more than one year	8,208,921	17,525,644	25,734,565
	10,291,860	19,453,932	29,745,792
<b>Total Liabilities</b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues-prepaid taxes	65,253	-	65,253
	65,253	-	65,253
<b>Total deferred inflows of resources</b>			
<b>NET POSITION</b>			
Net investment in capital assets	25,469,023	12,745,819	38,214,842
Restricted for:			
Public safety	5,515	-	5,515
Impact fee eligible expenses	120,332	1,027,596	1,147,928
Recreation and parks	18,000	-	18,000
Community development	514,689	-	514,689
Debt service	219,305	-	219,305
Endowments and perpetual care			
Non-expendable	27,168	-	27,168
Expendable	8,427	-	8,427
Other	82,973	-	82,973
Unrestricted	2,042,292	6,049,009	8,091,301
	28,507,724	19,822,424	48,330,148
<b>Total Net Position</b>			

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, 2014**

	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	Business-type Activities	
<b>Functions/Programs</b>							
Governmental activities							
General government							
Administration	\$ 866,760	\$ 11,081	\$ 33,000	\$ -	(\$ 822,679)	\$ -	(\$ 822,679)
Elections and vital statistics	170,645	126,778	-	-	( 43,867)	-	( 43,867)
Finance	319,429	54,949	-	-	( 264,480)	-	( 264,480)
Valuation	188,982	1	53,801	-	( 135,180)	-	( 135,180)
Boards and commissions	5,992	-	-	-	( 5,992)	-	( 5,992)
Public safety							
Police	2,533,487	45,708	305,474	-	( 2,182,305)	-	( 2,182,305)
Fire and ambulance	2,938,187	518,679	72,348	137,516	( 2,209,644)	-	( 2,209,644)
Dispatch	717,106	347,285	5,961	-	( 363,860)	-	( 363,860)
Public works							
Highways	3,617,023	19,229	267,870	2,617,031	( 712,893)	-	( 712,893)
Public works administration	133,375	-	-	-	( 133,375)	-	( 133,375)
Health and social services	272,020	-	-	-	( 272,020)	-	( 272,020)
Recreation and parks							
Recreation administration	200,798	-	9,371	-	( 191,427)	-	( 191,427)
Recreation programs	341,659	222,529	-	-	( 119,130)	-	( 119,130)
Parks	319,208	-	26,701	12,200	( 280,307)	-	( 280,307)
Conservation and development	1,631,858	28,031	196,805	1,351,022	( 56,000)	-	( 56,000)
Cultural	291,569	-	-	6,169	( 285,400)	-	( 285,400)
Interest on long-term debt	179,176	-	-	-	( 179,176)	-	( 179,176)
Total governmental activities	<u>14,727,274</u>	<u>1,374,270</u>	<u>971,331</u>	<u>4,123,938</u>	<u>( 8,257,735)</u>	<u>-</u>	<u>( 8,257,735)</u>
Business-type activities							
Outdoor facilities	265,863	187,339	-	-	-	( 78,524)	( 78,524)
Solid waste	886,207	611,497	4,509	-	-	( 270,201)	( 270,201)
Water and wastewater	4,576,834	4,013,527	107,981	-	-	( 455,326)	( 455,326)
Total business-type activities	<u>5,728,904</u>	<u>4,812,363</u>	<u>112,490</u>	<u>-</u>	<u>-</u>	<u>( 804,051)</u>	<u>( 804,051)</u>
Total primary government	<u>\$ 20,456,178</u>	<u>\$ 6,186,633</u>	<u>\$ 1,083,821</u>	<u>\$ 4,123,938</u>	<u>( 8,257,735)</u>	<u>( 804,051)</u>	<u>( 9,061,786)</u>
General revenues:							
Property taxes					10,778,959	-	10,778,959
Unrestricted investment earnings					6,353	442	6,795
Gain(loss) on sale of capital assets					8,424	-	8,424
Other revenues					246,232	56,433	302,665
Transfers					( 585,334)	585,334	-
Total general revenues and transfers					<u>10,454,634</u>	<u>642,209</u>	<u>11,096,843</u>
Change in net position					2,196,899	( 161,842)	2,035,057
Net position, July 1, 2013					<u>26,310,825</u>	<u>19,984,266</u>	<u>46,295,091</u>
Net position, June 30, 2014					<u>\$ 28,507,724</u>	<u>\$ 19,822,424</u>	<u>\$ 48,330,148</u>

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

**TOWN OF HARTFORD, VERMONT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General Fund	Hurricane Irene Fund	Bridge Street Underpass Fund	Maxfield Sports Complex Fund	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and equivalents	\$ 2,920,540	\$ -	\$ -	\$ 1,094,406	\$ 1,071,257	\$ 5,086,203
Investments	-	-	-	-	15,857	15,857
Receivables (net of allowances for uncollectible accounts)						
Taxes receivable	533,388	-	-	-	-	533,388
Accounts receivable	48,308	-	-	-	30,887	79,195
Notes receivable	-	-	-	-	87,695	87,695
Deposit receivable	-	-	-	-	8,917	8,917
Due from other governments	103,988	422,721	274,679	-	409,931	1,211,319
Due from other funds	1,095,368	-	-	-	-	1,095,368
Restricted assets:						
Cash and equivalents	-	-	-	-	219,305	219,305
Total Assets	<u>4,701,592</u>	<u>422,721</u>	<u>274,679</u>	<u>1,094,406</u>	<u>1,843,849</u>	<u>8,337,247</u>
<b>LIABILITIES</b>						
Accounts payable	293,278	2,959	103,002	439,259	175,417	1,013,915
Accrued payroll and benefits payable	204,991	-	-	-	-	204,991
Due to other governments	-	-	-	-	43,101	43,101
Due to other funds	117,583	392,709	171,677	-	413,399	1,095,368
Unearned revenue	3,450	-	-	-	2,248	5,698
Total Liabilities	<u>619,302</u>	<u>395,668</u>	<u>274,679</u>	<u>439,259</u>	<u>634,165</u>	<u>2,363,073</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable revenues-property taxes	373,636	-	-	-	-	373,636
Unavailable revenues-prepaid taxes	65,253	-	-	-	-	65,253
Unavailable revenues-intergovernmental revenues	35,427	108,564	75,605	-	309,628	529,224
Total deferred inflows of resources	<u>474,316</u>	<u>108,564</u>	<u>75,605</u>	<u>-</u>	<u>309,628</u>	<u>968,113</u>
<b>FUND BALANCES</b>						
Non-spendable						
Permanent fund principal	-	-	-	-	27,168	27,168
Restricted for						
Public safety	-	-	-	-	5,515	5,515
Impact fee eligible expenses	-	-	-	-	120,332	120,332
Recreation and parks	-	-	-	-	18,000	18,000
Community development	-	-	-	-	514,689	514,689
Debt service	-	-	-	-	219,305	219,305
Endowments - Expendable	-	-	-	-	8,427	8,427
Other	-	-	-	-	82,973	82,973
Assigned for						
General government	708,474	-	-	-	-	708,474
Public safety	393,464	-	-	-	-	393,464
Public works	1,094,515	-	-	-	52,001	1,146,516
Health and social services	16,513	-	-	-	-	16,513
Recreation and parks	64,302	-	-	655,147	48,621	768,070
Conservation and development	164,061	-	-	-	-	164,061
Cultural	44,751	-	-	-	220,000	264,751
Unassigned, reported in:						
General fund	1,121,894	-	-	-	-	1,121,894
Hurricane Irene capital project fund	-	( 81,511)	-	-	-	( 81,511)
Bridge St Underpass capital project fund	-	-	( 75,605)	-	-	( 75,605)
Special revenue funds	-	-	-	-	( 33,485)	( 33,485)
Capital projects funds	-	-	-	-	( 383,489)	( 383,489)
Total Fund Balances	<u>3,607,974</u>	<u>( 81,511)</u>	<u>( 75,605)</u>	<u>655,147</u>	<u>900,057</u>	<u>5,006,061</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,701,592</u>	<u>\$ 422,721</u>	<u>\$ 274,679</u>	<u>\$ 1,094,406</u>	<u>\$ 1,843,849</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.	\$ 31,702,958
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	427,072
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	( 8,628,367)
Net position of governmental activities	<u>\$ 28,507,724</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, 2014**

	General Fund	Hurricane Irene Fund	Bridge Street Underpass Fund	Maxfield Sports Complex Fund	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 10,354,782	\$ -	\$ -	\$ -	\$ -	\$ 10,354,782
Tax penalties and interest	185,738	-	-	-	-	185,738
Permits and licenses	17,665	-	-	-	-	17,665
Intergovernmental revenues	729,285	1,304,088	2,436,873	-	721,204	5,191,450
Charges for current services	1,352,954	-	-	-	-	1,352,954
Fines and forfeits	69,942	-	-	-	-	69,942
Impact fees	-	-	-	-	14,354	14,354
Interest	1,265	-	-	-	5,089	6,354
Other revenues	139,246	-	-	16,900	107,311	263,457
	<u>12,850,877</u>	<u>1,304,088</u>	<u>2,436,873</u>	<u>16,900</u>	<u>847,958</u>	<u>17,456,696</u>
Total Revenues						
<b>EXPENDITURES</b>						
Current expenditures						
General government						
Administration	792,116	259	-	-	34,541	826,916
Elections and vital statistics	158,417	-	-	-	-	158,417
Finance	336,474	-	-	-	-	336,474
Valuation	178,119	-	-	-	-	178,119
Board and commissions	5,992	-	-	-	-	5,992
Public safety						
Police	2,338,581	-	-	-	-	2,338,581
Fire and ambulance	2,523,601	-	-	-	-	2,523,601
Dispatch	647,765	-	-	-	-	647,765
Public works						
Highways	1,762,896	11	-	-	-	1,762,907
Public works administration	141,082	-	-	-	-	141,082
Health and social services	267,446	-	-	-	-	267,446
Recreation and parks						
Recreation administration	190,379	-	-	-	-	190,379
Recreation programs	314,407	-	-	-	13,281	327,688
Parks	216,171	930	-	25,652	20,234	262,987
Conservation and development						
Cultural	429,626	966,460	-	-	204,273	1,600,359
Debt service expenditures						
Principal	290,601	-	-	-	-	290,601
Interest	-	-	-	-	351,958	351,958
Capital expenditures						
General government						
Administration	-	-	-	-	410,448	526,930
Public safety						
Police	116,482	-	-	-	-	116,482
Fire and ambulance	136,900	-	-	-	137,515	274,415
Dispatch	146,875	-	-	-	-	146,875
Dispatch	5,961	-	-	-	-	5,961
Public works						
Highways	1,146,788	92,000	2,456,199	-	18,798	3,713,785
Recreation and parks						
Parks	45,774	-	-	3,267,131	-	3,312,905
Conservation and development						
Cultural	-	307,347	-	-	70,409	377,756
Cultural	-	-	-	-	768,060	768,060
	<u>12,192,453</u>	<u>1,367,007</u>	<u>2,456,199</u>	<u>3,292,783</u>	<u>2,194,135</u>	<u>21,502,577</u>
Total Expenditures						
Excess (Deficiency) of Revenues Over (Under) Expenditures						
	658,424	( 62,919)	( 19,326)	( 3,275,883)	( 1,346,177)	( 4,045,881)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,672,695	310,000	-	-	676,452	2,659,147
Transfers out	( 3,026,570)	-	-	-	( 217,911)	( 3,244,481)
Proceeds from issuance of debt	-	-	-	3,100,000	555,000	3,655,000
Proceeds from sale of capital assets	17,772	-	-	-	-	17,772
	<u>1,336,103</u>	<u>310,000</u>	<u>-</u>	<u>3,100,000</u>	<u>1,013,541</u>	<u>3,087,438</u>
Total Other Financing Sources (Uses)						
Net Change in Fund Balances	( 677,679)	247,081	( 19,326)	( 175,883)	( 332,636)	( 958,443)
Fund Balances - July 1, 2013	4,285,653	( 328,592)	( 56,279)	831,030	1,232,693	5,964,505
Fund Balances - June 30, 2014	<u>\$ 3,607,974</u>	<u>( \$ 81,511)</u>	<u>( \$ 75,605)</u>	<u>\$ 655,147</u>	<u>\$ 900,057</u>	<u>\$ 5,006,062</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, 2014**

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)	(\$ 958,443)
Governmental 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.	6,768,117
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	44,386
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.	( 3,303,042)
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>( 354,119)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 2,196,899</u>

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

**TOWN OF HARTFORD, VERMONT**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	Major Funds				Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Outdoor Facilities Fund	
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 804,708	\$ 2,000,354	\$ 4,125,585	\$ 2,146,461	\$ 9,077,108
Accounts receivable (net of allowance for uncollectible accounts)	24,009	242,229	536,858	82,788	885,884
Due from other governments	4,150	-	215,961	-	220,111
Total Current Assets	<u>832,867</u>	<u>2,242,583</u>	<u>4,878,404</u>	<u>2,229,249</u>	<u>10,183,103</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	285,977	480,159	73,798	1,218,492
Distribution and collection systems	-	11,175,549	12,355,408	-	23,530,957
Construction in progress	-	98,647	-	1,245,605	1,344,252
Less accumulated depreciation	( 1,646,204)	( 5,661,954)	( 18,151,795)	( 954,229)	( 26,414,182)
Total Noncurrent Assets	<u>681,890</u>	<u>6,212,379</u>	<u>20,904,970</u>	<u>1,294,014</u>	<u>29,093,253</u>
Total Assets	<u>1,514,757</u>	<u>8,454,962</u>	<u>25,783,374</u>	<u>3,523,263</u>	<u>39,276,356</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	63,824	122,338	63,534	454,832	704,528
Accrued payroll and benefits payable	6,768	14,329	20,243	518	41,858
Accrued compensated absences payable	11,081	26,101	52,534	3,443	93,159
Accrued interest payable	-	4,637	108,642	10,393	123,672
Due to other governments	-	-	-	28,798	28,798
Accrued postclosure costs - current portion	23,000	-	-	-	23,000
Other post employment benefits - current portion	-	-	-	-	-
Bonds and notes payable - current portion	-	141,355	646,918	125,000	913,273
Total Current Liabilities	<u>104,673</u>	<u>308,760</u>	<u>891,871</u>	<u>622,984</u>	<u>1,928,288</u>
Noncurrent Liabilities					
Accrued postclosure costs	322,000	-	-	-	322,000
Other post employment benefits	96,335	137,909	297,322	-	531,566
Bonds and notes payable	-	1,696,882	12,600,196	2,375,000	16,672,078
Total Noncurrent Liabilities	<u>418,335</u>	<u>1,834,791</u>	<u>12,897,518</u>	<u>2,375,000</u>	<u>17,525,644</u>
Total Liabilities	<u>523,008</u>	<u>2,143,551</u>	<u>13,789,389</u>	<u>2,997,984</u>	<u>19,453,932</u>
<b>NET POSITION</b>					
Net investment in capital assets	681,891	4,369,503	7,632,850	61,575	12,745,819
Restricted					
Impact fee eligible expenses	-	172,736	854,860	-	1,027,596
Unrestricted	309,858	1,769,172	3,506,275	463,704	6,049,009
Total Net Position	<u>\$ 991,749</u>	<u>\$ 6,311,411</u>	<u>\$ 11,993,985</u>	<u>\$ 525,279</u>	<u>\$ 19,822,424</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, 2014**

	Major Funds				Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Outdoor Facilities Fund	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 611,497	\$ 1,339,911	\$ 2,673,616	\$ 187,339	\$ 4,812,363
Rents and other income	12,172	13,131	30,259	871	56,433
Total Operating Revenues	<u>623,669</u>	<u>1,353,042</u>	<u>2,703,875</u>	<u>188,210</u>	<u>4,868,796</u>
<b>OPERATING EXPENSES</b>					
Personnel services	329,611	550,510	918,946	89,092	1,888,159
Administration expenses	5,653	23,811	25,385	-	54,849
Utilities	19,056	104,479	257,483	55,047	436,065
Contract services	409,336	17,472	149,262	7,790	583,860
Postclosure care costs	( 4,415)	-	-	-	( 4,415)
Franchise tax	6,945	-	-	-	6,945
Waste generation fee	5,945	-	-	-	5,945
Equipment operation	9,334	15,454	39,396	5,879	70,063
Repairs and maintenance	16,221	65,230	56,303	-	137,754
Materials and supplies	7,024	47,090	80,153	3,636	137,903
Insurance expense	8,532	12,962	36,389	9,400	67,283
Small equipment	191	9,517	6,145	-	15,853
Books and periodicals	-	11	-	-	11
Depreciation	72,774	373,274	1,448,402	14,685	1,909,135
Total Operating Expenses	<u>886,207</u>	<u>1,219,810</u>	<u>3,017,864</u>	<u>185,529</u>	<u>5,309,410</u>
Operating Income (Loss)	<u>( 262,538)</u>	<u>133,232</u>	<u>( 313,989)</u>	<u>2,681</u>	<u>( 440,614)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	4,509	-	107,981	-	112,490
Interest revenue	58	122	254	8	442
Interest/admin fee expense	-	( 59,670)	( 279,490)	( 80,334)	( 419,494)
Total Nonoperating Revenues (Expenses)	<u>4,567</u>	<u>( 59,548)</u>	<u>( 171,255)</u>	<u>( 80,326)</u>	<u>( 306,562)</u>
Income (Loss) Before Transfers	<u>( 257,971)</u>	<u>73,684</u>	<u>( 485,244)</u>	<u>( 77,645)</u>	<u>( 747,176)</u>
<b>TRANSFERS</b>					
Transfers in	168,585	729,892	1,013,112	464,500	2,376,089
Transfers out	( 18,585)	( 729,892)	( 1,013,112)	( 29,166)	( 1,790,755)
Total Transfers	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>435,334</u>	<u>585,334</u>
Change in Net Position	<u>( 107,971)</u>	<u>73,684</u>	<u>( 485,244)</u>	<u>357,689</u>	<u>( 161,842)</u>
Total Net Position - July 1, 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>
Total Net Position - June 30, 2014	<u>\$ 991,749</u>	<u>\$ 6,311,411</u>	<u>\$ 11,993,985</u>	<u>\$ 525,279</u>	<u>\$ 19,822,424</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, 2014**

	Major Funds				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	\$ 632,713	\$ 1,352,391	\$ 2,696,376	\$ 188,210	\$ 4,869,690
Cash paid to employees	( 321,495)	( 534,270)	( 881,925)	( 89,248)	( 1,826,938)
Cash paid to suppliers	( 504,735)	( 192,330)	( 698,059)	( 82,353)	( 1,477,477)
Net cash provided (used) by operating activities	<u>( 193,517)</u>	<u>625,791</u>	<u>1,116,392</u>	<u>16,609</u>	<u>1,565,275</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to other governments	-	( 144,916)	( 123,447)	( 53,990)	( 322,353)
Transfers from other funds	150,000	-	-	435,334	585,334
Net cash provided (used) by noncapital financing activities	<u>150,000</u>	<u>( 144,916)</u>	<u>( 123,447)</u>	<u>381,344</u>	<u>262,981</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Subsidies from government grants	5,573	3,398	-	-	8,971
Proceeds from issuance of debt	-	-	160,302	2,500,000	2,660,302
Principal payments - bonds and notes	-	( 137,675)	( 635,705)	-	( 773,380)
Interest/admin fee paid	-	( 60,036)	( 284,448)	( 69,941)	( 414,425)
Purchase of capital assets	-	( 172,177)	( 209,306)	( 786,821)	( 1,168,304)
Net cash provided (used) by capital and related financing activities	<u>5,573</u>	<u>( 366,490)</u>	<u>( 969,157)</u>	<u>1,643,238</u>	<u>313,164</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	58	122	254	8	442
Net cash provided (used) by investing activities	<u>58</u>	<u>122</u>	<u>254</u>	<u>8</u>	<u>442</u>
Net increase (decrease) in cash and equivalents	( 37,886)	114,507	24,042	2,041,199	2,141,862
Cash and equivalents - July 1, 2013	<u>842,594</u>	<u>1,885,847</u>	<u>4,101,543</u>	<u>105,262</u>	<u>6,935,246</u>
Cash and equivalents - June 30, 2014	<u>804,708</u>	<u>2,000,354</u>	<u>4,125,585</u>	<u>2,146,461</u>	<u>9,077,108</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	( 262,538)	133,232	( 313,989)	2,681	( 440,614)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	72,774	373,274	1,448,402	14,685	1,909,135
(Increase) decrease in accounts receivable	9,043	( 651)	( 7,499)	-	893
Increase (decrease) in accounts payable	2,087	103,696	( 47,543)	( 601)	57,639
Increase (decrease) in accrued expenses	( 14,883)	16,240	37,021	( 156)	38,222
Total adjustments	<u>69,021</u>	<u>492,559</u>	<u>1,430,381</u>	<u>13,928</u>	<u>2,005,889</u>
Net cash provided (used) by operating activities	<u>(\$ 193,517)</u>	<u>\$ 625,791</u>	<u>\$ 1,116,392</u>	<u>\$ 16,609</u>	<u>\$ 1,565,275</u>

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

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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, 2014**

**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.

Bridge Street Underpass Fund. This is a capital project fund used to track construction of a new railroad tracks underpass(including sidewalks) at the intersection of Bridge Street and Railroad Row near the White River Junction downtown area. The project is 100% state and federal grant funded. Major construction was completed and the underpass was opened for use during the Fall of 2014.

Maxfield Sports Complex Fund. This capital project fund is used to track the design, development, and construction of a sports complex on land donated to the Town located off from Route 5/N. Hartland Road. When complete, the sports complex will include several fields which can be used for soccer, baseball, lacrosse and other sports. Basketball and tennis courts will also be included. The fields will be used by Hartford School District sports teams and also other teams through the Town's Parks & Recreation department. Construction of this project has been funded by the sale of a portion of the donated land, \$3.5 million in bonds proceeds, and other miscellaneous sources, such as donations.

The Town reports on the following major enterprise funds:

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

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.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

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 Combined Sewer Overflow (CSO) Project Fund, the DPW Garage Fund, the Quechee Bridge Fund, W. Hartford Library Fund, Municipal Building Renovation Fund, and two new funds; the Pump House & Children's Pool Fund and the Prospect Street TIF District Fund.

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

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

The Town has no non-major enterprise funds or 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, 2014**

**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 position) 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 position.

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 position) 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 position. 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 – Financial Reporting for Pension Plans**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Financial Reporting for Pension Plans” – an amendment of GASB Statement No. 27, effective for fiscal years beginning after June 15, 2014. This new accounting and reporting standard may impact the Town’s measurement and recognition of pension liabilities, deferred outflows or resources, deferred inflows of resources, and expenses/expenditures in government-wide and/or enterprise fund financial statements. The requirements of this statement may require restating of beginning net position. The Town is currently not planning to early implement this Statement, and has made no estimation of the effect this Statement will have in the financial statements.

**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.

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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

**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, 2014, taxes became due and payable on August 9, 2013, and February 7, 2014. 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, 2014, delinquent taxes receivable were \$533,388, net of a \$80,000 allowance for uncollectible taxes.

The tax rate for 2014 was as follows:

	<u>Homestead</u>	<u>Non-residential</u>
Homestead education tax	\$ 1.3803	\$ -
Non-residential education tax	-	1.4531
Town general fund appropriations	0.7707	0.7707
Town restricted appropriations	0.0113	0.0113
Windsor County tax	0.0034	0.0034
Local agreement tax	<u>0.0019</u>	<u>0.0019</u>
 Total	 <u>\$ 2.1676</u>	 <u>\$ 2.2404</u>

The first installment of property taxes for the budget period from July 1, 2014, to June 30, 2015 is due and payable on August 15, 2014 and February 6, 2015. As of June 30, 2014, the Town had collected \$65,253 of those taxes. This amount is shown as unavailable revenue at June 30, 2014, and will be recorded as revenue in August, 2014.

**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.

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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

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

**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.

**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. Fifteen years remain of the Town's obligation under the statutes. The Town's engineers estimated this liability at \$345,000. This liability has been recorded as an accrued expense as of June 30, 2014. A total of \$479,565 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.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

**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.

**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, 2014 of \$6,768,116 can be broken down as follows: Capital outlays for the year were \$9,126,687 and depreciation was \$2,349,223 resulting in capital outlays exceeding depreciation by \$6,777,464. Proceeds from the sale of capital assets were \$17,772 and the gain from sale of capital assets was \$8,424 resulting in proceeds from the sale of capital assets exceeding the gain from sale of capital assets by \$9,348.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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.

**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 Position Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,086,203	\$ -	\$ -	\$ -	\$ -	\$ 5,086,203
Investments	15,857	-	-	-	-	15,857
Receivables						
Taxes receivable	533,388	( 80,000)	-	-	-	453,388
Accounts receivable	79,195	-	-	-	-	79,195
Notes receivable	87,695	-	-	-	-	87,695
Deposit receivable	8,917	-	-	-	-	8,917
Due from other governments	1,211,319	-	-	-	-	1,211,319
Due from other funds	1,095,368	-	-	-	( 1,095,368)	-
Restricted assets						
Cash and equivalents	219,305	-	-	-	-	219,305
Capital assets	-	-	31,702,958	-	-	31,702,958
<b>Total Assets</b>	<b>8,337,247</b>	<b>( 80,000)</b>	<b>31,702,958</b>	<b>-</b>	<b>( 1,095,368)</b>	<b>38,864,837</b>
<b>LIABILITIES</b>						
Accounts payable	1,013,915	-	-	-	-	1,013,915
Accrued payroll and benefits payable	204,991	-	-	-	-	204,991
Accrued compensated absences payable	-	375,785	-	-	-	375,785
Accrued interest payable	-	20,003	-	-	-	20,003
Due to other funds	1,095,368	-	-	-	( 1,095,368)	-
Due to other governments	43,101	-	-	-	-	43,101
Unearned revenue	5,698	-	-	-	-	5,698
Noncurrent liabilities	-	-	-	8,628,367	-	8,628,367
<b>Total Liabilities</b>	<b>2,363,073</b>	<b>395,788</b>	<b>-</b>	<b>8,628,367</b>	<b>( 1,095,368)</b>	<b>10,291,860</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues-property taxes	373,636	( 373,636)	-	-	-	-
Unavailable revenues-prepaid taxes	65,253	-	-	-	-	65,253
Unavailable revenues-intergovt revenues	529,224	( 529,224)	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>968,113</b>	<b>( 902,860)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,253</b>
<b>NET POSITION</b>						
Net investment in capital assets	-	-	31,702,958	( 6,233,935)	-	25,469,023
Other	5,006,061	427,072	-	( 2,394,432)	-	3,038,701
<b>Total Net Position</b>	<b>\$ 5,006,061</b>	<b>\$ 427,072</b>	<b>\$ 31,702,958</b>	<b>(\$ 8,628,367)</b>	<b>\$ -</b>	<b>\$ 28,507,724</b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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	\$ 10,354,782	\$ 238,439	\$ -	\$ -	\$ 10,593,221
Tax penalties and interest	185,738				185,738
Permits and licenses	17,665				17,665
Intergovernmental revenues	5,191,450	( 192,752)			4,998,698
Charges for current services	1,352,954	( 1,301)			1,351,653
Fines and forfeits	69,942				69,942
Impact fees	14,354				14,354
Interest	6,354				6,354
Other revenues	263,457				263,457
Other sources:					
Proceeds from sale of assets	17,772		( 9,348)		8,424
Proceeds from issuance of debt	3,655,000	-	-	( 3,655,000)	-
<b>Total Revenues</b>	<u>21,129,468</u>	<u>44,386</u>	<u>( 9,348)</u>	<u>( 3,655,000)</u>	<u>17,509,506</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
<b>General government</b>					
Administration	826,916	7,756	32,088		866,760
Elections and vital statistics	158,417	9,677	2,551		170,645
Finance	336,474	( 17,045)			319,429
Valuation	178,119	10,863			188,982
Board and commissions	5,992				5,992
<b>Public safety</b>					
Police	2,338,581	67,107	127,799		2,533,487
Fire and ambulance	2,523,601	97,472	317,114		2,938,187
Dispatch	647,765	40,882	28,459		717,106
<b>Public works</b>					
Highways	1,762,907	72,682	1,781,434		3,617,023
Public works administration	141,082	( 9,451)	1,744		133,375
Health and social services	267,446		4,574		272,020
<b>Recreation and parks</b>					
Recreation administration	190,379	10,419			200,798
Recreation programs	327,688	13,131	840		341,659
Parks	262,987	4,569	51,652		319,208
<b>Conservation and development</b>					
Cultural	1,600,359	31,499			1,631,858
Capital improvements	290,601		968		291,569
Capital improvements	9,126,687		( 9,126,687)		-
<b>Debt service</b>					
Principal	351,958			( 351,958)	-
Interest	164,618	14,558			179,176
<b>Other uses:</b>					
Transfers to other funds	585,334	-	-	-	585,334
<b>Total Expenditures</b>	<u>22,087,911</u>	<u>354,119</u>	<u>( 6,777,464)</u>	<u>( 351,958)</u>	<u>15,312,607</u>
<b>Net change for the year</b>	<u>(\$ 958,443)</u>	<u>(\$ 309,733)</u>	<u>\$ 6,768,116</u>	<u>(\$ 3,303,042)</u>	<u>\$ 2,196,899</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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, 2014, expenditures were under budget by \$352,454. This overture was the result of capital expenditure budgeted within the Fire & Ambulance and Recreation & Parks Departments which were planned but not completed due to time constraints.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash**

At year end, the Town's carrying amount of deposits was \$14,382,615, and the bank balance was \$14,406,191. Of the bank balance, \$269,831, was covered by federal depository insurance. Of the remaining balance, \$10,940,905 was collateralized with securities held by the financial institution's agent in the Town's name, \$3,195,455 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, 2014, consisted of 364.688 shares of Fidelity's Puritan Fund and 67.625 shares of Fidelity's Value Fund, which together had a cost basis of \$10,143 and a fair value of \$15,857. Unrealized gains and losses, which are included in revenue, resulted in an increase in value of \$2,309 for the year ended June 30, 2014.

**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, 2014**

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

**C. Accounts receivable(continued)**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Ambulance accounts receivable (net of allowance of \$804,365)	\$ 34,743	\$ -	\$ 34,743
Miscellaneous receivables (net of allowance of \$0 [general] and \$0 [enterprise])	13,565	12,182	25,747
Impact fees receivable	30,707	15,365	46,072
Accrued interest receivable	180	-	180
Due from school district	-	82,788	82,788
User charges receivable (net of allowance of \$29,500)			
-Billed	-	408,735	408,735
-Unbilled	-	366,814	366,814
	<u>\$ 79,195</u>	<u>\$ 885,884</u>	<u>\$ 965,079</u>

**D. Notes Receivable**

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

Notes receivable - various revolving loans, six loans outstanding, interest at 1.0% for two of them and 5.25% for the other four, various due dates, secured by business assets and personal guarantees. Of the six loans, three were in arrears at June 30, 2014	\$ 99,215
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	739,215
Allowance for doubtful loan balances	<u>( 651,520)</u>
Net Notes Receivable	<u>\$ 87,695</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets, not being depreciated:				
Land	\$ 883,876	\$ 223,900	\$ -	\$ 1,107,776
Construction in progress	2,431,673	6,978,694	-	9,410,367
Total capital assets not being depreciated	<u>3,315,549</u>	<u>7,202,594</u>	<u>-</u>	<u>10,518,143</u>
Capital assets, being depreciated:				
Land improvements	825,147	83,447	-	908,594
Buildings and building improvements	4,966,266	6,820	-	4,973,086
Vehicles and equipment	7,177,085	717,915	( 230,252)	7,664,748
Roads, bridges and sidewalks	30,024,443	1,150,195	-	31,174,638
Total capital assets being depreciated	<u>42,992,941</u>	<u>1,958,377</u>	<u>( 230,252)</u>	<u>44,721,066</u>
Total Governmental Capital Assets	<u>46,308,490</u>	<u>9,160,971</u>	<u>( 230,252)</u>	<u>55,239,209</u>
Less accumulated depreciation for:				
Land improvements	234,328	29,849	-	264,177
Buildings and building improvements	2,737,803	145,871	-	2,883,674
Vehicles and equipment	4,344,819	678,650	( 186,578)	4,836,891
Roads, bridges and sidewalks	14,056,656	1,494,853	-	15,551,509
Total capital assets, accumulated depreciation	<u>21,373,606</u>	<u>2,349,223</u>	<u>( 186,578)</u>	<u>23,536,251</u>
Total Governmental Capital Assets, Net	<u>24,934,884</u>	<u>6,811,748</u>	<u>( 43,674)</u>	<u>31,702,958</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets, not being depreciated:				
Land	424,307	-	-	424,307
Construction in progress	86,636	1,340,253	( 82,636)	1,344,253
Total capital assets not being depreciated	<u>510,943</u>	<u>1,340,253</u>	<u>( 82,636)</u>	<u>1,768,560</u>
Capital assets, being depreciated:				
Land improvements	147,002	-	-	147,002
Buildings and building improvements	28,842,425	-	-	28,842,425
Vehicles and equipment	1,182,551	78,600	( 42,660)	1,218,491
Distribution and collection systems	23,244,115	286,842	-	23,530,957
Total capital assets being depreciated	<u>53,416,093</u>	<u>365,442</u>	<u>( 42,660)</u>	<u>53,738,875</u>
Total Business-Type Capital Assets	<u>53,927,036</u>	<u>1,705,695</u>	<u>( 125,296)</u>	<u>55,507,435</u>
Less accumulated depreciation for:				
Land improvements	56,125	7,350	-	63,475
Buildings and building improvements	12,038,289	1,144,644	-	13,182,933
Vehicles and equipment	878,880	63,835	( 42,660)	900,055
Distribution and collection systems	11,574,411	693,308	-	12,267,719
Total capital assets, accumulated depreciation	<u>24,547,705</u>	<u>1,909,137</u>	<u>( 42,660)</u>	<u>26,414,182</u>
Total Business-Type Capital Assets, Net	<u>\$ 29,379,331</u>	<u>(\$ 203,442)</u>	<u>(\$ 82,636)</u>	<u>\$ 29,093,253</u>

**TOWN OF HARTFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**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	\$	32,088
Election and vital statistics		2,551
Public safety		
Police		127,799
Fire and ambulance		317,114
Dispatch		28,459
Public works		
Highways		1,781,434
Public works administration		1,744
Health and social services		4,574
Recreation and parks		
Recreation programs		840
Parks		51,652
Cultural		968
		<u>968</u>
Total depreciation expense	\$	<u><u>2,349,223</u></u>

**F. Accrued Compensated Absences**

Changes in accrued compensated absences during the year were as follows

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 340,281	\$ 90,226	\$ 430,507
Additions	330,173	92,649	422,822
Reductions	( 294,666)	( 89,716)	( 384,382)
Ending Balance	<u>375,788</u>	<u>93,159</u>	<u>468,947</u>
Due Within One Year	<u>\$ 375,788</u>	<u>\$ 93,159</u>	<u>\$ 468,947</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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, 2014, 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	\$ 392,709
	Bridge Street Underpass Fund	Short-term loan to cover period before grant reimbursement	\$ 171,677
	Non-Major Governmental Funds	Short-term loan to cover period before grant reimbursement.	411,268
	Non-Major Governmental Funds	Expense reimbursements due from Non-Major Governmental Funds	2,131
	General Fund - Assigned	Expense reimbursements due from Reserve Accounts	105,883
General Fund - Assigned	General Fund - Unassigned	Reserve Account contributions for FY13-14	11,700
TOTAL GOVERNMENTAL FUNDS DUE TO & DUE FROM			<u>\$ 1,095,368</u>

Interfund transfers for the year ended June 30, 2014, 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	\$ 509,910
	General Fund - Assigned	Assignment to 14-15 budget	200,000
	General Fund - Assigned	New encumbrances	58,149
	Outdoor Facilities Fund - Undesignated	Arena renovation debt service	80,334
	Outdoor Facilities Fund - Designated	Fund municipal arena renovation project	355,000
	Solid Waste Fund - Undesignated	Fund curbside recycling program	75,000
	Non-Major Governmental Funds	Small transfers to close out non-major funds	1
	Debt Service Fund	Bond payments and bond reserve fund	516,574
General Fund - Assigned	General Fund - Unassigned	Reimbursement from capital reserves	411,725
	General Fund - Unassigned	Release of assignment to fund 13-14 budget	275,000
	Solid Waste Fund - Undesignated	Fund curbside recycling program	75,000
	Municipal Building Renov. Capital Project Fund	Transfer funds already assigned to MB Renovation	159,876
	Hurricane Irene Fund	Transfer funds already assigned to hurricane restoration	310,000
Non-Major Governmental Funds	Small transfers to close out reserve funds	1	
Total General Fund			<u>\$ 3,026,570</u>
Nonmajor Governmental Funds	General Fund - Unassigned	Reimbursement from fire/ems impact fee fund	\$ 17,434
	General Fund - Unassigned	Reimbursement from police asset forfeiture fund	28,190
	General Fund - Unassigned	Fund payment of debt service on VMBB 2013 Series I Bond	172,194
	General Fund - Unassigned	Permanent fund earnings transfer	93
Total Non-Major Governmental Funds			<u>\$ 217,911</u>
Outdoor Facilities Fund - Undesignated	Outdoor Facilities Fund - Designated	Addition to capital reserve	20,000
	Outdoor Facilities Fund - Invest. in Cap Ass	Changes in invested in capital assets	9,166
Total Outdoor Facilities Fund			<u>\$ 29,166</u>
Solid Waste Fund - Designated	Solid Waste Fund - Undesignated	Reimbursement from closure reserve	\$ 18,585
Total Solid Waste Fund			<u>\$ 18,585</u>
Central Water Fund - Undesignated	Central Water Fund - Designated	Addition to capital reserve	\$ 200,000
	Central Water Fund - Invest. in Capital Assets	Changes in invested in capital assets	386,195
Total Central Water Fund			<u>\$ 586,195</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

CONTINUED...

Quechee Water Fund - Undesignated	Quechee Water Fund - Designated	Addition to capital reserve	\$ 75,000
	Quechee Water Fund - Invest. in Capital Assets	Changes in invested in capital assets	<u>68,697</u>
Total Quechee Water Fund			<u>\$ 143,697</u>
Central Wastewater Fund - Undesignated	Central Wastewater Fund - Designated	Addition to capital reserve	\$ 150,000
Central Wastewater Fund - Invest. in Capit	Central Wastewater Fund - Undesignated	Changes in invested in capital assets	<u>477,372</u>
Total Central Wastewater Fund			<u>\$ 627,372</u>
Quechee Wastewater Fund - Undesignatec	Quechee Wastewater Fund - Designated	Addition to capital reserve	\$ 50,000
Quechee Wastewater Fund - Invest. in Cap	Quechee Wastewater Fund - Undesignated	Changes in invested in capital assets	<u>335,740</u>
Total Quechee Wastewater Fund			<u>\$ 385,740</u>

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the General Fund consists of \$373,636 of delinquent property taxes, penalties and interest on those taxes and \$35,427 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 \$65,253 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$474,316.

**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, 2014**

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

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

General obligation bonds and revolving loans outstanding at June 30, 2014, 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%	\$ 630,000
Quechee Covered Bridge Bond	1.10% - 3.91%	1,078,464
Maxfield Sports Complex Bond	0.44% - 4.64%	3,100,000
West Hartford Library Fund	0.44% - 4.64%	415,000
Pump House/Pool Bond	0.44% - 4.64%	140,000
<u>Governmental Activities - Revolving Loans</u>		
Combined Sewer Overflow - #2	0.00%	<u>636,552</u>
Total General Long-term Debt		<u>6,000,016</u>
<u>Business-type Activities - Bonds</u>		
2013 Barwood Arena Renovation Bond	0.44% - 4.64%	\$ 2,500,000
2001 Quechee Water Bond	2.8% - 4.98%	45,000
2001 Quechee Wastewater Bond	2.8% - 4.98%	225,000
<u>Business-type Activities - Revolving Loans</u>		
2004 Wilder Well Loan	1.00%	1,793,237
2012 ARI-006 Clean Water Loan(Fund 60 Portion)	2.00%	250,899
2012 ARI-006 Clean Water Loan(Fund 65 Portion)	2.00%	360,733
2013 Hartford W/W Treatment Facility Loan	2.00%	7,277,421
2013 Quechee W/W Treatment Facility Loan	2.00%	<u>5,133,062</u>
Total Enterprise Funds		<u>17,585,352</u>
TOTAL BONDS AND NOTES PAYABLE		<u>\$ 23,585,368</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	\$ 1,870,225	\$ 3,655,000	\$ 161,761	\$ 5,363,464	\$ 344,511
Revolving loans payable	826,748	-	190,196	636,552	74,935
Other postemployment benefits	<u>2,324,333</u>	<u>443,514</u>	<u>139,496</u>	<u>2,628,351</u>	<u>-</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 5,021,306</u>	<u>\$ 4,098,514</u>	<u>\$ 491,453</u>	<u>\$ 8,628,367</u>	<u>\$ 419,446</u>
<b>Business-type Activities</b>					
Bonds payable	\$ 360,000	\$ 2,500,000	\$ 90,000	\$ 2,770,000	\$ 215,000
Revolving loans payable	15,338,429	160,302	683,380	14,815,351	698,273
Other postemployment benefits	466,539	100,591	35,564	531,566	-
Postclosure care costs	<u>368,000</u>	<u>-</u>	<u>23,000</u>	<u>345,000</u>	<u>23,000</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 16,532,968</u>	<u>\$ 2,760,893</u>	<u>\$ 831,944</u>	<u>\$ 18,461,917</u>	<u>\$ 936,273</u>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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, 2014, 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>
2015	\$ 419,446	\$ 176,846	\$ 913,273	\$ 408,452
2016	419,446	168,080	928,502	387,613
2017	419,446	159,909	944,073	365,880
2018	756,259	150,967	869,995	345,531
2019	344,511	141,090	886,276	326,589
2020-2024	1,302,556	569,957	4,688,739	1,321,790
2025-2029	1,197,556	353,456	4,597,786	757,242
2030-2034	<u>1,140,796</u>	<u>122,554</u>	<u>3,756,707</u>	<u>228,801</u>
Total	<u>\$ 6,000,016</u>	<u>\$ 1,842,859</u>	<u>\$ 17,585,351</u>	<u>\$ 4,141,898</u>

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

<b>TOWN OF HARTFORD, VERMONT</b> <b>NOTES TO FINANCIAL STATEMENTS</b> <b>JUNE 30, 2014</b>
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**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	
Quechee Gorge Visitor Center - restricted by grant agreement	\$ 43,428
Watershed Grant Fund - restricted by grant agreement	1,853
Revolving Loan Fund - restricted by grant agreement	361,564
Rehabilitation Loan Funds - restricted by grant agreement	107,844
Police Drug Forefiture Fund - restricted by statute	2,116
Police Youth Safety Fair - restricted by donor agreement	3,399
Engine 494 Fund - restricted by donor agreement	7,618
Dog Park Fund - restricted by donor agreement	8,076
Glory Days Fund - restricted by donor agreement	160
Trees Matter Fund - restricted by donor agreement	2,146
Fire/EMS Impact Fee Fund - restricted by statute	45,043
Recreation Impact Fee Fund - restricted by statute	72,125
Library Impact Fee Fund - restricted by statute	<u>3,164</u>
Total Special Revenue Funds	<u>658,536</u>
Capital Projects Fund	
CSO Fund - restricted by bond agreement	<u>82,973</u>
Total Capital Projects Fund	<u>82,973</u>
Debt Service Fund	
CSO Bond Reserve Fund - restricted by bond agreement	<u>219,305</u>
Total Debt Service Fund	<u>219,305</u>
Permanent Fund	
Town Trust Funds - restricted by Trust agreement	<u>35,595</u>
Total Permanent Fund	<u>35,595</u>
<b>TOTAL GOVERNMENTAL RESTRICTED NET POSITION</b>	<b><u>\$ 996,409</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 FUND BALANCE</b>	<b><u>\$ 27,168</u></b>

BUSINESS-TYPE ACTIVITIES

Central Water Impact Fee Fund - restricted by statute	\$ 116,869
Quechee Water Impact Fee Fund - restricted by statute	55,867
Central Wastewater Impact Fee Fund - restricted by statute	643,365
Quechee Wastewater Impact Fee Fund - restricted by statute	<u>211,495</u>
<b>TOTAL BUSINESS-TYPE RESTRICTED NET POSITION</b>	<b><u>\$ 1,027,596</u></b>

<b>TOWN OF HARTFORD, VERMONT</b> <b>NOTES TO FINANCIAL STATEMENTS</b> <b>JUNE 30, 2014</b>
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**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 record restoration	\$ 120,537
Assigned to town clerk digital imaging	42,554
Assigned Building Energy Improvements	13,000
Assigned to accounting software	6,124
Assigned to Revaluation	326,259
Assigned to Fire/EMS capital purchases	341,546
Assigned to communications center upgrade	43,290
Assigned to Highway equipment expenditures	199,332
Assigned to Highway bridges and culverts	464,627
Assigned to Highway capital expenditures	275,770
Assigned to street light maintenance reserve	9,553
Assigned to street light replacement reserve	23,704
Assigned to Senior Center renovations	16,513
Assigned to Recreation expenses	64,302
Assigned to Conservation and Development expenditures	92,942
Assigned to subsequent year expenditures	200,000
Assigned to police body cameras	8,628
Assigned to stret line painting	3,200
Assigned to street globes & lights	7,000
Assigned to sidewalks	96,330
Assigned to paving	15,000
Assigned to conversion of subdivision regulation	2,000
Assigned to town portion of conservation & development grants	10,000
Assigned to West Hartford Library	44,751
Assigned to WRJ revitalization	59,119

Total General Fund	2,486,081
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Capital Projects Funds	
Maxfield Sports Complex Fund - assigned to design and construction of sports complex	655,147
DPW Garage Fund - assigned to capital expenditures	52,001
W. Hartford Library Fund - assigned to new library construction	48,621
Children's Pool & Pump House Fund - assigned to capital expenditure	220,000

Total Capital Projects Funds	975,769
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<b>TOTAL GOVERNMENTAL FUNDS</b>	
<b>ASSIGNED FUND BALANCES</b>	<b>\$ 3,461,850</b>

BUSINESS-TYPE ACTIVITIES

Outdoor Facilities Capital Reserve Fund - designated for capital expenditures	\$ 94,407
Outdoor Facilities Fund - designated for renovation of arena	355,000
Solid Waste Capital Reserve Fund - designated for capital expenditures	29,955
Solid Waste Closure Reserve Fund - designated for postclosure expenditures	110,366
Solid Waste Equipment Reserve Fund - designated for equipment purchases	51,805
Central Water Capital Reserve Fund - designated for capital expenditures	859,306
Quechee Water Capital Reserve Fund - designated for capital expenditures	431,584
Central Wastewater Capital Reserve Fund - designated for capital expenditures	1,013,041
Quechee Wastewater Capital Reserve Fund - designated for capital expenditures	800,320

<b>TOTAL BUSINESS-TYPE</b>	
<b>DESIGNATED NET POSITION</b>	<b>\$ 3,745,784</b>

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

The Hurricane Irene Fund, Bridge Street Underpass Fund, and certain individual grant funds within the Special Revenue Funds and Capital Project Funds have negative fund balances as of June 30, 2014. These fund balances are negative partially because expenditures have gone out but the grant reimbursement revenue was not received soon enough after June 30, 2014 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.

**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 \$1,048 in unemployment claims during the fiscal year ended June 30, 2014.

**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, 2014**

**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 4.625% of their gross salary and the Town contributes 5.125%; however, under the agreement between the Town and the Public Works Chapter, the Town actually contributes 7.125% and the employees contribute 2.625%.

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 9.375% of their gross salary and the Town contributes 6.625%; however, under the agreement between the Town and the Firefighters' Association, the Police Chapter, and the Public Works Chapter, the Town actually contributes 7.125% and the employees contribute 8.875%, and also for non-union employees, the Town actually contributes 8.125% and the employees contribute 7.875%.

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 \$4,107,038 and Town contributions for the year ended June 30, 2014 were \$305,533. Contributions for the years ended June 30, 2013 and June 30, 2012 were \$279,874 and \$240,767, 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 \$2,205,363. Town contributions for the year ended June 30, 2014 were \$176,429. Contributions for the years ended June 30, 2013 and June 30, 2012 were \$172,327 and \$170,906, 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, 2014**

**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	\$ 443,514	\$ 100,591	\$ 544,105
Contributions Made	<u>139,496</u>	<u>35,563</u>	<u>175,059</u>
Increase in Net OPEB Obligation	304,018	65,028	369,046
Net OPEB Obligation, Beginning of Year	<u>2,324,335</u>	<u>466,537</u>	<u>2,790,872</u>
Net OPEB Obligation, End of Year	<u>\$ 2,628,353</u>	<u>\$ 531,565</u>	<u>\$ 3,159,918</u>
Percentage of Annual OPEB Cost Contributed			<u>32.17%</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, 2014</b>
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**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.

	Total FYE 6/30/13	Total FYE 6/30/12
Annual OPEB Cost	\$ 544,105	\$ 544,105
Contributions Made	183,443	132,211
Increase in Net OPEB Obligation	360,662	411,894
Net OPEB Obligation, Beginning of Year	2,430,210	2,018,316
Net OPEB Obligation, End of Year	\$ 2,790,872	\$ 2,430,210
Percentage of Annual OPEB Cost Contributed	33.71%	24.30%

**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, 2014 Town of Hartford employees continued work to repair the damage leftover from the Hurricane. All repair projects were completed or near completion by June 30, 2014. The Town is continuing to work with the Vermont Agency of Transportation and the Federal Emergency Management Agency to ensure grant reimbursement is received on all eligible projects.

**I. Tax Increment Financing District**

The Town Selectboard approved the establishment of a Tax Increment Financing (TIF) District on April 5, 2011 which was later approved by the Vermont Economic Progress Council (VEPC) on December 8, 2011. The district includes parcels between Prospect Street and the White River Junction downtown area, The Prospect Street TIF District creation date is considered to be April 1, 2011 and the TIF District activation date is the date of “execution of the financing” which was July 31, 2014.

The TIF District will allow the Town to undertake and pay for infrastructure improvements that will allow for increased economic and community development. The Town cannot incur any new TIF District debt until each project or group of projects is approved by VEPC and then by the voters. The Town voters approved the Prospect Street TIF District Project and the related bond for \$900,000 on March 4, 2014. TIF District debt will be paid by TIF revenue, however, is a general obligation of the Town if TIF District revenues are not sufficient. The Town has a signed agreement with the construction contractor guaranteeing that they will cover any costs to complete the project in excess of \$900,000.

With a TIF District, the value of properties within the District are frozen at the time the District is created. All property taxes generated by the original base continue to go to the municipal General Fund and the State Education Fund. For twenty (20) years from first debt incursion, the municipal and education property taxes generated by any “new” development are shared with 75% going to finance TIF District infrastructure debt and 25% going to the municipal General Fund and State Education Fund.

**TOWN OF HARTFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**J. Subsequent Events**

On March 4, 2014, voters authorized the issuance of general obligation bonds in the amounts of \$4,900,000 for renovation of the existing Town Municipal Building located at 171 Bridge Street and \$900,000 for development within the Prospect Street TIF District.

Bonds for these two projects were approved by the Vermont Municipal Bond Bank in the amount of \$4,900,000 and \$900,000 during June 2014. Bond proceeds were distributed to the Town during July 2014. The Municipal Building Renovation Bond requires debt service between \$387 K and \$255 K for twenty years starting in November 2015. The Prospect Street TIF Bond requires debt service between \$71 K and \$47 K for twenty years also starting in November 2015.

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND - UNASSIGNED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 10,545,177	\$ 10,354,782	(\$ 190,395)
Tax penalties and interest	175,000	185,738	10,738
Permits and licenses	17,430	17,665	235
Intergovernmental revenues	576,171	729,285	153,114
Charges for services	1,244,402	1,352,954	108,552
Fines and forfeits	10,500	69,942	59,442
Interest	4,500	1,082	( 3,418)
Other revenues	<u>96,600</u>	<u>139,246</u>	<u>42,646</u>
Total Revenues	<u>12,669,780</u>	<u>12,850,694</u>	<u>180,914</u>
<b>EXPENDITURES</b>			
Current expenditures			
General government			
Administration	613,218	757,322	( 144,104)
Elections and vital statistics	194,451	158,417	36,034
Finance	384,876	336,474	48,402
Valuation	177,659	178,119	( 460)
Boards and commissions	4,250	5,992	( 1,742)
Public safety			
Police	2,358,900	2,338,581	20,319
Fire and ambulance	2,761,469	2,523,601	237,868
Dispatch	576,096	647,765	( 71,669)
Public works			
Highways	1,797,771	1,753,455	44,316
Public works administration	134,900	141,082	( 6,182)
Health and social services	263,272	267,446	( 4,174)
Recreation and parks			
Recreation administration	188,422	190,379	( 1,957)
Recreation programs	294,077	314,407	( 20,330)
Parks	212,353	216,171	( 3,818)
Conservation and development	469,236	410,514	58,722
Cultural	300,822	290,601	10,221
Capital expenditures			
General government			
Administration	85,000	116,482	( 31,482)
Public safety			
Police	65,000	131,054	( 66,054)
Fire and ambulance	89,700	146,875	( 57,175)
Dispatch	-	5,961	( 5,961)
Public works			
Highways	1,243,100	1,146,788	96,312
Recreation and parks			
Recreation programs	5,500	-	5,500
Parks	215,000	30,132	184,868
Conservation and development	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>12,460,072</u>	<u>12,107,618</u>	<u>352,454</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	807,150	904,636	97,486
Transfers out	( 1,021,858)	( 1,794,968)	( 773,110)
Proceeds from sale of capital assets	<u>5,000</u>	<u>17,772</u>	<u>12,772</u>
Total Other Financing Sources (Uses)	<u>( 209,708)</u>	<u>( 872,560)</u>	<u>( 662,852)</u>
Net change in fund balance	<u>\$ -</u>	<u>(\$ 129,484)</u>	<u>(\$ 129,484)</u>
<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		(\$ 129,484)	
Transfer to Assigned Fund Balance		768,059	
Transfer from Assigned Fund Balance		( 1,231,602)	
Expenditures from Assigned Fund Balance		( 84,835)	
Assigned Fund Balance Interest Income		<u>183</u>	
Change in Fund Balances - GAAP Basis		<u>(\$ 677,679)</u>	

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unassigned</u>	<u>Assigned</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 10,354,782	\$ -	\$ 10,354,782
Tax penalties and interest	185,738	-	185,738
Permits and licenses	17,665	-	17,665
Intergovernmental revenues	729,285	-	729,285
Charges for current services	1,352,954	-	1,352,954
Fines and forfeits	69,942	-	69,942
Interest	1,082	183	1,265
Other revenues	139,246	-	139,246
	<u>12,850,694</u>	<u>183</u>	<u>12,850,877</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current expenditures			
General government			
Administration	757,322	34,794	792,116
Elections and vital statistics	158,417	-	158,417
Finance	336,474	-	336,474
Valuation	178,119	-	178,119
Boards and commissions	5,992	-	5,992
Public safety			
Police	2,338,581	-	2,338,581
Fire and ambulance	2,523,601	-	2,523,601
Dispatch	647,765	-	647,765
Public works			
Highways	1,753,455	9,441	1,762,896
Public works administration	141,082	-	141,082
Health and social services	267,446	-	267,446
Recreation and parks			
Recreation administration	190,379	-	190,379
Recreation programs	314,407	-	314,407
Parks	216,171	-	216,171
Conservation and development	410,514	19,112	429,626
Cultural	290,601	-	290,601
Capital expenditures			
General government			
Administration	116,482	-	116,482
Public safety			
Police	131,054	5,846	136,900
Fire	146,875	-	146,875
Dispatch	5,961	-	5,961
Public works			
Highways	1,146,788	-	1,146,788
Recreation and parks			
Parks	30,132	15,642	45,774
	<u>12,107,618</u>	<u>84,835</u>	<u>12,192,453</u>
Total Expenditures			
Excess (deficiency) of Revenues Over (Under)			
Expenditures	743,076	( 84,652)	658,424
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	904,636	768,059	1,672,695
Transfers out	( 1,794,968)	( 1,231,602)	( 3,026,570)
Proceeds from sale of capital assets	17,772	-	17,772
	<u>( 872,560)</u>	<u>( 463,543)</u>	<u>( 1,336,103)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	( 129,484)	( 548,195)	( 677,679)
Fund Balances - July 1, 2013	1,251,378	3,034,275	4,285,653
Fund Balances - June 30, 2014	<u>\$ 1,121,894</u>	<u>\$ 2,486,080</u>	<u>\$ 3,607,974</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 585,093	\$ 466,333	\$ -	\$ 19,831	\$ 1,071,257
Investments	-	-	-	15,857	15,857
Receivables (net of allowances for uncollectible accounts)					
Accounts receivable	30,887	-	-	-	30,887
Notes receivable	87,695	-	-	-	87,695
Deposit receivable	-	8,917	-	-	8,917
Due from other governments	131,285	278,646	-	-	409,931
Restricted assets:					
Cash and equivalents	-	-	219,305	-	219,305
<b>Total Assets</b>	<b>834,960</b>	<b>753,896</b>	<b>219,305</b>	<b>35,688</b>	<b>1,843,849</b>
<b>LIABILITIES</b>					
Accounts payable	20,433	154,984	-	-	175,417
Due to other governments	43,101	-	-	-	43,101
Due to other funds	113,145	300,160	-	93	413,399
Unearned revenue	-	2,248	-	-	2,248
<b>Total Liabilities</b>	<b>176,679</b>	<b>457,392</b>	<b>-</b>	<b>93</b>	<b>634,165</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenues-intergovernmental revenues	33,230	276,398	-	-	309,628
<b>Total deferred inflows of resources</b>	<b>33,230</b>	<b>276,398</b>	<b>-</b>	<b>-</b>	<b>309,628</b>
<b>FUND BALANCES</b>					
Non-spendable					
Permanent fund principal	-	-	-	27,168	27,168
Restricted for					
Public safety	5,515	-	-	-	5,515
Impact fees	120,332	-	-	-	120,332
Recreation and parks	18,000	-	-	-	18,000
Community development	514,689	-	-	-	514,689
Debt service	-	-	219,305	-	219,305
Endowments - Expendable	-	-	-	8,427	8,427
Other	-	82,973	-	-	82,973
Assigned to					
Recreation and parks	-	48,621	-	-	48,621
Public works	-	52,001	-	-	52,001
Cultural	-	220,000	-	-	220,000
Unassigned	( 33,485)	( 383,489)	-	-	( 416,974)
<b>Total Fund Balances</b>	<b>625,051</b>	<b>20,106</b>	<b>219,305</b>	<b>35,595</b>	<b>900,057</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 834,960</b>	<b>\$ 753,896</b>	<b>\$ 219,305</b>	<b>\$ 35,688</b>	<b>\$ 1,843,849</b>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Non-major Governmental Funds
<b>REVENUES</b>					
Intergovernmental revenues	\$ 546,204	\$ 175,000	\$ -	\$ -	\$ 721,204
Impact fees	14,354	-	-	-	14,354
Interest	4,986	13	38	52	5,089
Other revenues	<u>17,424</u>	<u>86,770</u>	<u>-</u>	<u>3,117</u>	<u>107,311</u>
Total Revenues	<u>582,968</u>	<u>261,783</u>	<u>38</u>	<u>3,169</u>	<u>847,958</u>
<b>EXPENDITURES</b>					
Current expenditures					
General government					
Administration	-	34,541	-	-	34,541
Recreation and parks					
Recreation programs	13,281	-	-	-	13,281
Parks	20,234	-	-	-	20,234
Conservation and development	204,273	-	-	-	204,273
Debt service expenditures					
Principal	-	-	351,958	-	351,958
Interest	-	-	164,618	-	164,618
Capital expenditures					
General government					
Administration	-	410,448	-	-	410,448
Public safety					
Police	137,515	-	-	-	137,515
Public works					
Highways	-	18,798	-	-	18,798
Conservation and development	70,409	-	-	-	70,409
Cultural	<u>-</u>	<u>768,060</u>	<u>-</u>	<u>-</u>	<u>768,060</u>
Total Expenditures	<u>445,712</u>	<u>1,231,847</u>	<u>516,576</u>	<u>-</u>	<u>2,194,135</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>137,256</u>	<u>( 970,064)</u>	<u>( 516,538)</u>	<u>3,169</u>	<u>( 1,346,177)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1	159,876	516,575	-	676,452
Transfers out	( 45,624)	-	( 172,194)	( 93)	( 217,911)
Proceeds from bond issuance	<u>-</u>	<u>555,000</u>	<u>-</u>	<u>-</u>	<u>555,000</u>
Total Other Financing Sources (Uses)	<u>( 45,623)</u>	<u>714,876</u>	<u>344,381</u>	<u>( 93)</u>	<u>1,013,541</u>
Net Change in Fund Balances	91,633	( 255,188)	( 172,157)	3,076	( 332,636)
Fund Balances - July 1, 2013	<u>533,418</u>	<u>275,294</u>	<u>391,462</u>	<u>32,519</u>	<u>1,232,693</u>
Fund Balances - June 30, 2014	<u>\$ 625,051</u>	<u>\$ 20,106</u>	<u>\$ 219,305</u>	<u>\$ 35,595</u>	<u>\$ 900,057</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	Community Development Funds	Recreation Funds	Public Safety Funds	Impact Fee Funds	Totals
<b>ASSETS</b>					
Cash and equivalents	\$ 428,581	\$ 18,271	\$ 5,515	\$ 132,726	\$ 585,093
Receivables (net of allowances for uncollectible accounts)					
Accounts receivable	180	-	-	30,707	30,887
Notes receivable	87,695	-	-	-	87,695
Due from other governments	66,147	-	65,138	-	131,285
Total Assets	<u>582,603</u>	<u>18,271</u>	<u>70,653</u>	<u>163,433</u>	<u>834,960</u>
<b>LIABILITIES</b>					
Accounts payable	20,433	-	-	-	20,433
Due to other governments	-	-	-	43,101	43,101
Due to other funds	47,736	271	65,138	-	113,145
Total Liabilities	<u>68,169</u>	<u>271</u>	<u>65,138</u>	<u>43,101</u>	<u>176,679</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenues-intergovernmental revenues	33,230	-	-	-	33,230
Total deferred inflows of resources	<u>33,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,230</u>
<b>FUND BALANCES</b>					
Restricted for					
Public safety	-	-	5,515	-	5,515
Impact fees	-	-	-	120,332	120,332
Community development	514,689	-	-	-	514,689
Recreation & parks	-	18,000	-	-	18,000
Unassigned	( 33,485)	-	-	-	( 33,485)
Total Fund Balances	<u>481,204</u>	<u>18,000</u>	<u>5,515</u>	<u>120,332</u>	<u>625,051</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 582,603</u>	<u>\$ 18,271</u>	<u>\$ 70,653</u>	<u>\$ 163,433</u>	<u>\$ 834,960</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Community Development Funds	Recreation Funds	Public Safety Funds	Impact Fee Funds	Total
<b>REVENUES</b>					
Intergovernmental revenues	\$ 326,608	\$ 11,200	\$ 208,396	\$ -	\$ 546,204
Impact fees	-	-	-	14,354	14,354
Interest income	4,972	2	1	11	4,986
Other revenues	<u>-</u>	<u>16,899</u>	<u>525</u>	<u>-</u>	<u>17,424</u>
Total Revenues	<u>331,580</u>	<u>28,101</u>	<u>208,922</u>	<u>14,365</u>	<u>582,968</u>
<b>EXPENDITURES</b>					
Current expenditures					
R & P - Recreation	-	13,281	-	-	13,281
R & P - Parks	-	20,234	-	-	20,234
Conservation and development	204,273	-	-	-	204,273
Capital expenditures					
Public safety - police	-	-	137,515	-	137,515
Conservation and development	<u>70,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,409</u>
Total Expenditures	<u>274,682</u>	<u>33,515</u>	<u>137,515</u>	<u>-</u>	<u>445,712</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>56,898</u>	<u>( 5,414)</u>	<u>71,407</u>	<u>14,365</u>	<u>137,256</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1	-	-	-	1
Transfers out	<u>-</u>	<u>-</u>	<u>( 28,190)</u>	<u>( 17,434)</u>	<u>( 45,624)</u>
Total Other Financing Sources (Uses)	<u>1</u>	<u>-</u>	<u>( 28,190)</u>	<u>( 17,434)</u>	<u>( 45,623)</u>
Net Change in Fund Balances	56,899	( 5,414)	43,217	( 3,069)	91,633
Fund Balances - July 1, 2013	<u>424,305</u>	<u>23,414</u>	<u>( 37,702)</u>	<u>123,401</u>	<u>533,418</u>
Fund Balances - June 30, 2014	<u>\$ 481,204</u>	<u>\$ 18,000</u>	<u>\$ 5,515</u>	<u>\$ 120,332</u>	<u>\$ 625,051</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2014**

	Roundabout Fund	CSO Project Fund	DPW Garage Fund	Pump House & Children's Pool Fund
<b>ASSETS</b>				
Cash and equivalents	\$ -	\$ 82,973	\$ 52,001	\$ 220,000
Due from other governments	2,248	-	-	-
Deposit receivable	-	-	-	-
Total Assets	<u>2,248</u>	<u>82,973</u>	<u>52,001</u>	<u>220,000</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Due to other funds	2,248	-	-	-
Unearned revenue	<u>2,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,496</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenues-intergovernmental revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	-	82,973	-	-
Assigned	-	-	52,001	220,000
Unassigned	<u>( 2,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>( 2,248)</u>	<u>82,973</u>	<u>52,001</u>	<u>220,000</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,248</u>	<u>\$ 82,973</u>	<u>\$ 52,001</u>	<u>\$ 220,000</u>

See Accompanying Independent Auditors' Report

*Continued on next page*

**TOWN OF HARTFORD, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2014**

Quechee Bridge Fund	Wendell A. Barwood Arena Fund	West Hartford Library & Patriot's Park Fund	Municipal Building Renovation Fund	Prospect Street TIF District Fund	Totals
\$ -	\$ -	\$ 49,636	\$ 61,723	\$ -	\$ 466,333
207,567	-	68,831	-	-	278,646
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,917</u>	<u>-</u>	<u>8,917</u>
<u>207,567</u>	<u>-</u>	<u>118,467</u>	<u>70,640</u>	<u>-</u>	<u>753,896</u>
14,233	-	1,015	139,736	-	154,984
79,621	-	-	216,104	2,187	300,160
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,248</u>
<u>93,854</u>	<u>-</u>	<u>1,015</u>	<u>355,840</u>	<u>2,187</u>	<u>457,392</u>
<u>207,567</u>	<u>-</u>	<u>68,831</u>	<u>-</u>	<u>-</u>	<u>276,398</u>
<u>207,567</u>	<u>-</u>	<u>68,831</u>	<u>-</u>	<u>-</u>	<u>276,398</u>
-	-	-	-	-	82,973
-	-	48,621	-	-	320,622
<u>( 93,854)</u>	<u>-</u>	<u>-</u>	<u>( 285,200)</u>	<u>( 2,187)</u>	<u>( 383,489)</u>
<u>( 93,854)</u>	<u>-</u>	<u>48,621</u>	<u>( 285,200)</u>	<u>( 2,187)</u>	<u>20,106</u>
<u>\$ 207,567</u>	<u>\$ -</u>	<u>\$ 118,467</u>	<u>\$ 70,640</u>	<u>\$ -</u>	<u>\$ 753,896</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Roundabout Fund	CSO Project Fund	DPW Garage Fund	Pump House & Children's Pool Fund
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Interest income	-	8	5	-
Other income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>8</u>	<u>5</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current expenditures				
General government	-	-	-	-
Capital expenditures				
GG - Administration	-	-	-	-
Highway	-	-	-	-
Cultural	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>8</u>	<u>5</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	140,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,000</u>
Net Change in Fund Balances	-	8	5	140,000
Fund Balances - July 1, 2013	<u>( 2,248)</u>	<u>82,965</u>	<u>51,996</u>	<u>80,000</u>
Fund Balances - June 30, 2014	<u><u>(\$ 2,248)</u></u>	<u><u>\$ 82,973</u></u>	<u><u>\$ 52,001</u></u>	<u><u>\$ 220,000</u></u>

See Accompanying Independent Auditors' Report

*Continued on next page*

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Quechee Bridge Fund	Wendell A. Barwood Arena Fund	West Hartford Library & Patriot's Park Fund	Municipal Building Renovation Fund	Prospect Street TIF District Fund	Totals
\$ 175,000		\$ -		\$ -	\$ 175,000
-	-	-	-	-	13
-	8,948	77,822	-	-	86,770
<u>175,000</u>	<u>8,948</u>	<u>77,822</u>	<u>-</u>	<u>-</u>	<u>261,783</u>
-	-	-	34,541	-	34,541
-	-	-	410,448	-	410,448
16,611	-	-	-	2,187	18,798
<u>-</u>	<u>-</u>	<u>768,060</u>	<u>-</u>	<u>-</u>	<u>768,060</u>
<u>16,611</u>	<u>-</u>	<u>768,060</u>	<u>444,989</u>	<u>2,187</u>	<u>1,231,847</u>
<u>158,389</u>	<u>8,948</u>	<u>( 690,238)</u>	<u>( 444,989)</u>	<u>( 2,187)</u>	<u>( 970,064)</u>
-	-	-	159,876	-	159,876
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>415,000</u>	<u>-</u>	<u>-</u>	<u>555,000</u>
<u>-</u>	<u>-</u>	<u>415,000</u>	<u>159,876</u>	<u>-</u>	<u>714,876</u>
158,389	8,948	( 275,238)	( 285,113)	( 2,187)	( 255,188)
<u>( 252,243)</u>	<u>( 8,948)</u>	<u>323,859</u>	<u>( 87)</u>	<u>-</u>	<u>275,294</u>
<u>(\$ 93,854)</u>	<u>\$ -</u>	<u>\$ 48,621</u>	<u>(\$ 285,200)</u>	<u>(\$ 2,187)</u>	<u>\$ 20,106</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF NET POSITION**  
**WATER AND WASTEWATER FUNDS**  
**JUNE 30, 2014**

	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	\$ 1,119,936	\$ 880,418	\$ 2,000,354	\$ 2,287,946	\$ 1,837,639	\$ 4,125,585
Accounts receivable (net of allowance for uncollectible accounts)	172,555	69,674	242,229	312,981	223,877	536,858
Due from other governments	-	-	-	215,961	-	215,961
<b>Total Current Assets</b>	<u>1,292,491</u>	<u>950,092</u>	<u>2,242,583</u>	<u>2,816,888</u>	<u>2,061,516</u>	<u>4,878,404</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	158,860	127,117	285,977	298,664	181,495	480,159
Distribution and collection systems	8,857,664	2,317,885	11,175,549	3,988,457	8,366,951	12,355,408
Construction in progress	98,647	-	98,647	-	-	-
Less accumulated depreciation	( 4,460,772)	( 1,201,182)	( 5,661,954)	( 10,459,594)	( 7,692,201)	( 18,151,795)
<b>Total Noncurrent Assets</b>	<u>4,950,559</u>	<u>1,261,820</u>	<u>6,212,379</u>	<u>10,426,441</u>	<u>10,478,529</u>	<u>20,904,970</u>
<b>Total Assets</b>	<u>6,243,050</u>	<u>2,211,912</u>	<u>8,454,962</u>	<u>13,243,329</u>	<u>12,540,045</u>	<u>25,783,374</u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	114,955	7,383	122,338	42,089	21,445	63,534
Accrued payroll and benefits payable	11,496	2,833	14,329	12,564	7,679	20,243
Accrued compensated absences payable	16,154	9,947	26,101	30,685	21,849	52,534
Accrued interest payable	4,483	154	4,637	16,311	92,331	108,642
Bonds and notes payable - current portion	126,355	15,000	141,355	330,336	316,582	646,918
<b>Total Current Liabilities</b>	<u>273,443</u>	<u>35,317</u>	<u>308,760</u>	<u>431,985</u>	<u>459,886</u>	<u>891,871</u>
Noncurrent Liabilities						
Other post employment benefits	95,414	42,495	137,909	175,565	121,757	297,322
Bonds and notes payable	1,666,882	30,000	1,696,882	7,197,983	5,402,213	12,600,196
<b>Total Noncurrent Liabilities</b>	<u>1,762,296</u>	<u>72,495</u>	<u>1,834,791</u>	<u>7,373,548</u>	<u>5,523,970</u>	<u>12,897,518</u>
<b>Total Liabilities</b>	<u>2,035,739</u>	<u>107,812</u>	<u>2,143,551</u>	<u>7,805,533</u>	<u>5,983,856</u>	<u>13,789,389</u>
<b>NET POSITION</b>						
Net investment in capital assets	3,152,837	1,216,666	4,369,503	2,881,812	4,751,038	7,632,850
Restricted for:						
Impact fee eligible expenses	116,869	55,867	172,736	643,365	211,495	854,860
Unrestricted	937,605	831,567	1,769,172	1,912,619	1,593,656	3,506,275
<b>Total Net Position</b>	<u>\$ 4,207,311</u>	<u>\$ 2,104,100</u>	<u>\$ 6,311,411</u>	<u>\$ 5,437,796</u>	<u>\$ 6,556,189</u>	<u>\$ 11,993,985</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**WATER AND WASTEWATER FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	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	\$ 980,726	\$ 359,185	\$ 1,339,911	\$ 1,588,665	\$ 1,084,951	\$ 2,673,616
Rents and other income	10,920	2,211	13,131	22,786	7,473	30,259
Total Operating Revenues	<u>991,646</u>	<u>361,396</u>	<u>1,353,042</u>	<u>1,611,451</u>	<u>1,092,424</u>	<u>2,703,875</u>
<b>OPERATING EXPENSES</b>						
Personnel services	417,202	133,308	550,510	571,801	347,145	918,946
Administration expenses	19,759	4,052	23,811	10,175	15,210	25,385
Utilities	73,209	31,270	104,479	170,403	87,080	257,483
Contract services	13,672	3,800	17,472	78,060	71,202	149,262
Equipment operation	10,997	4,457	15,454	22,674	16,722	39,396
Repairs and maintenance	39,255	25,975	65,230	49,472	6,831	56,303
Materials and supplies	41,899	5,191	47,090	54,885	25,268	80,153
Insurance expense	10,707	2,255	12,962	26,813	9,576	36,389
Small equipment	7,159	2,358	9,517	2,640	3,505	6,145
Books and periodicals	11	-	11	-	-	-
Depreciation	277,808	95,466	373,274	656,467	791,935	1,448,402
Total Operating Expenses	<u>911,678</u>	<u>308,132</u>	<u>1,219,810</u>	<u>1,643,390</u>	<u>1,374,474</u>	<u>3,017,864</u>
Operating Income (Loss)	<u>79,968</u>	<u>53,264</u>	<u>133,232</u>	<u>( 31,939)</u>	<u>( 282,050)</u>	<u>( 313,989)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	-	-	-	107,981	-	107,981
Interest income	81	41	122	150	104	254
Interest/admin fee expense	<u>( 57,171)</u>	<u>( 2,499)</u>	<u>( 59,670)</u>	<u>( 156,331)</u>	<u>( 123,159)</u>	<u>( 279,490)</u>
Total Nonoperating Revenues (Expenses)	<u>( 57,090)</u>	<u>( 2,458)</u>	<u>( 59,548)</u>	<u>( 48,200)</u>	<u>( 123,055)</u>	<u>( 171,255)</u>
Income (Loss) Before Transfers	<u>22,878</u>	<u>50,806</u>	<u>73,684</u>	<u>( 80,139)</u>	<u>( 405,105)</u>	<u>( 485,244)</u>
<b>TRANSFERS</b>						
Transfers in	586,195	143,697	729,892	627,372	385,740	1,013,112
Transfers out	<u>( 586,195)</u>	<u>( 143,697)</u>	<u>( 729,892)</u>	<u>( 627,372)</u>	<u>( 385,740)</u>	<u>( 1,013,112)</u>
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	22,878	50,806	73,684	( 80,139)	( 405,105)	( 485,244)
Total Net Position, July 1, 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>
Total Net Position, June 30, 2014	<u>\$ 4,207,311</u>	<u>\$ 2,104,100</u>	<u>\$ 6,311,411</u>	<u>\$ 5,437,796</u>	<u>\$ 6,556,189</u>	<u>\$ 11,993,985</u>

See Accompanying Independent Auditors' Report

**TOWN OF HARTFORD, VERMONT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**WATER AND WASTEWATER FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	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	\$ 1,003,817	\$ 348,574	\$ 1,352,391	\$ 1,600,624	\$ 1,095,752	\$ 2,696,376
Cash paid to employees	( 405,698)	( 128,572)	( 534,270)	( 542,225)	( 339,700)	( 881,925)
Cash paid to suppliers	( 117,288)	( 75,042)	( 192,330)	( 483,398)	( 214,661)	( 698,059)
Net cash provided (used) by operating activities	<u>480,831</u>	<u>144,960</u>	<u>625,791</u>	<u>575,001</u>	<u>541,391</u>	<u>1,116,392</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Due to other governments	( 144,916)	-	( 144,916)	( 123,447)	-	( 123,447)
Net cash provided (used) by noncapital financing activities	<u>( 144,916)</u>	<u>-</u>	<u>( 144,916)</u>	<u>( 123,447)</u>	<u>-</u>	<u>( 123,447)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Subsidies from government grants	-	3,398	3,398	-	-	-
Proceeds from issuance of debt	-	-	-	160,302	-	160,302
Principal payments - bonds and notes	( 122,675)	( 15,000)	( 137,675)	( 323,860)	( 311,845)	( 635,705)
Interest/admin fees paid	( 57,478)	( 2,558)	( 60,036)	( 157,043)	( 127,405)	( 284,448)
Purchase of capital assets	( 118,327)	( 53,850)	( 172,177)	( 189,656)	( 19,650)	( 209,306)
Net cash provided (used) by capital and related financing activities	<u>( 298,480)</u>	<u>( 68,010)</u>	<u>( 366,490)</u>	<u>( 510,257)</u>	<u>( 458,900)</u>	<u>( 969,157)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	81	41	122	150	104	254
Net cash provided (used) by investing activities	<u>81</u>	<u>41</u>	<u>122</u>	<u>150</u>	<u>104</u>	<u>254</u>
Net increase (decrease) in cash and equivalents	37,516	76,991	114,507	( 58,553)	82,595	24,042
Cash and equivalents - July 1, 2013	1,082,420	803,427	1,885,847	2,346,499	1,755,044	4,101,543
Cash and equivalents - June 30, 2014	<u>1,119,936</u>	<u>880,418</u>	<u>2,000,354</u>	<u>2,287,946</u>	<u>1,837,639</u>	<u>4,125,585</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>						
Operating income	79,968	53,264	133,232	( 31,939)	( 282,050)	( 313,989)
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation	277,808	95,466	373,274	656,467	791,935	1,448,402
(Increase) decrease in accounts receivable	12,171	( 12,822)	( 651)	( 10,827)	3,328	( 7,499)
Increase (decrease) in accounts payable	99,380	4,316	103,696	( 68,276)	20,733	( 47,543)
Increase (decrease) in accrued expenses	11,504	4,736	16,240	29,576	7,445	37,021
Total adjustments	<u>400,863</u>	<u>91,696</u>	<u>492,559</u>	<u>606,940</u>	<u>823,441</u>	<u>1,430,381</u>
Net cash provided (used) by operating activities	<u>\$ 480,831</u>	<u>\$ 144,960</u>	<u>\$ 625,791</u>	<u>\$ 575,001</u>	<u>\$ 541,391</u>	<u>\$ 1,116,392</u>

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**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**OUTDOOR FACILITIES FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund	Capital Reserve Fund	Arena Renovation Capital Project	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 187,339	\$ -	\$ -	\$ -	\$ 187,339
Rents and other income	871	-	-	-	871
Total Operating Revenues	<u>188,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,210</u>
<b>OPERATING EXPENSES</b>					
Personnel services	89,092	-	-	-	89,092
Utilities	55,047	-	-	-	55,047
Contract services	7,790	-	-	-	7,790
Equipment operation	5,879	-	-	-	5,879
Materials and supplies	3,636	-	-	-	3,636
Insurance expense	9,400	-	-	-	9,400
Small equipment	-	-	-	-	-
Depreciation	-	-	-	14,685	14,685
Total Operating Expenses	<u>170,844</u>	<u>-</u>	<u>-</u>	<u>14,685</u>	<u>185,529</u>
Operating Income (Loss)	<u>17,366</u>	<u>-</u>	<u>-</u>	<u>( 14,685)</u>	<u>2,681</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	-	8	-	-	8
Interest expense	( 80,334)	-	-	-	( 80,334)
Total Nonoperating Revenues (Expenses)	<u>( 80,334)</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>( 80,326)</u>
Income (Loss) Before Transfers	<u>( 62,968)</u>	<u>8</u>	<u>-</u>	<u>( 14,685)</u>	<u>( 77,645)</u>
<b>TRANSFERS</b>					
Transfers in	80,334	20,000	355,000	9,166	464,500
Transfers out	( 29,166)	-	-	-	( 29,166)
Total Transfers	<u>51,168</u>	<u>20,000</u>	<u>355,000</u>	<u>9,166</u>	<u>435,334</u>
Change in Net Position	<u>( 11,800)</u>	<u>20,008</u>	<u>355,000</u>	<u>( 5,519)</u>	<u>357,689</u>
Total Net Position, July 1, 2013	<u>26,097</u>	<u>74,399</u>	<u>-</u>	<u>67,094</u>	<u>167,590</u>
Total Net Position, June 30, 2014	<u>\$ 14,297</u>	<u>\$ 94,407</u>	<u>\$ 355,000</u>	<u>\$ 61,575</u>	<u>\$ 525,279</u>

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**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**SOLID WASTE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund	Equipment Reserve Fund	Closure Reserve Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>						
Charges for services	\$ 611,497	\$ -	\$ -	\$ -	\$ -	\$ 611,497
Rents and other income	12,172	-	-	-	-	12,172
Total Operating Revenues	<u>623,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,669</u>
<b>OPERATING EXPENSES</b>						
Personnel services	329,611	-	-	-	-	329,611
Administration expenses	5,653	-	-	-	-	5,653
Utilities	19,056	-	-	-	-	19,056
Contract services	409,336	-	-	-	-	409,336
Postclosure care costs	18,585	-	( 23,000)	-	-	( 4,415)
Franchise tax	6,945	-	-	-	-	6,945
Waste generation fee	5,945	-	-	-	-	5,945
Equipment operation	9,334	-	-	-	-	9,334
Repairs and maintenance	16,221	-	-	-	-	16,221
Materials and supplies	7,024	-	-	-	-	7,024
Insurance expense	8,532	-	-	-	-	8,532
Small equipment	191	-	-	-	-	191
Depreciation	-	-	-	-	72,774	72,774
Total Operating Expenses	<u>836,433</u>	<u>-</u>	<u>( 23,000)</u>	<u>-</u>	<u>72,774</u>	<u>886,207</u>
Operating Income (Loss)	<u>( 212,764)</u>	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>( 72,774)</u>	<u>( 262,538)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	4,509	-	-	-	-	4,509
Interest income	-	5	50	3	-	58
Total Nonoperating Revenues (Expenses)	<u>4,509</u>	<u>5</u>	<u>50</u>	<u>3</u>	<u>-</u>	<u>4,567</u>
Income (Loss) Before Transfers	<u>( 208,255)</u>	<u>5</u>	<u>23,050</u>	<u>3</u>	<u>( 72,774)</u>	<u>( 257,971)</u>
<b>TRANSFERS</b>						
Transfers in	168,585	-	-	-	-	168,585
Transfers out	-	-	( 18,585)	-	-	( 18,585)
Total Transfers	<u>168,585</u>	<u>-</u>	<u>( 18,585)</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Change in Net Position	<u>( 39,670)</u>	<u>5</u>	<u>4,465</u>	<u>3</u>	<u>( 72,774)</u>	<u>( 107,971)</u>
Total Net Position, July 1, 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>
Total Net Position, June 30, 2014	<u>\$ 117,729</u>	<u>\$ 51,805</u>	<u>\$ 110,366</u>	<u>\$ 29,958</u>	<u>\$ 681,891</u>	<u>\$ 991,749</u>

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**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**CENTRAL WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 980,726	\$ -	\$ -	\$ -	\$ 980,726
Rents and other income	3,048	7,872	-	-	10,920
Total Operating Revenues	<u>983,774</u>	<u>7,872</u>	<u>-</u>	<u>-</u>	<u>991,646</u>
<b>OPERATING EXPENSES</b>					
Personnel services	417,202	-	-	-	417,202
Administration expenses	19,759	-	-	-	19,759
Utilities	73,209	-	-	-	73,209
Contract services	13,672	-	-	-	13,672
Equipment operation	10,997	-	-	-	10,997
Repairs and maintenance	39,255	-	-	-	39,255
Materials and supplies	41,899	-	-	-	41,899
Insurance expense	10,707	-	-	-	10,707
Small equipment	7,159	-	-	-	7,159
Books and periodicals	11	-	-	-	11
Depreciation	-	-	-	277,808	277,808
Total Operating Expenses	<u>633,870</u>	<u>-</u>	<u>-</u>	<u>277,808</u>	<u>911,678</u>
Operating Income (Loss)	<u>349,904</u>	<u>7,872</u>	<u>-</u>	<u>( 277,808)</u>	<u>79,968</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	-	-	-	-
Interest income	-	14	67	-	81
Interest expense	( 57,171)	-	-	-	( 57,171)
Total Nonoperating Revenues (Expenses)	<u>( 57,171)</u>	<u>14</u>	<u>67</u>	<u>-</u>	<u>( 57,090)</u>
Income (Loss) Before Transfers	<u>292,733</u>	<u>7,886</u>	<u>67</u>	<u>( 277,808)</u>	<u>22,878</u>
<b>TRANSFERS</b>					
Transfers in	-	-	200,000	386,195	586,195
Transfers out	( 586,195)	-	-	-	( 586,195)
Total Transfers	<u>( 586,195)</u>	<u>-</u>	<u>200,000</u>	<u>386,195</u>	<u>-</u>
Change in Net Position	<u>( 293,462)</u>	<u>7,886</u>	<u>200,067</u>	<u>108,387</u>	<u>22,878</u>
Total Net Position, July 1, 2013	<u>371,761</u>	<u>108,983</u>	<u>659,239</u>	<u>3,044,450</u>	<u>4,184,433</u>
Total Net Position, June 30, 2014	<u>\$ 78,299</u>	<u>\$ 116,869</u>	<u>\$ 859,306</u>	<u>\$ 3,152,837</u>	<u>\$ 4,207,311</u>

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**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**QUECHEE WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 359,185	\$ -	\$ -	\$ -	\$ 359,185
Rents and other income	2,067	144	-	-	2,211
Total Operating Revenues	<u>361,252</u>	<u>144</u>	<u>-</u>	<u>-</u>	<u>361,396</u>
<b>OPERATING EXPENSES</b>					
Personnel services	133,308	-	-	-	133,308
Administration expenses	4,052	-	-	-	4,052
Utilities	31,270	-	-	-	31,270
Contract services	3,800	-	-	-	3,800
Equipment operation	4,457	-	-	-	4,457
Repairs and maintenance	25,975	-	-	-	25,975
Materials and supplies	5,191	-	-	-	5,191
Insurance expense	2,255	-	-	-	2,255
Small equipment	2,358	-	-	-	2,358
Depreciation	-	-	-	95,466	95,466
Total Operating Expenses	<u>212,666</u>	<u>-</u>	<u>-</u>	<u>95,466</u>	<u>308,132</u>
Operating Income (Loss)	<u>148,586</u>	<u>144</u>	<u>-</u>	<u>( 95,466)</u>	<u>53,264</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	-	-	-	-
Interest revenue	-	5	36	-	41
Interest expense	( 2,499)	-	-	-	( 2,499)
Total Nonoperating Revenues (Expenses)	<u>( 2,499)</u>	<u>5</u>	<u>36</u>	<u>-</u>	<u>( 2,458)</u>
Income (Loss) Before Transfers	<u>146,087</u>	<u>149</u>	<u>36</u>	<u>( 95,466)</u>	<u>50,806</u>
<b>TRANSFERS</b>					
Transfers in	-	-	75,000	68,697	143,697
Transfers out	( 143,697)	-	-	-	( 143,697)
Total Transfers	<u>( 143,697)</u>	<u>-</u>	<u>75,000</u>	<u>68,697</u>	<u>-</u>
Change in Net Position	2,390	149	75,036	( 26,769)	50,806
Total Net Position, July 1, 2013	<u>397,593</u>	<u>55,718</u>	<u>356,548</u>	<u>1,243,435</u>	<u>2,053,294</u>
Total Net Position, June 30, 2014	<u>\$ 399,983</u>	<u>\$ 55,867</u>	<u>\$ 431,584</u>	<u>\$ 1,216,666</u>	<u>\$ 2,104,100</u>

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**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**CENTRAL WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,588,665	\$ -	\$ -	\$ -	\$ 1,588,665
Rents and other income	6,532	16,254	-	-	22,786
Total Operating Revenues	<u>1,595,197</u>	<u>16,254</u>	<u>-</u>	<u>-</u>	<u>1,611,451</u>
<b>OPERATING EXPENSES</b>					
Personnel services	571,801	-	-	-	571,801
Administration expenses	10,175	-	-	-	10,175
Utilities	170,403	-	-	-	170,403
Contract services	78,060	-	-	-	78,060
Equipment operation	22,674	-	-	-	22,674
Repairs and maintenance	49,472	-	-	-	49,472
Materials and supplies	54,885	-	-	-	54,885
Insurance expense	26,813	-	-	-	26,813
Small equipment	2,640	-	-	-	2,640
Depreciation	-	-	-	656,467	656,467
Total Operating Expenses	<u>986,923</u>	<u>-</u>	<u>-</u>	<u>656,467</u>	<u>1,643,390</u>
Operating Income (Loss)	<u>608,274</u>	<u>16,254</u>	<u>-</u>	<u>( 656,467)</u>	<u>( 31,939)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	107,981	-	-	-	107,981
Interest income	-	63	87	-	150
Interest expense	<u>( 156,331)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 156,331)</u>
Total Nonoperating Revenues (Expenses)	<u>( 48,350)</u>	<u>63</u>	<u>87</u>	<u>-</u>	<u>( 48,200)</u>
Income (Loss) Before Transfers	<u>559,924</u>	<u>16,317</u>	<u>87</u>	<u>( 656,467)</u>	<u>( 80,139)</u>
<b>TRANSFERS</b>					
Transfers in	-	-	150,000	477,372	627,372
Transfers out	<u>( 627,372)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 627,372)</u>
Total Transfers	<u>( 627,372)</u>	<u>-</u>	<u>150,000</u>	<u>477,372</u>	<u>-</u>
Change in Net Position	<u>( 67,448)</u>	<u>16,317</u>	<u>150,087</u>	<u>( 179,095)</u>	<u>( 80,139)</u>
Total Net Position, July 1, 2013	<u>967,026</u>	<u>627,048</u>	<u>862,954</u>	<u>3,060,907</u>	<u>5,517,935</u>
Total Net Position, June 30, 2014	<u>\$ 899,578</u>	<u>\$ 643,365</u>	<u>\$ 1,013,041</u>	<u>\$ 2,881,812</u>	<u>\$ 5,437,796</u>

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**TOWN OF HARTFORD, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**QUECHEE WASTEWATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund	Impact Fee Fund	Capital Reserve Fund	Investment in Capital Assets	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,084,951	\$ -	\$ -	\$ -	\$ 1,084,951
Rents and other income	6,419	1,054	-	-	7,473
Total Operating Revenues	<u>1,091,370</u>	<u>1,054</u>	<u>-</u>	<u>-</u>	<u>1,092,424</u>
<b>OPERATING EXPENSES</b>					
Personnel services	347,145	-	-	-	347,145
Administration expenses	15,210	-	-	-	15,210
Utilities	87,080	-	-	-	87,080
Contract services	71,202	-	-	-	71,202
Equipment operation	16,722	-	-	-	16,722
Repairs and maintenance	6,831	-	-	-	6,831
Materials and supplies	25,268	-	-	-	25,268
Insurance expense	9,576	-	-	-	9,576
Small equipment	3,505	-	-	-	3,505
Depreciation	-	-	-	791,935	791,935
Total Operating Expenses	<u>582,539</u>	<u>-</u>	<u>-</u>	<u>791,935</u>	<u>1,374,474</u>
Operating Income (Loss)	<u>508,831</u>	<u>1,054</u>	<u>-</u>	<u>( 791,935)</u>	<u>( 282,050)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	-	-	-	-
Interest revenue	-	21	75	8	104
Interest expense	<u>( 123,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 123,159)</u>
Total Nonoperating Revenues (Expenses)	<u>( 123,159)</u>	<u>21</u>	<u>75</u>	<u>8</u>	<u>( 123,055)</u>
Income (Loss) Before Transfers	<u>385,672</u>	<u>1,075</u>	<u>75</u>	<u>( 791,927)</u>	<u>( 405,105)</u>
<b>TRANSFERS</b>					
Transfers in	-	-	50,000	335,740	385,740
Transfers out	<u>( 385,740)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 385,740)</u>
Total Transfers	<u>( 385,740)</u>	<u>-</u>	<u>50,000</u>	<u>335,740</u>	<u>-</u>
Change in Net Position	<u>( 68)</u>	<u>1,075</u>	<u>50,075</u>	<u>( 456,187)</u>	<u>( 405,105)</u>
Total Net Position, July 1, 2013	<u>793,404</u>	<u>210,420</u>	<u>750,245</u>	<u>5,207,225</u>	<u>6,961,294</u>
Total Net Position, June 30, 2014	<u>\$ 793,336</u>	<u>\$ 211,495</u>	<u>\$ 800,320</u>	<u>\$ 4,751,038</u>	<u>\$ 6,556,189</u>

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**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, 2014**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 192,600	\$ 187,339	(\$ 5,261)
Rents and other income	1,996	871	( 1,125)
Transfers from general fund	-	435,334	435,334
	194,596	623,544	428,948
<b>OPERATING EXPENSES</b>			
Personnel services	115,355	89,092	26,263
Utilities	53,200	55,047	( 1,847)
Contract services	4,850	7,790	( 2,940)
Equipment operation	4,700	5,879	( 1,179)
Materials and supplies	4,450	3,636	814
Insurance expense	9,991	9,400	591
Small equipment	2,050	-	2,050
Debt service	-	80,334	( 80,334)
Capital reserve	-	20,000	( 20,000)
Capital outlay	-	1,241,605	( 1,241,605)
	194,596	1,512,783	( 1,318,187)
Change in Net Position	\$ -	(\$ 889,239)	(\$ 889,239)
<b>RECONCILIATION OF CHANGE IN NET POSITION - BUDGETARY BASIS TO CHANGE IN NET POSITION - GAAP BASIS</b>			
Change in Net Position - Budgetary Basis		(\$ 889,239)	
Depreciation Expense		( 14,685)	
Purchase of Capital Assets		1,241,605	
Transfers to Capital Reserve Funds		20,000	
Interest Income		8	
Change in Net Position - GAAP Basis		\$ 357,689	

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**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, 2014**

	<u>Budgeted</u> Amounts	<u>Actual</u> Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 740,594	\$ 611,497	(\$ 129,097)
Rents and other income	123,300	166,681	43,381
Transfer from post-closure care reserve	<u>24,000</u>	<u>18,585</u>	<u>( 5,415)</u>
Total Operating Revenues	<u>887,894</u>	<u>796,763</u>	<u>( 91,131)</u>
<b>OPERATING EXPENSES</b>			
Personnel services	338,665	329,611	9,054
Administration expenses	7,240	5,653	1,587
Utilities	17,160	19,056	( 1,896)
Contract services	384,200	409,336	( 25,136)
Postclosure care costs	24,000	18,585	5,415
Franchise tax	8,400	6,945	1,455
Waste generation fee	9,050	5,945	3,105
Equipment operation	53,525	9,334	44,191
Repairs and maintenance	22,700	16,221	6,479
Materials and supplies	7,100	7,024	76
Insurance expense	9,154	8,532	622
Small equipment	<u>6,700</u>	<u>191</u>	<u>6,509</u>
Total Operating Expenses	<u>887,894</u>	<u>836,433</u>	<u>51,461</u>
Change in Net Position	<u>\$ -</u>	<u>(\$ 39,670)</u>	<u>(\$ 39,670)</u>

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

Change in Net Position - Budgetary Basis	(\$ 39,670)
Depreciation Expense	( 72,774)
Landfill Closure Costs	4,415
Interest Income	<u>58</u>
Change in Net Position - GAAP Basis	<u>(\$ 107,971)</u>

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**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, 2014**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 999,667	\$ 980,726	(\$ 18,941)
Rents and other income	232,947	3,048	( 229,899)
Total Operating Revenues	1,232,614	983,774	( 248,840)
<b>OPERATING EXPENSES</b>			
Personnel services	353,355	417,202	( 63,847)
Administration expenses	21,900	19,770	2,130
Utilities	81,600	73,209	8,391
Contract services	34,950	13,672	21,278
Equipment operation	15,365	10,997	4,368
Repairs and maintenance	30,250	39,255	( 9,005)
Materials and supplies	317,057	41,899	275,158
Insurance expense	10,826	10,707	119
Small equipment	33,300	7,159	26,141
Debt service	180,152	179,845	307
Capital reserve	153,859	200,000	( 46,141)
Capital outlay	-	118,327	( 118,327)
Total Operating Expenses	1,232,614	1,132,042	100,572
Change in Net Position	\$ -	(\$ 148,268)	(\$ 148,268)

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

Change in Net Position - Budgetary Basis	(\$ 148,268)
Depreciation Expense	( 277,808)
Purchase of Capital Assets	118,327
Principal Payments on Bonds and Leases	122,674
Transfers to Capital Reserve Funds	200,000
Impact Fee Income	7,872
Interest Income	81
Change in Net Position - GAAP Basis	\$ 22,878

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**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, 2014**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 336,997	\$ 359,185	\$ 22,188
Rents and other	36,672	2,067	( 34,605)
Total Operating Revenues	373,669	361,252	( 12,417)
<b>OPERATING EXPENSES</b>			
Personnel services	160,546	133,308	27,238
Administration expenses	6,800	4,052	2,748
Utilities	31,300	31,270	30
Contract services	39,620	3,800	35,820
Equipment operation	6,440	4,457	1,983
Repairs and maintenance	21,700	25,975	( 4,275)
Materials and supplies	6,800	5,191	1,609
Insurance expense	2,456	2,255	201
Small equipment	23,100	2,358	20,742
Debt service	17,558	17,499	59
Capital reserve	57,349	75,000	( 17,651)
Capital outlay	-	53,850	( 53,850)
Total Operating Expenses	373,669	359,015	14,654
Change in Net Position	\$ -	\$ 2,237	\$ 2,237

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

Change in Net Position - Budgetary Basis	\$ 2,237
Depreciation Expense	( 95,466)
Purchase of Capital Assets	53,850
Principal Payments on Bonds and Leases	15,000
Transfers to Capital Reserve Funds	75,000
Impact Fee Income	144
Interest Income	41
Change in Net Position - GAAP Basis	\$ 50,806

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**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, 2014**

	Budgeted Amounts	Actual Amounts	Variance- Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,614,734	\$ 1,588,665	(\$ 26,069)
Rents and other income	183,596	114,513	( 69,083)
Total Operating Revenues	1,798,330	1,703,178	( 95,152)
<b>OPERATING EXPENSES</b>			
Personnel services	599,574	571,801	27,773
Administration expenses	13,675	10,175	3,500
Utilities	194,450	170,403	24,047
Contract services	85,900	78,060	7,840
Equipment operation	126,180	22,674	103,506
Repairs and maintenance	246,557	49,472	197,085
Materials and supplies	53,500	54,885	( 1,385)
Insurance expense	27,038	26,813	225
Small equipment	24,500	2,640	21,860
Debt service	16,736	480,190	260,220
Capital reserve	410,220	150,000	( 463,454)
Capital outlay	-	272,292	( 272,292)
Total Operating Expenses	1,798,330	1,889,405	( 91,075)
Change in Net Position	\$ -	(\$ 186,227)	(\$ 186,227)

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

Change in Net Position - Budgetary Basis	(\$ 186,227)
Depreciation Expense	( 656,467)
Purchase of Capital Assets	272,292
Principal Payments on Bonds and Leases	323,859
Transfers to Capital Reserve Funds	150,000
Impact Fee Income	16,254
Interest Income	150
Change in Net Position - GAAP Basis	(\$ 80,139)

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**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, 2014**

	<u>Budgeted</u> Amounts	<u>Actual</u> Amounts	<u>Variance-</u> Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,085,197	\$ 1,084,951	(\$ 246)
Rents and other income	<u>2,786</u>	<u>6,419</u>	<u>3,633</u>
Total Operating Revenues	<u>1,087,983</u>	<u>1,091,370</u>	<u>3,387</u>
<b>OPERATING EXPENSES</b>			
Personnel services	330,742	347,145	( 16,403)
Administration expenses	17,400	15,210	2,190
Utilities	79,100	87,080	( 7,980)
Contract services	103,900	71,202	32,698
Equipment operation	20,524	16,722	3,802
Repairs and maintenance	64,200	6,831	57,369
Materials and supplies	26,000	25,268	732
Insurance expense	11,018	9,576	1,442
Small equipment	23,000	3,505	19,495
Debt service	111,853	435,004	( 323,151)
Capital reserve	300,246	50,000	250,246
Capital outlay	<u>-</u>	<u>19,650</u>	<u>( 19,650)</u>
Total Operating Expenses	<u>1,087,983</u>	<u>1,087,193</u>	<u>790</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 4,177</u>	<u>\$ 4,177</u>

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

Change in Net Position - Budgetary Basis	\$ 4,177
Depreciation Expense	( 791,935)
Purchase of Capital Assets	19,650
Principal Payments on Bonds and Leases	311,845
Transfers to/(from) Capital Reserve Funds	50,000
Transfers to/(from) Impact Fee Funds	-
Impact Fee Income	1,054
Interest Income	<u>104</u>
Change in Net Position - GAAP Basis	<u>(\$ 405,105)</u>

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**STATISTICAL SECTION**



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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 25,469,023	\$ 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
Restricted for:										
Public safety	5,515	24,009	22,079	9,336	-	-	-	-	-	-
Impact fee eligible expenses	120,332	123,401	146,904	523,614	491,076	555,668	692,983	778,013	810,566	805,281
Recreation and parks	18,000	831,030	1,079,850	1,167,014	497,400	-	-	-	-	-
Community development	514,689	528,391	530,453	531,871	550,545	547,593	540,718	789,589	755,222	684,616
Debt service	219,305	391,462	370,013	348,497	326,763	304,629	281,708	253,934	223,716	195,671
Other purposes	118,568	138,898	74,644	50,960	119,560	133,349	131,113	127,264	111,661	105,421
Unrestricted	2,042,292	2,046,957	2,196,083	2,444,648	3,040,822	2,302,778	1,426,624	1,289,584	1,699,683	1,636,232
Subtotal - Governmental Activities Net Position	28,507,724	26,310,825	24,658,242	24,251,401	24,104,656	21,426,039	20,435,416	20,608,938	19,692,277	17,444,964
<b>Business-type Activities</b>										
Net investment in capital assets	12,745,819	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
Restricted for:										
Impact fee eligible expenses	1,027,596	1,002,169	1,060,014	1,050,297	1,017,963	993,906	1,029,260	944,705	931,441	853,664
Unrestricted	6,049,009	5,604,321	4,105,070	3,299,075	1,271,872	3,409,852	3,017,698	2,353,336	2,102,333	1,478,977
Subtotal - Business-type Activities Net Position	19,822,424	19,984,266	20,272,607	20,368,502	20,250,567	16,508,888	16,518,840	16,034,437	16,011,425	16,171,181
<b>Total Net Position</b>										
Net investment in capital assets	38,214,842	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
Restricted for:										
Public safety	5,515	24,009	22,079	9,336	-	-	-	-	-	-
Impact fees	1,147,928	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
Recreation and parks	18,000	831,030	1,079,850	1,167,014	497,400	-	-	-	-	-
Community development	514,689	528,391	530,453	531,871	550,545	547,593	540,718	789,589	755,222	684,616
Debt service	219,305	391,462	370,013	348,497	326,763	304,629	281,708	253,934	223,716	195,671
Other purposes	118,568	138,898	74,644	50,960	119,560	133,349	131,113	127,264	111,661	105,421
Unrestricted	8,091,301	7,651,278	6,301,153	5,743,723	4,312,694	5,712,630	4,444,322	3,642,920	3,802,016	3,115,209
Total Government-wide Net Position	\$ 48,330,148	\$ 46,295,091	\$ 44,930,849	\$ 44,619,903	\$ 44,355,223	\$ 37,934,927	\$ 36,954,256	\$ 36,643,375	\$ 35,703,702	\$ 33,616,145

**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 POSITION**  
**LAST TEN YEARS**  
**(accrual basis of accounting)**

	<u>2014</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>
<b>Expenses</b>										
Governmental Activities										
General government	\$ 1,551,808	\$ 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
Public safety	6,188,780	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
Public works	3,750,398	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
Health and social services	272,020	257,425	255,821	258,891	252,200	244,486	240,959	234,049	230,138	193,161
Recreation and parks	861,665	1,090,340	1,069,277	794,072	770,746	717,711	740,763	630,355	612,434	572,965
Conservation and development	1,631,858	1,011,685	600,520	528,671	521,996	488,074	507,320	489,666	482,059	2,158,045
Cultural	291,569	235,259	605,248	255,007	242,069	231,460	221,705	201,839	198,621	199,061
Education	-	-	-	10	64,622	76,567	91,154	177,824	100,000	100,000
Interest on long-term debt	179,176	64,409	38,974	42,807	47,348	53,988	61,177	67,955	74,159	65,082
Total Government Activities Expenses	<u>14,727,274</u>	<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>
Business-type Activities										
Outdoor facilities	265,863	198,217	193,511	185,388	185,020	215,349	190,741	190,404	167,510	160,429
Solid waste	886,207	885,474	903,486	856,217	896,218	900,911	839,806	878,819	764,624	802,307
Water and wastewater	<u>4,576,834</u>	<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>
Total Business-type Activities Expenses	<u>5,728,904</u>	<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>
Total Expenses	<u>20,456,178</u>	<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>
<b>Program Revenues</b>										
Governmental Activities										
Charges for services										
General government	192,809	170,010	147,606	137,481	150,793	140,089	143,877	140,311	155,972	165,994
Public safety	911,672	915,906	826,887	745,279	873,854	859,599	445,662	408,380	534,116	462,220
Public works	19,229	2,516	11,036	7,544	7,804	7,404	7,073	7,817	2,810	15,634
Recreation and parks	222,529	215,082	182,990	166,377	151,908	138,241	150,416	163,769	179,638	193,300
Conservation and development	28,031	25,149	19,776	24,100	25,615	27,036	39,978	66,951	38,227	60,176
Cultural	-	-	-	100	103	107	71	745	583	1,320
Education	-	-	-	-	21,713	23,300	12,991	100,736	74,809	170,276
Operating grants and contributions	971,331	997,752	1,948,987	822,379	732,564	820,848	654,827	774,904	707,955	2,238,555
Capital grants and contributions	<u>4,123,938</u>	<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>
Total Government Activities Program Revenues	<u>6,469,539</u>	<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>
Business-type Activities										
Charges for services										
Outdoor facilities	187,339	180,455	179,618	170,216	185,726	157,895	184,761	132,408	147,708	138,923
Solid waste	611,497	605,884	730,222	710,520	703,361	704,624	693,517	672,351	591,358	603,228
Water and wastewater	<u>4,013,527</u>	<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>
Operating grants and contributions	112,490	272,859	219,693	4,852	9,881	4,883	4,749	4,472	3,414	2,091
Capital grants and contributions	-	-	-	-	3,678,551	-	-	20,622	-	-
Total Business-type Activities Program Revenues	<u>4,924,853</u>	<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>
Total Program Revenues	<u>\$ 11,394,392</u>	<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>

**Note:**

Table continued on following page.

Table 2 (continued)

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

	<u>2014</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>
<b>Net (Expenses)/Revenues</b>										
Governmental Activities										
General government	(\$ 1,272,198)	(\$ 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)
Public safety	( 4,755,809)	( 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)
Public works	( 846,268)	( 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)
Health and social services	( 272,020)	( 257,425)	( 255,821)	( 258,891)	( 252,200)	( 244,486)	( 240,959)	( 234,049)	( 230,138)	( 193,161)
Recreation and parks	( 590,864)	( 700,675)	( 586,207)	( 618,335)	( 601,320)	( 578,290)	( 573,577)	( 466,190)	( 432,790)	( 306,811)
Conservation and development	( 56,000)	( 248,648)	( 431,200)	( 454,039)	( 428,312)	( 411,264)	( 369,091)	( 275,763)	( 266,331)	54,952
Cultural	( 285,400)	( 167,444)	( 348,117)	( 253,971)	( 241,902)	( 231,353)	( 220,409)	( 200,901)	( 193,376)	( 165,169)
Education	-	-	-	( 10)	( 42,909)	( 53,267)	( 78,163)	( 77,088)	( 25,191)	70,276
Interest on long-term debt	( 179,176)	( 64,409)	( 38,974)	( 42,807)	( 47,348)	( 53,988)	( 61,177)	( 67,955)	( 74,159)	( 65,082)
Total Net Government Activities (Expenses)/Revenues	( 8,257,735)	( 8,867,229)	( 9,758,301)	( 10,398,914)	( 9,347,528)	( 9,115,725)	( 9,650,254)	( 8,286,934)	( 6,104,088)	( 6,608,538)
Business-type Activities										
Outdoor facilities	( 78,524)	( 17,762)	( 13,893)	( 15,172)	706	( 57,454)	( 5,980)	( 57,996)	( 19,802)	( 21,506)
Solid waste	( 270,201)	( 274,773)	( 170,888)	( 140,845)	( 182,976)	( 191,404)	( 141,540)	( 201,996)	( 169,852)	( 196,988)
Water and wastewater	( 455,326)	( 359,765)	( 215,148)	21,347	3,676,828	42,400	124,691	( 61,664)	( 317,276)	( 394,409)
Total Net Business-type Activities (Expenses)/Revenues	( 804,051)	( 652,300)	( 399,929)	( 134,670)	3,494,558	( 206,458)	( 22,829)	( 321,656)	( 506,930)	( 612,903)
Total Net (Expenses)/Revenues	( 9,061,786)	( 9,519,529)	( 10,158,230)	( 10,533,584)	( 5,852,970)	( 9,322,183)	( 9,673,083)	( 8,608,590)	( 6,611,018)	( 7,221,441)
<b>General Revenues</b>										
Governmental Activities										
Property taxes	10,778,959	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
Investment earnings	6,353	12,820	15,181	20,875	29,687	57,667	161,563	265,350	206,175	105,277
Gain(loss) on sale of capital assets	8,424	( 18,586)	-	( 12,857)	1,663,809	45,745	8,817	12,440	-	-
Other revenues	246,232	182,758	186,292	256,030	170,733	291,412	327,838	273,021	252,604	92,764
Transfers	( 585,334)	( 200,400)	( 231,450)	( 235,063)	( 231,194)	( 180,444)	( 433,284)	( 185,995)	( 152,848)	( 149,781)
Total Government Activities General Revenues	10,454,634	10,519,812	10,165,142	10,545,659	12,026,147	10,106,348	9,476,730	9,203,596	8,351,403	7,654,447
Business-type Activities										
Investment earnings	442	1,126	1,701	17,540	15,925	16,062	61,281	85,451	62,764	29,002
Other revenues	56,433	162,433	70,883	-	-	-	12,667	73,221	131,563	15,415
Transfers	585,334	200,400	231,450	235,063	231,194	180,444	433,284	185,995	152,848	149,781
Total Business-type Activities General Revenues	642,209	363,959	304,034	252,603	247,119	196,506	507,232	344,667	347,175	194,198
Total General Revenues	11,096,843	10,883,771	10,469,176	10,798,262	12,273,266	10,302,854	9,983,962	9,548,263	8,698,578	7,848,645
<b>Change in Net Position</b>										
Governmental Activities	2,196,899	1,652,583	406,841	146,745	2,678,619	990,623	( 173,524)	916,662	2,247,315	949,104
Business-type Activities	( 161,842)	( 288,341)	( 95,895)	117,933	3,741,677	( 9,952)	484,403	23,011	( 159,755)	( 418,705)
Total Change in Net Position	\$ 2,035,057	\$ 1,364,242	\$ 310,946	\$ 264,678	\$ 6,420,296	\$ 980,671	\$ 310,879	\$ 939,673	\$ 2,087,560	\$ 530,399

**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 2014 and 2006, while the related expenditures were capitalized.

Net (expense)/revenue for Conservation and Development includes capital grants and contributions in 2014 and 2005, while the related expenditures were capitalized.

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

	<u>2014</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>
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,373	\$ 497,913	\$ 566,674	\$ 493,695
Unreserved	-	-	-	-	-	-	1,607,407	1,394,734	1,659,699	1,767,599
Assigned	2,486,080	3,034,274	2,220,207	2,439,318	1,769,298	1,697,531	-	-	-	-
Unassigned	1,121,894	1,251,378	1,350,011	1,703,832	1,535,467	1,265,081	-	-	-	-
Subtotal - General Fund	<u>3,607,974</u>	<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>
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	-	-	-	1,643,737	1,948,052	1,876,589	1,790,989
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	-	( 18,794)	( 29,205)	( 15,825)	( 315,002)
Capital Projects Funds	-	-	-	-	-	-	35,914	51,034	50,031	65,594
Non-spendable	27,168	27,168	30,212	127,171	27,168	27,168	-	-	-	-
Restricted	969,241	2,010,023	2,193,731	2,604,126	1,958,176	1,512,017	-	-	-	-
Assigned	975,769	455,855	707,448	51,970	51,935	51,861	-	-	-	-
Unassigned, Reported in										
Hurricane Irene Capital Project Fund	( 81,511)	( 328,592)	( 338,893)	-	-	-	-	-	-	-
Bridge Street Underpass Capital Project Fund	( 75,605)	( 252,243)	-	-	-	-	-	-	-	-
Special Revenue Funds	( 33,485)	( 165,797)	( 147,954)	( 195,339)	( 65,824)	( 11,209)	-	-	-	-
Non-Major Capital Projects Funds	( 383,489)	( 67,562)	( 233,458)	( 56,866)	( 3,152)	( 19,228)	-	-	-	-
Subtotal - All Other Governmental Funds	<u>1,398,088</u>	<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>
<b>Total Governmental Funds</b>										
Reserved	-	-	-	-	-	-	1,959,110	2,445,965	2,443,263	2,284,684
Unreserved	-	-	-	-	-	-	1,624,527	1,416,563	1,693,905	1,518,191
Non-spendable	27,168	27,168	30,212	127,171	27,168	27,168	-	-	-	-
Restricted	969,241	2,010,023	2,193,731	2,604,126	1,958,176	1,512,017	-	-	-	-
Assigned	3,461,849	3,490,129	2,927,655	2,491,288	1,821,233	1,749,392	-	-	-	-
Unassigned	547,803	437,184	629,706	1,451,627	1,466,491	1,234,644	-	-	-	-
Total Governmental Funds	<u>\$ 5,006,061</u>	<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>

**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.

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

	<u>2014</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>
<b>Revenues</b>										
Taxes	\$ 10,354,782	\$ 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
Tax penalties and interest	185,738	229,273	214,695	244,857	275,555	212,490	233,137	168,618	227,885	200,899
Permits and licenses	17,665	16,112	17,174	16,064	18,297	19,816	16,589	15,535	13,234	13,216
Intergovernmental revenues	5,191,450	4,130,379	2,462,786	807,319	1,038,294	1,451,693	680,620	801,055	1,035,523	3,205,809
Charges for current services	1,352,954	1,326,908	1,216,916	1,177,844	1,116,860	1,243,867	737,629	835,651	840,098	835,487
Fines and forfeits	69,942	3,623	10,444	13,091	13,700	20,127	16,723	27,906	18,461	35,792
Impact fees	14,354	15,723	762	34,534	33,820	20,924	30,111	132,547	102,407	226,673
Interest	6,354	12,821	15,182	20,875	29,687	57,667	161,563	265,350	206,175	105,277
Other revenues	263,457	148,672	209,074	202,917	162,045	297,215	11,416	254,760	227,676	53,218
<b>Total Revenues</b>	<u>17,456,696</u>	<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>
<b>Expenditures</b>										
Current expenditures										
General government	1,505,918	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
Public safety	5,509,947	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
Public works	1,903,989	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
Health and social services	267,446	252,851	251,247	249,307	242,616	229,893	226,366	219,456	215,545	178,568
Recreation and parks	781,054	1,009,975	990,565	697,951	679,380	642,017	680,329	575,534	591,286	538,646
Conservation and development	1,600,359	987,065	531,722	493,543	489,023	483,980	506,318	487,367	478,364	2,159,117
Cultural	290,601	234,291	221,975	251,518	238,167	226,827	217,072	197,206	193,988	196,469
Education	-	-	369,772	10	64,622	76,567	91,154	177,824	100,000	100,000
Debt service expenditures										
Principial	351,958	202,066	202,066	202,066	237,066	272,066	272,066	264,572	257,079	144,585
Interest	164,618	62,062	39,197	43,139	47,929	54,529	61,750	68,486	74,636	60,516
Capital expenditures	9,126,687	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
<b>Total Expenditures</b>	<u>21,502,577</u>	<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>
Excess (deficiency) of revenues Over expenditures	( 4,045,881)	( 760,713)	( 913,426)	825,207	61,043	1,120,028	( 148,951)	( 88,644)	487,141	( 2,228)
<b>Other Financing Sources (Uses)</b>										
Proceeds of debt issuance	3,655,000	1,135,225	-	-	-	-	-	-	-	1,575,000
Proceeds from sale of capital assets	17,772	9,090	5,843	811,000	920,000	-	-	-	-	-
Insurance proceeds	-	-	246,125	-	-	-	-	-	-	-
Transfers in	2,659,147	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
Transfers out	( 3,244,481)	( 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)
<b>Net Change in Fund Balances</b>	<u>(\$ 958,443)</u>	<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>
<b>Debt service as a percentage of non-capital expenditures</b>	4.17%	2.23%	2.02%	2.41%	2.91%	3.24%	3.45%	3.57%	3.74%	2.07%

**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
2014	\$ 1,330,239	\$ 1,318,267	\$ 0.7873	543,391	784,218
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

**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	State-wide Education Taxes		Total Taxes	
		Homestead	Non-residential	Homestead	Nonresidential
2014	0.7873	1.3803	1.4531	2.1676	2.2404
2013	0.7448	1.3158	1.4320	2.0606	2.1768
2012	0.7194	1.3918	1.4434	2.1112	2.1628
2011	0.7231	1.3609	1.4136	2.0840	2.1367
2010	0.7054	1.2794	1.4135	1.9848	2.1189
2009	0.6788	1.2671	1.3862	1.9459	2.0650
2008	0.6459	1.1766	1.3453	1.8225	1.9912
2007	0.9923	1.8759	2.1429	2.8682	3.1352
2006	0.9337	1.6464	1.8800	2.5801	2.8137
2005	0.9200	1.4572	1.7397	2.3772	2.6597

**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.

**TOWN OF HARTFORD, VERMONT  
PRINCIPAL TAXPAYERS  
JUNE 30, 2014 AND JUNE 30, 2005**

Taxpayer	Type of Property	June 30, 2014	
		Assessed Valuation	Percentage of Total Valuation
Transcanada Hydro Northeast Inc	Electric Utility	\$ 32,442,700	2.44%
Green Mountain Power	Electric Utility	15,334,100	1.15%
Valley Land Corporation	Real Estate	5,377,200	0.40%
The Larkin Family Partnership	Hotels	8,423,100	0.63%
Vermont Transco LLC	Electric Utility	5,637,300	0.42%
Northmac Inc.	Hotels	5,489,900	0.41%
Mascoma Savings Bank	Bank	5,275,500	0.40%
William Copeland, Jr.	Residence	4,917,800	0.37%
Butson WRJ II LLC	Hotel	4,025,100	0.30%
Terrace Communities Norwich LLC	Assisted Living Facility	3,920,200	0.29%
<b>Total</b>		<b>\$ 90,842,900</b>	<b>6.83%</b>

Taxpayer	Type of Property	June 30, 2005	
		Assessed Valuation	Percentage of Total Valuation
USGen New England, Inc.	Electric Utility	\$ 10,600,000	1.33%
QL Resorts, LLC	Real Estate Developer	7,575,600	0.95%
Valley Land Corporation	Real Estate	6,933,700	0.87%
Northmac, Inc.	Hotels	4,699,700	0.59%
The Larkin Family Partnership	Hotels	4,554,500	0.57%
Mascoma Savings Bank	Bank	4,124,200	0.52%
Terrace Communities Norwich LLC	Assisted Living Facility	3,530,600	0.44%
Green Mountain Power	Electric Utility	3,412,300	0.43%
Niteen Hotels (VT) LLC	Hotel	3,399,900	0.43%
CHA Butson White River Junction LLC	Hotel	3,037,400	0.38%
<b>Total</b>		<b>\$ 51,867,900</b>	<b>6.50%</b>

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2014	10,473	8,760	83.6%	1,321	10,081	96.3%	392	3.74%
2013	10,222	8,743	85.5%	1,446	10,189	99.7%	33	0.32%
2012	9,920	8,792	88.6%	1,125	9,917	99.9%	3	0.03%
2011	10,247	8,598	83.9%	1,648	10,246	99.9%	1	0.01%
2010	10,016	7,995	79.8%	2,020	10,015	99.9%	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%

**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	Bonds	Loans					
2014	\$ 5,363,464	\$ 636,552	\$ 2,770,000	\$ 14,815,351	\$ 23,585,367	9,812	\$ 2,404	1,330,239,400	1.77%
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%

**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.
- Fiscal year 2014, the Town incurred \$6,155,000 in new bond debt for the Maxfield Sports Complex, the Municipal Arena Project, the West Hartford Library, and the Children's Pool & Pump House. The Town also incurred \$160,302 in new revolving loan debt for engineering and construction costs for the Hartford wastewater treatment plant.

Population information provided by the US Census Bureau and the Vermont Agency of Human Services

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
2014	\$ 23,585,367	\$ 219,305	\$ 17,585,351	\$ 5,780,711	9,812	\$ 589	\$ 1,330,239,400	0.43%
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%

**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.
- Fiscal year 2014, the Town incurred \$6,155,000 in new bond debt for the Maxfield Sports Complex, the Municipal Arena Project, the West Hartford Library, and the Children's Pool & Pump House. The Town also incurred \$160,302 in new revolving loan debt for engineering and construction costs for the Hartford wastewater treatment plant.

Population information provided by the US Census Bureau and the Vermont Agency of Human Services

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, 2014**

<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	\$ 5,780,711	100.00%	\$ 5,780,711
<b>Overlapping</b>			
Hartford School District	<u>7,650,000</u>	100.00%	<u>7,650,000</u>
Total	<u>\$ 13,430,711</u>		<u>\$ 13,430,711</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, 2014**

Grand List Valuation		\$	<u>13,302,394</u>
Legal debt margin			
Debt limitation - ten times last grand list		\$	133,023,940
Debt applicable to limitation			
Total bonded debt	\$	23,585,367	
Less: Revenue bonds		17,585,351	
Amount available for repayment of general obligation bonds		<u>219,305</u>	
 Total debt applicable to limitation			 <u>5,780,711</u>
 Legal debt margin		 \$	 <u>127,243,229</u>
 Debt as Percent of Debt Limit			 <u>4.35%</u>

**LEGAL DEBT MARGIN  
PRECEDING NINE YEARS**

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percent of Debt Limit
2013	137,229,450	2,305,511	\$ 134,923,939	1.68%
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%

**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	
2014	\$ 188	\$ 171	\$ 17	\$ -	\$ 80	\$ 80	0.21
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

Table 14

**CENTRAL WATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 992	\$ 634	\$ 358	\$ 123	\$ 57	\$ 180	1.99
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

Table 15

**QUECHEE WATER FUND**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 361	\$ 213	\$ 148	\$ 15	\$ 2	\$ 17	8.71
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

**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	
2014	\$ 1,611	\$ 987	\$ 624	\$ 324	\$ 156	\$ 480	1.30
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

**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	
2014	\$ 1,092	\$ 583	\$ 509	\$ 312	\$ 123	\$ 435	1.17
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

**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>
2014	9,812	n/a	n/a	2.5%	3.9%
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%

**Notes:**

Population information provided by the US Census Bureau and the Vermont Agency of Human Services.

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

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

		<u>June 30, 2014</u>	
Veteran's Administration Medical Facility	US Government/Hospital	1,000	5.71%
Hartford School District	Public School	410	2.34%
King Arthur Flour	Wholesale/retail	234	1.34%
Quechee Lakes Landowners Association	Resort	210	1.34%
Simon Pearce	Retail/crafts/restaurant	190	1.09%
US Postal Service	Postal Service	182	1.04%
Mascoma Savings Bank	Bank	120	0.69%
Town of Hartford	Municipal offices	102	0.58%
Concepts ETI, Inc	Technology	95	0.54%
RSD Transportation	Warehouse/trucking	<u>78</u>	<u>0.45%</u>
		<u><u>2,621</u></u>	<u><u>14.98%</u></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><u>2,158</u></u>	<u><u>10.55%</u></u>

**Notes:**

Source: Department of Planning and Development Services

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

<u>Function/Program</u>	<u>2014</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>
General government										
Administration	2.50	2.50	2.50	2.50	2.50	2.70	2.50	2.50	2.50	3.30
Elections and vital statistics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Finance	2.90	2.90	3.90	2.85	2.85	3.90	3.90	3.90	3.90	3.90
Valuation	2.37	2.37	2.37	2.37	2.37	2.37	2.37	1.87	1.87	1.87
Public safety										
Police	24.00	23.00	24.00	23.75	23.15	24.50	24.75	25.75	25.55	22.00
Fire and ambulance	19.87	19.87	20.87	20.87	20.87	20.87	22.87	22.87	22.87	19.87
Dispatch	7.00	7.00	7.00	7.00	7.10	7.00	5.00	5.00	5.00	4.00
Public works										
Highways	10.25	10.25	10.25	10.25	10.25	9.00	10.00	11.00	11.00	9.65
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
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	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00
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
Solid Waste Management	4.96	4.96	4.96	4.86	4.36	5.06	5.06	5.06	5.16	4.56
Water	5.43	5.43	5.43	5.33	5.33	5.43	5.43	5.43	5.43	4.48
Wastewater	9.43	9.43	9.43	9.33	9.33	9.43	9.43	9.43	9.43	9.43
Total Employees	<u>102.09</u>	<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>

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

<u>Function/Program</u>	<u>2014</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>
General government										
Full-time positions filled	10	10	11	10	10	9	12	10	12	8
Tax bills mailed	5,484	5,474	5,459	5,507	5,518	5,477	5,474	5,473	5,472	5,266
Water/wastewater bills mailed	13,487	13,476	13,484	13,471	13,462	13,424	13,448	13,440	13,410	12,902
Zoning permits issued	229	257	255	283	324	319	304	382	374	496
Police										
Total incidents	4,874	4,645	4,705	6,528	6,542	4,357	4,182	3,913	4,387	4,301
Physical arrests	484	511	378	436	374	435	410	396	389	381
Traffic violations	1,109	711	851	1,097	759	993	946	901	871	854
Fire and ambulance										
Fire calls answered	496	517	415	347	366	325	350	325	335	350
Ambulance calls answered	1,357	1,413	1,290	1,269	1,197	1,410	1,425	1,375	1,175	1,250
Water system										
Service connections	2,775	2,773	2,773	2,769	2,762	2,759	2,759	2,758	2,758	2,743
Wastewater system										
Service connections	3,175	3,169	3,168	3,162	3,160	3,157	3,145	3,125	3,103	3,088

Table 22

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

<u>Function/Program</u>	<u>2014</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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	8	9	9	9	9	9	9	9	9
Vehicles	15	11	11	11	10	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	8	7	7	7
Ambulance vehicles	2	2	2	2	2	2	2	2	2	2
Recreation and parks										
Parks	14	13	13	13	13	12	12	11	11	11
Acreage	326	251	251	251	251	244	244	236	236	236
Water system										
Water treatment facilities	2	2	2	2	2	2	2	2	2	2
Miles of water mains	50	50	50	50	50	47	47	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	77	58	50	50	50	50
Miles of storm sewers	11	11	11	11	11	11	11	11	11	11