

TOWN OF NEW HARTFORD CONNECTICUT

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2017

Prepared By
Finance Department
New Hartford
New Hartford, Connecticut 06057

TOWN OF NEW HARTFORD

Table of Contents

Introductory Section

	<u>Page</u>
List of Principal Officials	1
Organizational Chart of the Town Government	2
Certificate of Achievement in Financial Reporting	3
Letter of Transmittal	4

Financial Section

Independent Auditor's Report	8
Management's Discussion and Analysis	11

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statements of Net Position	18
Statement of Activities	19

Fund Financial Statements:

Governmental Funds

Balance Sheet	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	24

Proprietary Funds

Statement of Net Position	25
Statement of Revenues, Expenses, and Change in Fund Net Position	26
Statement of Cash Flows	27

Fiduciary Funds

Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29

Notes to the Financial Statements	30
-----------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Pension Plan

Schedule of Changes of Net Pension Liability and Related Ratios	57
Schedule of Contributions	58
Schedule of Investment Returns	59
State Teacher's Retirement System-Proportionate Share of Net Pension Liability and Schedule of Contributions	60
State Teacher's Retirement System - Note to the Required Supplementary Information	61

SUPPLEMENTAL, COMBINING, AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES

General Fund

Schedule of Revenues and Expenditures – Budget and Actual	62
---	----

Nonmajor Governmental Funds

Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	69

Fiduciary Funds

Combining Statement of Fiduciary Net Position	71
Combining Statement of Changes in Assets and Liabilities	72

Supplemental Schedules

Schedule of Property Taxes Levied, Collected and Outstanding	73
Schedule of Debt Limitation	74

Statistical Section

Table

Financial Trends

1	Net Position by Component	75
2	Changes in Net Position	76
3	Fund Balances, Governmental Funds	78
4	Changes in Fund Balances, Governmental Funds	79

Revenue Capacity

5	Assessed Value and Estimated Actual Value of Taxable Property	80
6	Property Tax Rates – Direct and Overlapping Governments	81
7	Principal Property Taxpayers	82
8	Property Tax Levies and Collections	83

Debt Capacity

9	Ratios of Outstanding Debt by Type	84
10	Legal Debt Margin Information	85
11	Direct and Overlapping Governmental Activities Debt	86
12	Pledged-Revenue Coverage	87
13	Annual Bonded Debt Maturity Schedule	88
14	Annual Self-Supporting Water and Sewer Debt Maturity Schedule	89
15	Long-Term Debt Ratios	90
16	Presentation of Intergovernmental Revenues as a Percentage of General Fund Revenues	91
17	Enumeration of Outstanding Bond Authorizations	92

Demographic and Economic Statistics

18	Demographic and Economic Statistics	93
19	Principal Employers	94

Operating Information

20	Full-Time Equivalent Employees by Function	95
21	Operating Indicators by Function	96
22	Capital Asset Statistics by Function	97

Introductory Section

TOWN OF NEW HARTFORD

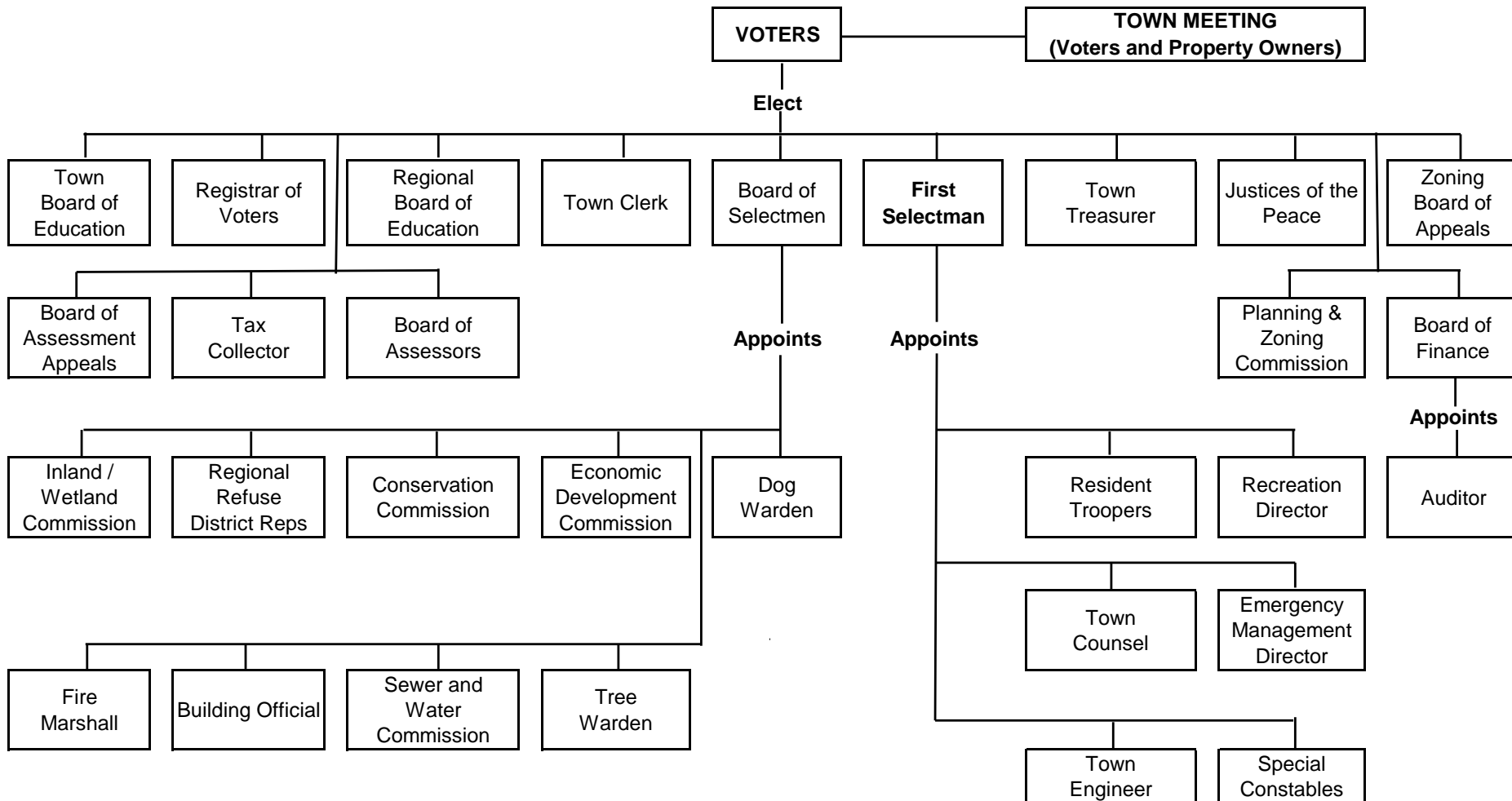
Principal Officials

June 30, 2017

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term</u>
First Selectman	Daniel V. Jerram	Elected	2 years
Selectman	Laura DiFelice-Garay	Elected	2 years
Selectman	Alesia Kennerson	Elected	2 years
Town Clerk	Donna N. LaPlante	Elected	4 years
Tax Collector	Linda M. Sheffield	Elected	2 years
Treasurer	Gordon Ross	Elected	2 years
Assessor	Cory Iacino	Appointed	Indefinite
Board of Finance - Chair	James Fitzgerald	Elected	6 years
Board of Education - Chair	Jenifer Benaitis	Elected	6 years
Superintendent of Schools	Brian Murphy	Appointed	Indefinite
Judge of Probate	Michael Magistralli	Elected	4 years

TOWN OF NEW HARTFORD

Organizational Chart





Government Finance Officers Association

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

Presented to

**Town of New Hartford
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrell

Executive Director/CEO



Profile of the Government - Continued

The school buildings were renovated in 1999, financed primarily through state construction grants and long-term bonds that are being repaid through assessments to the member Towns. All schools attended by the residents are widely accepted to maintain high levels of scholastic achievement.

Many of New Hartford's residents commute to the Hartford area to white collar and management positions. Land use is characterized by many large, limited purpose sites such as the Nepaug State Forest (1,017.4 acres), Metropolitan District Commission water shed lands (2,481.62 acres), sizable agricultural areas, land acquired as open space, and vacant land. The Town itself owns and maintains over 600 acres of park and preserved land. Last year, the town was awarded a matching funds grant (roughly \$240,000 depending on final survey) to preserve roughly 100 acres of land along the Farmington River (pending a successful town vote). The few new residential developments in Town are consistently moderate to low density single family residences. The Town has experienced steady population growth in the last 40 years growing from a population of 3,993 in 1970 to 6,970 according to 2010 Census. The State reports that the town's population has since declined to 6,886 in 2013. Student population in local schools has dropped significantly in recent years. Grand list growth, primarily attributable to new home construction, has slowed significantly in recent years but there has been a recent uptick in permit issuance and new construction. Supporting new initiatives to foster new economic development remains a priority of the Town, and three new commercial developments have been built on Route 44.

The Town's principal industries are manufacture of plumbing supplies, aircraft parts, electronic components, springs, industrial adhesives, motion control products, agriculture and plastics. The world famous Ovation Guitar Company ceased production in New Hartford in 2014 temporarily, but reopened in early 2016 under new ownership. Home Depot provides large scale retail of home improvement products. Recreational sites, such as the Farmington River for fishing, canoeing and kayaking and Ski Sundown for skiing, attract visitors year round.

Form of Government

New Hartford is governed by the Board of Selectmen/Board of Finance/Town Meeting form of government. A three-member Board of Selectmen, elected biennially, serves as the executive body, and a full-time First Selectman acts as the Town's Chief Executive. The six-member Board of Finance, in conjunction with the First Selectman and the elected part-time Treasurer, is responsible for finances and for preparing and presenting the annual budget of the Town.

The Town Meeting is the legislative body that must approve the annual budget, all special appropriations or expenditures over \$20,000, and all bond and note authorizations. Local elections are held every odd-numbered year in November. There are two voting districts, but all elected officials serve at-large. The Board of Selectmen assumes office four weeks after election and appoints members of various Town boards, commissions, and committees. The Board of Education appoints the Superintendent of Schools who is responsible for administering the Town's educational system.

The Town provides a full range of services, including police and fire protection; emergency medical services; highway, parks and recreation; solid waste disposal; water and sewer; elementary education; library services; utilities; and services to the elderly.

The annual budget serves as the foundation for the Town's financial planning and control. The Board of Selectmen hold public review sessions before approving a proposed budget and submitting it to the Board of Finance each year. The Board of Finance reviews the budget with the Board of Selectmen and holds a public hearing in April each year. The Board of Finance adjusts the proposed budget before recommending the budget to the annual town budget meeting each year, where the budget may be discussed and then adjourned to referendum. It is noted that while statute allows the Town to approve the budget at the "budget meeting", the Board of Selectmen have historically under CGS 7-7 voluntarily removed the item from the call of the Budget Meeting and have taken the budget to referendum every year for the past 20+ years.

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 New Hartford operates.

Local Economic Condition and Outlook

Local economic indicators have slowed considerably and remain at record low levels. Unemployment remains high in New Hartford. Local unemployment for the 2016/2017 fiscal year was 3.9% down from 4.7% for the 2015/2016 fiscal year. Residential construction, the primary source of Grand List growth remains at low levels. Building permit issuance for new homes increased significantly in 2017 when 26 new homes were constructed, but still remain lower than prior years. The lack of consistent new residential construction continues to place pressure on residential real estate taxes. New commercial development in the Route 44 corridor has helped build the Grand List with three large new facilities being constructed over the past two years that will pay in excess of \$40,000 in property taxes annually. The Town is anticipating continued reductions state grants. Grant funding continues to get harder to find.

In November of 2014, the town approved a referendum for \$5.4 million dollars to improve Ann Antolini School and repair the Carpenter Road Bridge under advisement that the Town would receive roughly \$895,399 in grant funding from the State of Connecticut for the school project. The Town was previously awarded \$367,655 from the Conn DOT - Local Bridge Program for the bridge project in early July 2014. The school project has been completed, but the the bridge (hampered by slow permitting at the state level) will be constructed in 2018.

While the State projects population growth, the Town is not anticipating any significant increase to the tax base by way of new residents or businesses, as the current declining economic times has people being cautious relative to spending. The First Selectman is committed to continued budget restraint combined with pursuit of grant funds (when available) to help maintain affordable real estate taxes. The First Selectman has taken action to limit long term budget growth by minimizing growth in labor costs through reasonable contractual salary increases balanced with increased co-funding of health care costs by employees. The town also replaced Anthem Blue Cross/Blue Shield with ConnectiCare as the town's new health insurance provider to reduce costs. The Town and Municipal Employee unions have also agreed to "sunset" the Town's pension program in favor of a new Defined Contribution Plan which will show significant savings to the Town in the future.

Long-Term Financial Planning

The Municipal Reserve fund provides financial resources for the acquisition of major equipment or the construction of capital facilities. The Town periodically maintains individual capital projects funds for special grant funded projects, such as school renovation projects. Municipal debt service remains low and no new bonded initiatives have been undertaken in the fiscal year. The Town's largest municipal debt consists of the USDA loan for construction of the now completed Wastewater Treatment Plant (WWTP). This \$8,950,000 project was funded through a \$3,650,000 USDA Loan. Debt service on the loan will cost residents and taxpayers roughly \$195,000 per year with 61 percent of the debt paid for by Sewer users and 39 percent paid for by the general taxpayers, although a compromise agreement has reduced the WPCA portion for the next few years. Appropriations are made on an annual basis by the Board of Selectmen, Board of Finance and Board of Education within the respective operating budgets for infrastructure and facility improvements and vehicle and equipment acquisition.

Cash and Investment Management Policies and Practices

All cash during the year was maintained in demand accounts. The Town restricts its investment activities to instruments that provide, in order of priority, the greatest safety, liquidity and yield.

Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The Town purchases commercial insurance to cover most potential risks of loss. Neither the Town nor its insurers have settled any claim within the past year, which have exceeded the Town's insurance coverage.

There were no significant changes in coverage from the prior year, and no settlements have exceeded insurance coverage in the last three years. Additional information of the Town of New Hartford's risk management activity can be found in Note 7 of the notes to the financial statements.

Pension Trust Fund Operations

The Town has a Pension Trust Fund for Town employees hired on or before July 1, 2011, which is a single employer, defined benefit, noncontributory plan that is administered by the Town. Board of Education employees that are excluded from this plan are participants in the State Teachers Retirement System. Teacher pension contributions provided and managed by the State of Connecticut on behalf of the Town are disclosed in the Town's financial statements but are not a part of the Town's Pension Trust Funds. Newer employees (hired after July 1, 2011) are offered a co-funded Municipal 457 plan administered through VOYA.

The Town's pension assets are invested in Cash Equivalents (Money Funds) and various Mutual Funds. These accounts are managed by investment professionals, who are responsible for coordinating and monitoring the management of the investments within guidelines contained in an approved investment plan. A five-member Pension Committee is appointed by the Board of Selectmen and meets quarterly to review investment performance and asset allocation decisions. The investment policy and allocation guidelines are adjusted on a periodic basis by the Board of Selectmen upon recommendation by the Pension Committee. Over the past two fiscal years, the economy has had a significant impact on the value of the assets of the pension fund. The pension fund balance has grown significantly over this time, regaining prior losses with a current balance of \$3,582,775 as of June 30, 2017 (balance was \$3,051,052 as of June 30, 2016 and \$2,957,824 as of June 30, 2015). Annual pension contributions currently exceed \$230,000.

Independent Audit

Connecticut General Statutes require that all municipalities have their accounts audited annually by an independent public accountant as required under Connecticut General Statutes Section 7-392. The Board of Finance appointed King, King & Associates, CPAs to conduct the 2015-2016 Town audit. The independent auditor's report is included in this report.

Certificate of Achievement

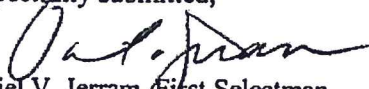
This report has been prepared following the guidelines of the Government Finance Officers Association (GFOA) of the United States and Canada and the Governmental Accounting Standards Board (GASB). The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA awarded the certificate to the Town of New Hartford for the fiscal years ending 2009, 2010, 2011, 2012, 2013, 2014, 2015 & 2016. 2009 was the first year that the Town ever received an award of this type and continues to receive this prestigious award based on our successful implementation of best management practices and procedures.

A Certificate of Achievement, which is valid for one year only, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Board of Selectmen, Board of Finance, and the Finance Department. I would like to express my appreciation to them and other town departments who assisted in compiling this report. My office aims to provide support and advice necessary to carry out the policies of the New Hartford Board of Selectmen and Board of Finance, along with the many challenging issues confronting New Hartford in the years ahead.

Respectfully submitted,


Daniel V. Jerram, First Selectman

Financial Section

Independent Auditor's Report

To the Board of Finance
Town of New Hartford, CT

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 New Hartford, CT, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Town of New Hartford, CT'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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Hartford, CT, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11–17, the budgetary comparison information on page 24 and the supplementary pension plan information on pages 56-60 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 New Hartford, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections 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 December 9, 2017, on our consideration of the Town of New Hartford, CT'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 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 New Hartford, CT's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "King, King & Associates".

King, King & Associates, CPAs
Winsted, CT
December 9, 2017

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

As management of the Town of New Hartford, CT, we offer readers of the Town of New Hartford, CT's financial statements this narrative overview and analysis of the financial activities of the Town of New Hartford, CT for the fiscal year ended June 30, 2017.

Financial Highlights

- The assets of the Town of New Hartford, CT exceeded its liabilities at the close of the most recent fiscal year by \$23,552,775 (*net position*). Restricted net position is \$623,410 of which \$8,747 is restricted for Community Investment, \$487,684 is restricted for Community Development, \$113,271 is restricted for Town Hill Cemetery, \$8,549 is restricted for Historical Documents and \$5,159 is restricted for New Hartford Day.
- The Town of New Hartford, CT's, total net position increased by \$4,600. This increase is attributable primarily to cost savings in many departments offset by losses in the Water and Sewer Fund.
- As of the close of the current fiscal year, the Town of New Hartford, CT's governmental funds reported combined ending fund balances of \$1,428,015, a decrease of \$3,530,026 in comparison with the prior year. The decrease was attributable to refinancing the \$2,000,000 BAN with a \$4,000,000 BAN. Of this amount, \$177,478 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund was \$2,323,835 or 9.5% percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of New Hartford, CT's basic financial statements. The Town of New Hartford, CT'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 New Hartford, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of New Hartford, CT'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 whether the financial position of the Town of New Hartford, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is 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 future cash inflows (revenues) and outflows (expenditures).

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

Both of the government-wide financial statements distinguish functions of the Town of New Hartford, CT that are principally supported by grants 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 New Hartford, CT include education, public safety, general government and highway.

The government-wide financial statements can be found on pages 18-19 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 New Hartford, CT, 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 New Hartford, CT 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 New Hartford, CT maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which is considered to be a major fund. The remaining eleven funds are combined into a single aggregated presentation in the financial statements.

The Town of New Hartford, CT adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary Funds: The Town maintains one proprietary fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

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 New Hartford, CT's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

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 on pages 30-56 of this report.

Government-wide Financial Analysis

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 New Hartford, CT, assets exceeded liabilities by \$23,552,775 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 6,365,277	\$ 6,401,833	\$ 225,702	\$ 261,956	\$ 6,590,979	\$ 6,663,789
Capital Assets	19,219,380	17,488,866	10,430,235	10,786,110	29,649,615	28,274,976
Total Assets	<u>25,584,657</u>	<u>23,890,699</u>	<u>10,655,937</u>	<u>11,048,066</u>	<u>36,240,594</u>	<u>34,938,765</u>
Deferred Outflows of Resources	<u>106,192</u>	<u>347,481</u>	<u>-</u>	<u>-</u>	<u>106,192</u>	<u>347,481</u>
Long-term Liabilities	8,600,586	7,100,088	2,820,221	2,850,426	11,420,807	9,950,514
Other Liabilities	<u>932,416</u>	<u>1,289,716</u>	<u>206,507</u>	<u>157,069</u>	<u>1,138,923</u>	<u>1,446,785</u>
Total Liabilities	<u>9,533,002</u>	<u>8,389,804</u>	<u>3,026,728</u>	<u>3,007,495</u>	<u>12,559,730</u>	<u>11,397,299</u>
Deferred Inflows of Resources	<u>234,281</u>	<u>340,772</u>	<u>-</u>	<u>-</u>	<u>234,281</u>	<u>340,772</u>
Net Position:						
Net Investment in						
Capital Assets	12,967,824	12,910,546	9,790,577	10,126,458	19,503,070	26,381,106
Restricted	623,410	609,015	-	-	623,410	609,015
Unrestricted	<u>2,332,332</u>	<u>1,988,043</u>	<u>(2,161,368)</u>	<u>(2,085,887)</u>	<u>3,426,295</u>	<u>(3,441,946)</u>
Total Net Position	<u>\$ 15,923,566</u>	<u>\$ 15,507,604</u>	<u>\$ 7,629,209</u>	<u>\$ 8,040,571</u>	<u>\$ 23,552,775</u>	<u>\$ 23,548,175</u>

The restricted portion of the Town of New Hartford, CT's net position represents net position restricted for Community Investments (\$8,747), Community Development (\$487,684), Town Hill Cemetery (\$113,271), and other purposes (\$13,708). The balance of *unrestricted net position* of \$3,426,295 may be used to meet the government's ongoing obligations to citizen and creditors.

At the end of the current fiscal year, the Town of New Hartford, CT's Governmental Activities is able to report positive balances in all categories of net position, for the government as a whole.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

Net position of governmental activities increased by \$415,962 during this fiscal year. This increase is primarily attributable to the cost savings on refinancing and proceeds from financing.

Net position of business-type activities decreased by \$411,362 during this fiscal year. This decrease is primarily attributable to operating expenses, depreciation and interest.

	Governmental Activities		Business-Type Activities		Totals	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 19,607,260	\$ 19,222,996	\$ -	\$ -	\$ 19,607,260	\$ 19,222,996
Unrestricted Grants	211,383	75,692	-	-	211,383	75,692
Investment Income	28,407	13,542	-	-	28,407	13,542
Other Income	117,299	51,823	-	-	117,299	51,823
Gain on Disposal of Fixed Assets	-	14,981	-	-	-	14,981
<i>Program Revenues:</i>						
Charges for Services	640,903	612,902	600,183	718,642	1,241,086	1,331,544
Operating Grants and Contributions	5,102,903	4,728,849	-	-	5,102,903	4,728,849
Capital Grants and Contributions	106,216	549,794	-	-	106,216	549,794
Total Revenues	<u>25,814,371</u>	<u>25,270,579</u>	<u>600,183</u>	<u>718,642</u>	<u>26,414,554</u>	<u>25,989,221</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	1,809,887	1,879,103	-	-	1,809,887	1,879,103
Public Safety	779,498	742,342	-	-	779,498	742,342
Highway	1,865,478	1,833,059	-	-	1,865,478	1,833,059
Planning and Development	197,353	155,243	-	-	197,353	155,243
Health and Welfare	213,615	203,117	-	-	213,615	203,117
Libraries	288,455	285,600	-	-	288,455	285,600
Parks and Recreation	301,870	353,647	-	-	301,870	353,647
Commissions and Agencies	194,602	102,127	-	-	194,602	102,127
Education	19,631,108	18,905,910	-	-	19,631,108	18,905,910
Interest Expense	116,543	159,693	-	97,890	116,543	257,583
<i>Business-Type Activities:</i>						
Water and Sewer System	-	-	1,011,545	957,575	1,011,545	957,575
Total Expenses	<u>25,398,409</u>	<u>24,619,841</u>	<u>1,011,545</u>	<u>1,055,465</u>	<u>26,409,954</u>	<u>25,675,306</u>
Change in Net Position Before Special Items and Transfers	415,962	650,738	(411,362)	(336,823)	4,600	313,915
Transfers	-	24,450	-	(24,450)	-	-
Change in Net Position	415,962	675,188	(411,362)	(361,273)	4,600	313,915
Beginning Net Position	15,507,604	14,832,416	8,040,571	8,401,844	23,548,175	23,234,260
Ending Net Position	<u>\$ 15,923,566</u>	<u>\$ 15,507,604</u>	<u>\$ 7,629,209</u>	<u>\$ 8,040,571</u>	<u>\$ 23,552,775</u>	<u>\$ 23,548,175</u>

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

Governmental Activities: Governmental activities increased the Town of New Hartford, CT's net position by \$415,962. Seventy-six percent (76%) of the revenues of the Town were derived from property taxes, followed by twenty-one percent (21%) from grants and contributions, then two percent (2%) from charges for services, then one percent (1%) from other general revenues and investment earnings.

Major revenue factors include:

- Better than anticipated tax collection
- BAN proceeds from financing associated with the Ann Antolini School & Carpenter Road bridge
- Refinancing older debt (New Hartford Elementary and Open Space)
- Reductions in State aid (intergovernmental revenue)

For Governmental Activities, 77% of the Town's expenses relate to education, 4% relate to public safety and health and welfare, 7% relate to public works/capital outlay, and the remaining 12% relates to government and community services, administration, and other areas.

Major expense factors include:

- Increase in Education Expenses Region 7 assessments
- Costs associated with the BAN refinancing and refunding

Other significant grant/projects included in governmental activities include:

- The continuation of several projects including Carpenter Road Bridge, Antolini School Roof and ADA Renovation

Business-Type Activities: Business-type activities decreased the Town of New Hartford, CT's net position by \$411,362. One-hundred percent (100%) of the revenues of the business-type activities were derived from charges for services.

Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of the Town of New Hartford, CT'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 New Hartford, CT'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.

As of the end of the current fiscal year, the Town of New Hartford, CT's governmental funds reported combined ending fund balances of \$1,428,015, a decrease of \$3,530,026 in comparison with the prior year. Included in this balance is \$177,478 which constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

The General Fund is the chief operating fund of the Town of New Hartford, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,851,502. 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 fund expenditures. Unassigned fund balance represents 8 percent of total General Fund expenditures. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, has further classified unreserved fund balance into two categories: Assigned and Unassigned. Assigned Fund Balance is also available for use in the General Fund at the direction of the Boards of Finance and Selectmen. The total Unassigned and Assigned Fund Balance in the General Fund is \$2,323,835. The remaining fund balance consists of \$17,918 restricted for the Waste Water Treatment Plant.

The fund balance of the Town of New Hartford, CT's General Fund decreased by \$1,602,292 during the current fiscal year. As previously discussed, the town reissued the \$2,000,000 November 2015 BAN with a \$4,000,000 BAN for a 1 year period and refinanced \$2,090,000 in old debt for \$2,045,000 at a lower interest rate.

General Fund Budgetary Highlights

- Increased revenue and significant savings from operations, as a result of good management (from both the local BOE & General Government) provided a significant budget surplus resulting in a significant increase to the General Fund.
- Some projected Revenues did not meet expectations; however, total Revenues increased by nearly \$160,119. A use of "prior year's surplus" in the amount of \$200,000 was forecasted; however none was utilized to balance the budget.

Capital Asset and Debt Administration

Capital Assets: The Town of New Hartford, CT's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$29,649,615 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment. Major capital asset events during the current fiscal year included the following:

- Completion of the Pavilion
- Replacement of Downtown Sidewalks
- Installation of Downtown LED Lighting
- 2017 International Dump Truck
- Telephone System in the Town Hall
- Heat Pumps for the Town Hall
- School Computers
- Range for the School Cafeteria
- Projects in progress for the Antolini School Roof and Carpenter Road Bridge

<i>Governmental Activities:</i>	<u>2017</u>	<u>2016</u>
Land & Infrastructure	\$ 7,117,939	\$ 7,259,010
Construction in Progress	3,751,984	1,703,392
Building & Improvements	7,541,820	7,721,192
Vehicles	478,340	459,302
Machinery & Equipment	<u>329,297</u>	<u>345,970</u>
Total	<u>\$ 19,219,380</u>	<u>\$ 17,488,866</u>

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2017

<i>Business-type activities:</i>	<u>2017</u>	<u>2016</u>
Land and Infrastructure	\$ 11,507	\$ 11,507
Buildings and Improvements	10,230,966	10,577,950
Waterlines	169,464	176,176
Machinery & Equipment	18,298	20,478
	<u>\$ 10,430,235</u>	<u>\$ 10,786,111</u>

Additional information on the Town of New Hartford, CT's capital assets can be found in Note 3 on pages 41-42 of this report.

Long-Term Debt: The Town of New Hartford, CT has the following obligations:

	<u>2017</u>	<u>2016</u>
Compensated absences	\$ 277,622	\$ 279,156
Net Pension Liability	1,488,404	1,654,532
USDA Loan	3,255,330	3,344,102
G.O. Bonds	32,100	2,498,520
Bond Anticipation Note	4,000,000	2,000,000
Bond Premium	156,556	18,320
Refunding Bond	2,045,000	-
Loans	657,558	721,132
Total	<u>\$ 11,912,570</u>	<u>\$ 10,515,762</u>

The Town of New Hartford, CT's total debt increased by \$1,396,808 due to the November 2016 BAN net of debt refinancing and repayments. Additional information on the Town of New Hartford, CT's long-term debt can be found in Note 3 on pages 42-45 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Town will use \$250,000 of fund balance to finance the subsequent year's budget.
- State grants are expected to continue to decline as the state budget continues in deficit.
- Current recession still has people cautious relative to spending.
- Slow growth in the Grand List will continue to place upward pressure on real estate taxes, although residential construction does appear to be increasing.

Request for Information

This financial report is designed to provide a general overview of the Town of New Hartford, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Board, Town of New Hartford, 530 Main Street, P.O. Box 316, New Hartford, CT 06057.

Basic Financial Statements

TOWN OF NEW HARTFORD

Statement of Net Position

June 30, 2017

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 5,069,532	\$ 42,497	\$ 5,112,029
State and Federal Grants Receivable	123,488	-	123,488
Taxes and Assessments Receivable	467,790	183,205	650,995
Interest Receivable	131,761	-	131,761
Prepaid Expenses	26,100	-	26,100
Inventories	942	-	942
Total Current Assets	<u>5,819,613</u>	<u>225,702</u>	<u>6,045,315</u>
Noncurrent Assets:			
Restricted for Wastewater Treatment Plant Project			
Cash and Cash Equivalents	17,918	-	17,918
Loans Receivable	416,158	-	416,158
Investments	111,588	-	111,588
Capital Assets:			
Nondepreciable Assets	9,193,464	11,507	9,204,971
Depreciable Buildings and Equipment, net	<u>10,025,916</u>	<u>10,418,728</u>	<u>20,444,644</u>
Total Noncurrent Assets	<u>19,765,044</u>	<u>10,430,235</u>	<u>30,195,279</u>
Total Assets	<u>\$ 25,584,657</u>	<u>\$ 10,655,937</u>	<u>\$ 36,240,594</u>
Deferred Outflows of Resources			
Deferred Pension Outflows	<u>106,192</u>	<u>-</u>	<u>106,192</u>
	<u>106,192</u>	<u>-</u>	<u>106,192</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 429,862	\$ 106,429	\$ 536,291
Accrued Expenses	70,376	-	70,376
Refundable Advance	40,493	-	40,493
Current Portion of Interfund Advances	(82,684)	82,684	-
Current Portion of Notes, Bonds and Leases	<u>474,369</u>	<u>17,393</u>	<u>491,762</u>
Total Current Liabilities	<u>932,416</u>	<u>206,506</u>	<u>1,138,922</u>
Non-Current Liabilities			
Internal Balances	(2,197,957)	2,197,957	-
Noncurrent Portion of Loans, Bonds and Leases	9,310,139	622,265	9,932,404
Net Pension Liability	<u>1,488,404</u>	<u>-</u>	<u>1,488,404</u>
Total Noncurrent Liabilities	<u>8,600,586</u>	<u>2,820,222</u>	<u>11,420,808</u>
Total Liabilities	<u>9,533,002</u>	<u>3,026,728</u>	<u>12,559,730</u>
Deferred Inflows of Resources			
Deferred Pension Inflows	<u>234,281</u>	<u>-</u>	<u>234,281</u>
Net Position			
Net Investment in Capital Assets	12,967,824	9,790,577	19,503,070
Restricted for Community Investment	8,747	-	8,747
Restricted for Community Development	487,684	-	487,684
Restricted for Town Hill Cemetery-Expendable	113,271	-	113,271
Restricted for Other Purposes	13,708	-	13,708
Unrestricted	<u>2,332,332</u>	<u>(2,161,368)</u>	<u>3,426,295</u>
Total Net Position	<u>\$ 15,923,566</u>	<u>\$ 7,629,209</u>	<u>\$ 23,552,775</u>

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

TOWN OF NEW HARTFORD

Statement of Activities
For the Year Ended June 30, 2017

Functions/programs	Program revenues				Net (expense) revenue and changes in net position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary government</u>		
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities							
General Government	\$ 1,809,887	\$ 126,151	\$ 4,465	\$ -	\$ (1,679,271)	\$ -	\$ (1,679,271)
Public Safety	779,498	14,720	-	-	(764,778)	-	(764,778)
Highway	1,865,478	-	408,887	77,508	(1,379,083)	-	(1,379,083)
Planning and Development	197,353	125,978	-	28,708	(42,667)	-	(42,667)
Health and Welfare	213,615	-	-	-	(213,615)	-	(213,615)
Libraries	288,455	-	-	-	(288,455)	-	(288,455)
Parks and Recreation	301,870	176,137	-	-	(125,733)	-	(125,733)
Commissions/Agencies	194,602	-	-	-	(194,602)	-	(194,602)
Education	19,631,108	197,917	4,689,551	-	(14,743,640)	-	(14,743,640)
Interest Expense	116,543	-	-	-	(116,543)	-	(116,543)
Total governmental activities	<u>25,398,409</u>	<u>640,903</u>	<u>5,102,903</u>	<u>106,216</u>	<u>(19,548,387)</u>	<u>-</u>	<u>(19,548,387)</u>
Business-type activities							
Water and sewer system	<u>1,011,545</u>	<u>600,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(411,362)</u>	<u>(411,362)</u>
Total business-type activities	<u>1,011,545</u>	<u>600,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(411,362)</u>	<u>(411,362)</u>
Total primary government	<u>\$ 26,409,954</u>	<u>\$ 1,241,086</u>	<u>\$ 5,102,903</u>	<u>\$ 106,216</u>	<u>(19,548,387)</u>	<u>(411,362)</u>	<u>(19,959,749)</u>
General revenues:							
					19,607,260	-	19,607,260
					211,383	-	211,383
					28,407	-	28,407
					117,299	-	117,299
					<u>19,964,349</u>	<u>-</u>	<u>19,964,349</u>
					415,962	(411,362)	4,600
					<u>15,507,604</u>	<u>8,040,571</u>	<u>23,548,175</u>
					<u>\$ 15,923,566</u>	<u>\$ 7,629,209</u>	<u>\$ 23,552,775</u>

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

TOWN OF NEW HARTFORD

Balance Sheet Governmental Funds June 30, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash and Cash Equivalents	\$ 4,570,014	\$ 217,953	\$ 281,565	\$ 5,069,532
Investments	-	-	111,588	111,588
State and Federal Grants Receivable	6,451	117,037	-	123,488
Property Taxes Receivable, Net	467,790	-	-	467,790
Prepaid Expenses	26,100	-	-	26,100
Interfund Receivables	2,086,100	-	46,497	2,132,597
Internal Loans - WPCA	115,450	-	-	115,450
Inventories	-	-	942	942
Restricted for Wastewater Treatment Plant Project				
Cash and Cash Equivalents	17,918	-	-	17,918
Loans Receivable	-	-	416,158	416,158
Total Assets	<u>\$ 7,289,823</u>	<u>\$ 334,990</u>	<u>\$ 856,750</u>	<u>\$ 8,481,563</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 410,484	\$ -	\$ 19,378	\$ 429,862
Accrued Expenses	70,376	-	-	70,376
Deferred Revenue	40,493	-	-	40,493
Interfund Payables	46,497	2,040,740	45,360	2,132,597
Bond Anticipation Notes	4,000,000	-	-	4,000,000
Total Liabilities	<u>4,567,850</u>	<u>2,040,740</u>	<u>64,738</u>	<u>6,673,328</u>
Deferred Inflows of Resources				
Deferred Taxes	380,220	-	-	380,220
Total Deferred Inflows of Resources	<u>380,220</u>	<u>-</u>	<u>-</u>	<u>380,220</u>
Fund balances:				
Nonspendable:				
Inventories	-	-	942	942
Small Cities Housing Rehabilitation	-	-	416,158	416,158
Restricted for:				
Capital Projects	17,918	-	-	17,918
New Hartford Day	-	-	5,159	5,159
Historical Documents	-	-	8,549	8,549
Town Hill Cemetery	-	-	113,271	113,271
Small Cities Housing Rehabilitation	-	-	71,526	71,526
Community Investment	-	-	8,747	8,747
Committed to:				
Debt Service	-	-	46,974	46,974
Dog Fund	-	-	8,976	8,976
Cafeteria	-	-	7,451	7,451
Recreation & Senior Center	-	-	81,509	81,509
Open Space	-	-	22,750	22,750
Assigned (See Note 8)	472,333	-	-	472,333
Unassigned	1,851,502	(1,705,750)	-	145,752
Total Fund Balances	<u>2,341,753</u>	<u>(1,705,750)</u>	<u>792,012</u>	<u>1,428,015</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,289,823</u>	<u>\$ 334,990</u>	<u>\$ 856,750</u>	<u>\$ 8,481,563</u>

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

TOWN OF NEW HARTFORD

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2017

Fund balances reported in governmental funds Balance Sheet **\$ 1,428,015**

**Amounts reported for governmental activities in the government- wide
Statement of Net Position are different because:**

The governmental fund Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables for all earned revenues.

Interest on taxes 131,761

Long-term Interfund Advances 2,165,191

Certain Changes related to the pension are deferred and amortized over time 106,192

Governmental funds report the effects of premiums when debt is issued, whereas it is deferred and amortized in the statement of activities 9,698

Deferred Inflows (234,281)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets 43,311,833

Accumulated Depreciation (24,092,453)

Deferred revenue for property taxes and grants are reported in the funds but accrued as revenue in the government-wide statements and added to net position.

Property taxes 380,220

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

General obligation bonds and notes payable (5,516,584)

Compensated absences (277,622)

Pension liability (1,488,404)

Net position of governmental activities **\$ 15,923,566**

TOWN OF NEW HARTFORD

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues				
Property Taxes	\$ 19,856,873	\$ -	\$ -	\$ 19,856,873
Unrestricted Grants and Contributions	211,383	-	-	211,383
Operating Grants and Contributions	4,573,219	-	36,800	4,610,019
Capital Grants and Contributions	-	77,508	28,708	106,216
Charges for Services	357,375	-	283,528	640,903
Other Income	117,299	-	-	117,299
Investment Earnings	18,492	749	9,166	28,407
Total Revenues	<u>25,134,641</u>	<u>78,257</u>	<u>358,202</u>	<u>25,571,100</u>
Expenditures				
Current				
General Government	1,626,467	-	6,233	1,632,700
Public Safety	737,498	-	4,448	741,946
Highway	1,631,628	-	-	1,631,628
Planning and Development	184,341	-	-	184,341
Health and Welfare	199,895	-	-	199,895
Libraries	288,455	-	-	288,455
Parks and Recreation	62,278	-	202,531	264,809
Commissions/Agencies	189,987	-	4,615	194,602
Education	18,785,328	-	132,445	18,917,773
Debt Service	661,500	-	-	661,500
Capital Expenditures	-	2,546,211	-	2,546,211
Total Expenditures	<u>24,367,377</u>	<u>2,546,211</u>	<u>350,272</u>	<u>27,263,860</u>
Excess/(deficiency) of revenues over expenditures	767,264	(2,467,954)	7,930	(1,692,760)
Other Financing Sources/(Uses)				
Issuance of Refunding Bonds	2,045,000	-	-	2,045,000
Unamortized Premium on Financing	166,254	-	-	166,254
Premium on BAN	41,480	-	-	41,480
Payment to Refunded Bonds Escrow Agent	(2,090,000)	-	-	(2,090,000)
Repayment of Debt	(2,000,000)	-	-	(2,000,000)
Transfers In	-	498,529	33,761	532,290
Transfers Out	(532,290)	-	-	(532,290)
Total Other Financing Sources/(Uses)	<u>(2,369,556)</u>	<u>498,529</u>	<u>33,761</u>	<u>(1,837,266)</u>
Net Change in Fund Balances	(1,602,292)	(1,969,425)	41,691	(3,530,026)
Fund Balances - Beginning	<u>3,944,045</u>	<u>263,675</u>	<u>750,321</u>	<u>4,958,041</u>
Fund Balances - Ending	<u>\$ 2,341,753</u>	<u>\$ (1,705,750)</u>	<u>\$ 792,012</u>	<u>\$ 1,428,015</u>

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

TOWN OF NEW HARTFORD

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, 2017

Net Change in Fund Balances - Total Governmental Funds. \$ (3,530,026)

**Amounts reported for governmental activities in the Statement
of Activities are different because:**

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 as depreciation expense.

<i>Capital expenditures</i>	2,443,651
<i>Depreciation Expense</i>	(713,137)

Revenues in the Statement of Activities that do not provide current
financial resources are reported as deferred revenues in the funds.
Accordingly, an adjustment is necessary to reconcile amounts reported
as interest receivable in the government-wide Statement of Net Position
and as deferred revenue in the fund Balance Sheet.

(249,613)

Bond proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the Statement of Net
Position. Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the Statement of
Net Position.

<i>WPCA contribution made for debt repayment</i>	(54,149)
<i>WPCA adjusted contribution due for debt repayment</i>	70,837
<i>General obligation bond principal payments</i>	508,771
<i>Premium on BAN</i>	18,320
Issuance of Refunding Bond	(2,045,000)
Premium on Refunding Note	(156,556)
Repayment of Debt	2,090,000
Repayment of BAN	2,000,000

Amortization of deferred inflows, outflows related to pension benefits and changes
in net pension obligation

31,330

Compensated absences and pension contributions are expended in the
funds when resources are used, but are expensed in the Statement
of Activities when the liability is incurred. This is the amount by which
the accrued liability exceeded the resources expended.

1,534

Change in Net Position of Governmental Activities: \$ 415,962

TOWN OF NEW HARTFORD

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Over
	<u>Original</u>	<u>Amended</u>	<u>Budgetary Basis</u>	<u>(Under)</u>
Revenues				
Taxes	\$ 19,359,795	\$19,359,795	\$ 19,856,873	\$ 497,078
Intergovernmental Revenue	4,140,696	4,140,696	3,931,047	(209,649)
Fees, Fines, and Permits	187,400	187,400	242,270	54,870
Rental Income	86,419	86,419	115,105	28,686
Other Revenue	113,650	113,650	94,292	(19,358)
Investment Earnings	10,000	10,000	18,492	8,492
Surplus to Finance Budget	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total Revenues	<u>24,097,960</u>	<u>24,097,960</u>	<u>24,258,079</u>	<u>160,119</u>
Expenditures				
Current				
General Government	1,688,425	1,688,424	1,617,090	(71,334)
Public Safety	754,698	754,885	708,346	(46,539)
Highways	1,634,005	1,634,006	1,621,769	(12,237)
Planning and Development	203,602	203,602	181,418	(22,184)
Health and Welfare	200,895	200,895	199,895	(1,000)
Libraries	288,455	288,455	288,455	-
Parks and Recreation	85,653	85,653	70,937	(14,716)
Commissions/Agencies	119,043	118,856	104,744	(14,112)
Education	17,996,517	17,996,517	17,979,995	(16,522)
Debt Service				
Principal	459,271	459,271	458,772	(499)
Interest	208,396	208,396	164,274	(44,122)
Capital Expenditures				
Total Capital Expenditures	<u>459,000</u>	<u>459,000</u>	<u>459,000</u>	<u>-</u>
Total Expenditures	<u>24,097,960</u>	<u>24,097,960</u>	<u>23,854,695</u>	<u>(243,265)</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>403,384</u>	<u>\$ 403,384</u>
Fund Balances, beginning			\$ 2,825,156	
Less: Use of Fund Balance to Finance Budget			<u>-</u>	
Fund Balances, ending			<u>\$ 3,228,540</u>	

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

TOWN OF NEW HARTFORD

Statement of Net Position

Proprietary Funds

June 30, 2017

Enterprise Fund
Water Pollution Control Authority**Assets**

Current assets:

Cash	\$ 42,497
Accounts receivable, net	183,205
Total current assets	<u>225,702</u>

Noncurrent assets:

Land	11,507
Property, plant, and equipment, net of depreciation	10,418,728
Total noncurrent assets	<u>10,430,235</u>

Total Assets10,655,937**Deferred Outflows of Resources**-**Liabilities**

Current liabilities:

Accounts payable & Accrued interest	106,429
Current portion of interfund advances	82,684
Current portion of long-term debt	17,393
Total current liabilities	<u>206,506</u>

Noncurrent liabilities:

Interfund Advances	2,197,957
Long-term notes payable	622,265
Total noncurrent liabilities	<u>2,820,222</u>

Total Liabilities3,026,728**Deferred Inflows of Resources**-**Net Position**

Net Investment in Capital Assets	9,790,577
Unrestricted	<u>(2,161,368)</u>

Total Net Position\$ 7,629,209

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Revenues, Expenses, and Change in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

Enterprise Fund
Water Pollution Control Authority

OPERATING REVENUES

Charges for services:	
Usage assessments	\$ 598,445
Other Operating Income	<u>1,738</u>
Total Operating Revenues	<u>600,183</u>

OPERATING EXPENSES

General operations	170,254
Plant management fees	265,497
Repairs and maintenance	128,293
Depreciation	<u>355,875</u>
Total operating expenses	<u>919,919</u>
Operating income/(loss)	(319,736)

NONOPERATING REVENUES/(EXPENSES)

Interest expense	<u>(91,626)</u>
Total nonoperating revenue/(expenses)	<u>(91,626)</u>

Change in net position	(411,362)
------------------------	-----------

Total net position - beginning	<u>8,040,571</u>
--------------------------------	------------------

Total net position - ending	<u>\$ 7,629,209</u>
-----------------------------	---------------------

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

Enterprise Fund
Water Pollution Control Authority

Cash flows from operating activities:

Receipts from customers	\$ 646,653
Receipts for interfund services	-
Payments to suppliers	<u>(531,754)</u>
Net cash provided by operating activities	<u>114,899</u>

Cash flows from noncapital financing activities:

-

Cash flows from capital and related financing activities:

Principal paid on capital debt	(13,057)
Interest paid on capital debt	<u>(91,626)</u>
Net cash used by capital and related financing activities	<u>(104,683)</u>

Cash flows from investing activities:

-

Net decrease in cash and cash equivalents	10,216
Balances - beginning of the year	<u>32,281</u>
Balances - end of the year	<u>\$ 42,497</u>
Displayed as: Cash	<u>\$ 42,497</u>

**Reconciliation of operating income/(loss) to net cash
provided by operating activities:**

Operating income/(loss)	\$ (319,736)
Adjustments to reconcile income to net cash provided (used) by operating activities:	
Depreciation expense	355,875
Change in assets and liabilities:	
Accounts Receivable, net	46,470
Accounts Payable & Accrued Interest	<u>32,290</u>
Net cash provided by operating activities	<u>\$ 114,899</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Fiduciary Net Position
June 30, 2017

	Pension <u>Trust Fund</u>	Private Purpose Trust Fund - <u>Neighbors</u>	Agency <u>Funds</u>
Assets			
Cash and Cash Equivalents	\$ 74,393	\$ 11,589	\$ 60,127
Investments:			
Fixed Income	1,359,823	-	-
Stocks	2,074,094	-	-
Alternative Investments	74,465	-	-
Total Assets	<u>3,582,775</u>	<u>11,589</u>	<u>60,127</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities and Net Position			
Liabilities:			
Fiduciary Deposits	-	-	60,127
Total Liabilities	<u>-</u>	<u>-</u>	<u>60,127</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Held in Trust for Others	-	11,589	-
Restricted for Pension Benefits	3,582,775	-	-
Total Net Position	<u>\$ 3,582,775</u>	<u>\$ 11,589</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Fund - Neighbors</u>
Additions		
Contributions	\$ -	\$ -
Employer Contributions	<u>281,633</u>	<u>-</u>
Total Contributions	<u>281,633</u>	<u>-</u>
Investment Income:		
Net Appreciation in Fair Value of Investments	281,812	-
Interest and Dividends	125,697	-
Less Investment expense, other than from securities lending	<u>(6,000)</u>	<u>-</u>
Net Income from investing, other than from securities lending	<u>401,509</u>	<u>-</u>
Other Income	<u>5,023</u>	<u>-</u>
Total Additions	<u>688,165</u>	<u>-</u>
Deductions		
Assistance to Individuals	-	-
Benefit payments, including refunds of member contributions	152,792	-
Administrative Expenses	<u>3,650</u>	<u>-</u>
Total Deductions	<u>156,442</u>	<u>-</u>
Net Increase in Fiduciary Net Position	531,723	-
Net Position - Beginning	<u>3,051,052</u>	<u>11,589</u>
Net Position - Ending	<u>\$ 3,582,775</u>	<u>\$ 11,589</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of New Hartford, CT was incorporated in 1738 under the provisions of the Connecticut General Statutes. The Town operates under the Board of Selectmen, Town Meeting, and Board of Finance form of government. The Town provides a wide range of services, including the following: public safety, public works, public health and welfare, parks and recreation, education, and water sewer utilities. Education services are provided by Regional School District #7, of which the towns of Barkhamsted, New Hartford, Norfolk, and Colebrook are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and the percentage of New Hartford residents attending the District's schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive and chief administrative officer of the Town. The First Selectman creates the town's general government operating budget and submits it to the Board of Finance. The Board of Finance, as the budget-making authority, is responsible for reviewing submitted budget requests, revising and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying combined financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town's combined financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of New Hartford, CT (the primary government) and its component units. Component units include all organizations for which the government is considered financially accountable and other organizations which by their nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of New Hartford, CT.

Based upon the foregoing criteria, the following organization is not considered part of the Town and is excluded from the accompanying financial statements:

Regional School District #7

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

The statement of activities demonstrates the degree to which the revenues of a given function or segment offset direct program expenses. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund and fiduciary fund financial statements (except for Agency funds). Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments, which are recorded only when payment is due.

Property taxes when levied, expenditure reimbursement-type grants, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner.

The *Capital Projects Fund* accounts and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The government reports the following major proprietary funds:

The *New Hartford Water Pollution Control Authority* accounts for the activity of the Authority. The Authority operates the water distribution system and sewage treatment systems for a portion of the Town's residents.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Additionally, the government reports the following fiduciary fund types:

The *Pension Trust Fund* is used to account for the accumulation of resources to be used for pension benefit payments to qualified employees.

Private Purpose Trust Funds are used to account for private donations made anonymously for the benefit of New Hartford residents in need of assistance.

Agency Funds account for taxpayer deposits and monies held as a custodian, including the Student Activities Fund and building department bonds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported.

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 *New Hartford Water Pollution Control Authority* are charges to customers for services. The fund also recognizes as operating revenue the hookup fees intended to recover the cost of connecting new customers to the system. 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.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents: The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds which may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates fair value and have maturities of three months or less. The above definition of cash applies to the proprietary funds statement of cash flows.

Receivables and Payables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$10,000. Property taxes are assessed on October 1 and billed the following July. Real and personal property bills are payable in two installments, July 1 and January 1. Motor vehicle taxes are payable in one installment on July 1, with the Motor vehicle supplemental bills payable on January 1. Outstanding real estate tax accounts are lienied each year prior to June 30. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Investments: In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

Inventories: Inventories in the School Cafeteria Fund are reported at cost using the first-in, first-out method, and are recorded as expenditures when consumed, rather than when purchased.

Advances to and from Other Funds: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets: Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	7-40
Land Improvements	10-39
Infrastructure	18-39
Vehicles	3-10
Machinery & Equipment	3-10
Furniture & Fixtures	7-10

Compensated Absences: Employees accrue vacation and sick leave based upon a prescribed formula. For all Town employees, vacation and sick time may be accumulated and paid upon death, retirement, or termination. The Town has a limit on the accumulation of 121 days. Employees hired after July 2011 are not subject to pay-outs for accrued sick time. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Long-Term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Long-Term Debt: Is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, Deferred Taxes, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund equity and net position– In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category. Debt to be repaid by governmental activities, whose proceeds were used to acquire capital assets reported by business-type activities, is not included in the calculation of net investment in capital assets in the governmental activities or business-type activities columns, but is included in the total column.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal legislative action at Town Meetings in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of the Board of Selectman or Board of Finance through an adopted motion.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies establishing stabilization funds or requiring it to maintain a minimum fund balance.

Fair Value of Financial Instruments

In accordance with ASC 820-10, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are carried at fair value based on Level 1 and Level 2 observable inputs and are presented in Note 3. Certificates of Deposits are presented as Level 2 assets as they are reported at period statement balances, which approximate value at year end.

Review for Subsequent Events

In preparing these financial statements, management has evaluated subsequent events subsequent events through December 9, 2017, which represents the date that these statements were available to be issued.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

The Town of New Hartford, CT follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage at a Town Meeting.
- The Board of Finance is authorized to approve line-item transfer requests for all appropriations within and between departments, within any fund; however, any additional appropriations exceeding \$20,000 to any one department must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.
- Encumbrance accounting is not used.

Budgeted amounts are presented, or as amended by the Board of Finance and the Board of Education during the course of the year. Annual budgets are adopted only for the General Fund. Program budgets are established for certain funds not budgeted annually. All appropriations lapse at year-end, except for capital appropriations.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

The Statement of Revenue and Expenditures-Budget (non-GAAP Budgetary Basis) and Actual-General Fund represents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of differences in excess of revenues and expenditures and other sources of financial resources with expenditures for the year ended June 30, 2017 is presented as follows:

	Revenues	Expenditures	Other Financing Sources (Uses)	Net Change
Balance, Budgetary Basis	\$ 24,258,079	\$ 23,854,695	\$ -	\$ 403,384
Adjustments for Timing Differences:				
Grant Revenue	8,727	-	-	8,727
Other Income	35,771	1,165	-	34,606
Proceeds from BAN	-	-	2,045,000	2,045,000
Basis Differences:				
CT Teacher's Retirement	832,064	832,064	-	-
Budgeted Use of Fund Balance	-	-	-	-
Transfers Out	-	(492,761)	(532,290)	(39,529)
Repayment of Debt	-	-	(4,090,000)	(4,090,000)
Entity Differences:				
Bond Costs	-	96,100	-	(96,100)
Premium on Debt	-	-	207,734	207,734
Other Expenditures	-	76,114	-	(76,114)
				-
Balance, GAAP Basis	<u>\$ 25,134,641</u>	<u>\$ 24,367,377</u>	<u>\$ (2,369,556)</u>	<u>\$ (1,602,292)</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS

The deposits of public funds are controlled by the Connecticut General Statutes. The following is a summary of cash and cash equivalents at June 30, 2017.

Detailed Cash Notes on all Funds

	Governmental Funds	Fiduciary Funds	Proprietary Funds	Total
Demand Accounts	\$ 5,087,450	\$ 71,716	\$ 42,497	\$ 5,201,663
Total	<u>\$ 5,087,450</u>	<u>\$ 71,716</u>	<u>\$ 42,497</u>	<u>\$ 5,201,663</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Deposits and Investments

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the Town's carrying amount of deposits was \$5,201,663 and the bank balance was \$5,584,307. Of the bank balance, Federal Depository Insurance Corporation covered \$501,902. As of June 30, 2017 \$4,524,164 of the Town's bank balance of \$5,082,405 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,524,164
Uninsured and collateral held by pledging bank's Trust department, not in Town's name	558,241
	<u>\$ 5,082,405</u>

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Town has no investment policy that limits the investment choices further than the State Statutes. As of June 30, 2017, the Town's special revenue and fiduciary funds held \$ 3,694,363 in mutual funds for which ratings were not available at the end of the current fiscal year.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's investments are held in various trustee accounts in the Town's name. The Town's mutual funds are not subject to custodial credit risk, as the Town's investment is not directly exposed to custodial credit risk.

	Fair Value	Less Than 1 yr.	1-5 yrs.
Short-term Funds	\$ 76,227	\$ 76,227	\$ -
Mutual Funds	3,618,136	N/A	N/A
Total Investments	<u>\$ 3,694,363</u>	<u>\$ 76,227</u>	<u>\$ -</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

The following is a schedule of assets measured at Fair Value.

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Description</u>	June 30, <u>2017</u>			
Cash	\$ 76,227	\$ 76,227	\$ -	\$ -
Equity Mutual Funds	61,658	61,658	-	-
Stocks	2,074,094	2,074,094	-	-
Exchange Traded Funds	33,648	33,648	-	-
Bond Funds	1,374,271	1,374,271	-	-
Alternative Investments	74,465	74,465	-	-
Total	<u>\$ 3,694,363</u>	<u>\$ 3,694,363</u>	<u>\$ -</u>	<u>\$ -</u>

Receivables

Receivables as of year-end for the Town's governmental and business-type activities, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Property Taxes*	\$ 477,790	\$ -	\$ 477,790
Water Assessments	-	183,205	183,205
Deferred Loans Receivable	416,158	-	416,158
State & Federal Grants	<u>123,488</u>	<u>-</u>	<u>123,488</u>
Total Receivables	<u>1,017,436</u>	<u>183,205</u>	<u>1,200,641</u>
Allowance for Tax Collection Losses	<u>(10,000)</u>	<u>(5,000)</u>	<u>(15,000)</u>
Totals	<u>\$ 1,007,436</u>	<u>\$ 178,205</u>	<u>\$ 1,185,641</u>

* a significant portion of these receivables are not expected to be collected within one year

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$380,220	\$ -
Deferred grant revenue	<u>-</u>	<u>40,493</u>
	<u>\$380,220</u>	<u>\$ 40,493</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. Governmental and proprietary funds record costs of inventories as expenditures and expenses when consumed rather than when purchased.

Inventories at year-end consisted of:

	Governmental Activities
	<u>Nonmajor Funds</u>
Food inventory	\$ 942
Total	<u>\$ 942</u>

Interfund Transfers, Receivables and Payables

	<u>Transfer to</u>		
<u>Transfers From</u>	<u>Non-Major Funds</u>	<u>Capital Projects</u>	<u>Total</u>
General Fund	\$ 33,761	\$ 498,529	\$ 532,290
	<u>\$ 33,761</u>	<u>\$ 498,529</u>	<u>\$ 532,290</u>

The transfer to nonmajor funds from the General Fund reflects \$22,401 for the Cafeteria Fund, \$9,560 to the Senior Center Fund and \$1,800 to the New Hartford Day Fund.

Interfund balances represent amounts recognized but not yet received by the appropriate funds. The composition of interfund balances as of June 30, 2017 is as follows:

	<u>Due To:</u>		
<u>Due From:</u>	<u>Non-Major Funds</u>	<u>General Fund</u>	<u>Total</u>
General Fund	\$ 46,497	\$ -	\$ 46,497
Capital Projects	-	2,040,740	2,040,740
Nonmajor Funds	-	45,360	45,360
	<u>\$ 46,497</u>	<u>\$ 2,086,100</u>	<u>\$ 2,132,597</u>

Interfund receivable balances represent amounts held in the General Fund for the Capital Projects, Community Investment and Historic Preservation. Interfund payable balances represent balances owed to the General Fund from the Open Space Fund, Dog Fund and School Cafeteria Fund for reimbursement for payroll costs, and from the WPCA for a working capital loan.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balances</u>
<i>Governmental Activities:</i>				
Capital assets, not being depreciated				
Land	\$ 5,441,480	\$ -	\$ -	\$ 5,441,480
Construction in Progress	<u>1,703,392</u>	<u>2,048,592</u>	<u>-</u>	<u>3,751,984</u>
Total capital assets, not being depreciated	<u>7,144,872</u>	<u>2,048,592</u>	<u>-</u>	<u>9,193,464</u>
Capital assets, being depreciated				
Buildings & Improvements	20,622,725	96,487	(6,650)	20,712,562
Land Improvements	781,124	60,970	-	842,094
Infrastructure	8,771,769	-	-	8,771,769
Vehicles	1,875,583	164,571	-	2,040,154
Machinery & Equipment	1,379,556	79,681	-	1,459,237
Furniture & Fixtures	<u>292,559</u>	<u>-</u>	<u>-</u>	<u>292,559</u>
Total capital assets, being depreciated	<u>33,723,316</u>	<u>401,709</u>	<u>(6,650)</u>	<u>34,118,375</u>
Less accumulated depreciation for:				
Buildings & Improvements	13,408,238	287,736	-	13,695,974
Land Improvements	274,419	42,443	-	316,862
Infrastructure	6,954,239	141,071	-	7,095,310
Vehicles	1,416,281	145,533	-	1,561,814
Machinery & Equipment	1,142,274	70,218	-	1,212,492
Furniture & Fixtures	<u>183,871</u>	<u>26,136</u>	<u>-</u>	<u>210,007</u>
Total accumulated depreciation	<u>23,379,322</u>	<u>713,137</u>	<u>-</u>	<u>24,092,459</u>
Total capital assets, being depreciated	<u>10,343,994</u>	<u>(311,428)</u>	<u>(6,650)</u>	<u>10,025,916</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 17,488,866</u>	<u>\$ 1,737,164</u>	<u>\$ (6,650)</u>	<u>\$ 19,219,380</u>
<i>Business-Type Activities:</i>				
Capital assets not being depreciated				
Land	<u>11,507</u>	<u>-</u>	<u>-</u>	<u>11,507</u>
Total capital assets, not being depreciated	<u>11,507</u>	<u>-</u>	<u>-</u>	<u>11,507</u>
Capital assets, being depreciated				
Building & Improvements	14,051,230	-	-	14,051,230
Water Lines	288,068	-	-	288,068
Machinery & Equipment	<u>121,730</u>	<u>-</u>	<u>-</u>	<u>121,730</u>
Total capital assets, being depreciated	<u>14,461,028</u>	<u>-</u>	<u>-</u>	<u>14,461,028</u>
Less accumulated depreciation for:				
Building & Improvements	3,473,282	346,983	-	3,820,265
Water Lines	111,891	6,712	-	118,603
Machinery & Equipment	<u>101,252</u>	<u>2,180</u>	<u>-</u>	<u>103,432</u>
Total accumulated depreciation	<u>3,686,425</u>	<u>355,875</u>	<u>-</u>	<u>4,042,300</u>
Total capital assets, being depreciated, net	<u>10,774,603</u>	<u>(355,875)</u>	<u>-</u>	<u>10,418,728</u>
<i>Business Activities capital assets, net</i>	<u>\$ 10,786,110</u>	<u>\$ (355,875)</u>	<u>\$ -</u>	<u>\$ 10,430,235</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 199,868
Public Safety	27,975
Highway	173,157
Planning & Development	13,558
Health & Welfare	13,720
Recreation	37,061
Education	247,798
Total	<u>\$ 713,137</u>
Business-type activities	
Water & Sewer	<u>\$ 355,875</u>

The Town has active construction projects as of June 30, 2017. The year-end total accumulated construction costs were:

	<u>2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>2017</u>
Carpenter Road Bridge	\$ 103,364	\$ 160,547	\$ -	\$ 263,911
Antolini School Renovations	<u>1,600,028</u>	<u>1,888,045</u>	<u>-</u>	<u>3,488,073</u>
	<u>\$ 1,703,392</u>	<u>\$ 2,048,592</u>	<u>\$ -</u>	<u>\$ 3,751,984</u>

The Carpenter Road Bridge preliminary engineering work was started with a commitment from the state to fund 47.3% of the project. The total cost is estimated to be \$735,000 with a reimbursement of \$348,978. The Antolini School Project involves the replacement of the roof and windows, and renovations for ADA compliance. The state will reimburse 43.57% of the project costs. The town has approved funding these projects with the issuance of bonds up to \$4,751,000. Bond anticipation notes were issued in connection with these projects in November 2015 and refinanced in November 2016.

Long-Term Obligations

General Obligation Bonds are direct obligations and pledge the full faith and credit of the town. These bonds generally are issued as 10 and 20-year serial bonds with equal amounts of principal maturing each year. The funds were used for the acquisition and construction of major capital facilities. BANs and bonds have been issued for both governmental and business-type activities. The BAN was refinanced with long term financing after year-end, at the end of the related capital projects. The General Fund has historically been used to liquidate other long-term liabilities related to governmental activities. The WPCA liquidates the long-term liabilities related to business-type activities.

	Interest <u>Rate</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Original Amount at <u>Issuance</u>	Annual <u>Principal</u>	Principal Outstanding <u>at June 30, 2017</u>
Governmental Activities:						
Refunding Bond	2-4%	11/16/16	09/01/26	2,045,000	155,000-375,000	2,045,000
Note Payable	4%	07/01/15	07/01/17	100,000	50,000	50,000
USDA WPCA Note	3.25	09/15/10	09/15/40	<u>3,594,000</u>	<u>31,454-74,277</u>	<u>3,255,330</u>
Total Business-Type Bonds & Loans				<u>\$ 5,739,000</u>		<u>\$ 5,350,330</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Original Amount at Issuance</u>	<u>Annual Principal</u>	<u>Principal Outstanding at June 30, 2017</u>
Business-Type Activities:						
Loan - Prospect Street Sewers	4.5	07/16/96	07/16/26	96,300	3,210	32,100
Loan - Water System Improvements	4.5	07/19/00	07/19/40	591,360	8,974-29,896	474,618
Loan - Water System Improvements	4.5	06/27/02	06/27/42	165,730	2,408-8,249	132,940
Total Business-Type Bonds & Loans				<u>\$ 853,390</u>		<u>\$ 639,658</u>

Changes in long-term obligations for the year ended June 30, 2017, are as follows:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 279,156	\$ 123,769	\$ (125,303)	\$ 277,622	\$ 49,192
Net Pension Liability	1,654,532	-	(166,128)	1,488,404	-
Note Payable	100,000	-	(50,000)	50,000	50,000
G.O. Bonds and BANS	4,460,000	6,045,000	(4,460,000)	6,045,000	4,375,000
Unamortized Premiums	18,320	166,254	(28,018)	156,556	16,625
USDA WPCA Note	3,344,102	-	(88,772)	3,255,330	91,656
Total	<u>\$ 9,856,110</u>	<u>\$ 6,335,023</u>	<u>\$ (4,918,221)</u>	<u>\$ 11,272,912</u>	<u>\$ 4,582,473</u>

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>	<u>Due Within One Year</u>
Business-type Activities					
Loans	<u>\$ 659,652</u>	<u>\$ -</u>	<u>\$ (19,996)</u>	<u>\$ 639,656</u>	<u>\$ 17,898</u>
Total	<u>\$ 659,652</u>	<u>\$ -</u>	<u>\$ (19,996)</u>	<u>\$ 639,656</u>	<u>\$ 17,898</u>

Short-term Obligations-Bond Anticipation Notes

The Town uses bond anticipation notes to fund construction costs prior to issuance of bonds. The following table summarizes changes in the Town's short-term obligations for the year ended June 30, 2017.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bond Anticipation Notes	<u>\$ 2,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ (2,000,000)</u>	<u>\$ 4,000,000</u>
Total	<u>\$ 2,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ (2,000,000)</u>	<u>\$ 4,000,000</u>

The bond anticipation notes carry in interest rate of 2% and matures November 2017. Total interest incurred and expenses was \$34,805.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Advance Refunding of Debt

On November 16, 2016, General Obligation Bonds were issued to refund an earlier issue. This refunding resulted in an economic gain as well as savings from refunding. The economic gain realized in the refunding was \$45,000 and the savings resulting from the refunding was as follows:

Cash flow requirements to service old debt	\$ 2,489,049
Less: Cash flow requirements for new debt	<u>(2,360,005)</u>
Net Savings from refunding	<u>\$ 129,044</u>

Interest Expense

No interest was capitalized during the year. Interest expense charged to business-type activities was as follows:

Business-Type Activities:

Water Pollution Control Authority	<u>\$ 91,626</u>
Total interest expense Business-Type Activities	<u><u>\$ 91,626</u></u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2017, are as follows:

Year Ending	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 466,657	\$ 168,123	\$ 17,898	\$ 28,443
2019	464,636	150,778	18,558	27,656
2020	257,711	142,144	19,249	26,843
2021	265,887	134,119	19,970	25,998
2020	269,166	125,888	20,725	25,122
2023-2027	1,383,864	482,762	116,181	111,270
2028-2032	673,378	313,897	124,778	85,244
2033-2037	790,153	197,127	155,498	55,581
2038-2042	<u>728,878</u>	<u>60,130</u>	<u>146,801</u>	<u>18,637</u>
Total	<u>\$ 5,300,330</u>	<u>\$ 1,774,968</u>	<u>\$ 639,658</u>	<u>\$ 404,794</u>

During a prior year, the Town received long-term financing from the U.S. Department of Agriculture for \$3,594,000. The Town had an arrangement with the New Hartford WPCA to repay the loan with a 61/39 split. The original agreement proposed that the NHWPCA repay 61% of the loan and the Town will repay 39%. This agreement was modified during the prior fiscal year to propose the NHWPCA repay in annual installments of \$13,000, paid in quarterly installments of \$3,250 beginning March 31, 2014. Due to cash flow issues, the WPCA has delayed making the quarterly payments. The note requires annual payments of \$197,455 due annually from September 15, 2013 through 2040. The final payment of \$196,645 is due September 15, 2040. The interest rate on the note is 3.25%.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Overlapping Debt

New Hartford is a member of the Regional School District No. 7, along with the Towns of Barkhamsted, Colebrook, and Norfolk. New Hartford's scheduled payment to the School District is a pro rata share of 52.99%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 7 is as follows:

	<u>Principal</u>
Bonds Outstanding	\$2,163,000
Town's Pro Rata %	<u>52.99%</u>
Town's Share	<u>\$1,146,174</u>

NOTE 4 – OPERATING LEASES

The Town has entered into several lease agreements for equipment. These leases require monthly payments from \$106 to \$1,770. These leases expire ranging from February 2018 to July 30, 2022. Total lease expense for 2017 was \$52,792. Future minimum lease payments under current agreements are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 43,789
2019	17,064
2020	16,428
2021	8,548
2022	3,701
thereafter	288

NOTE 5 – SEGMENT INFORMATION

The Town issued bonds and notes to finance improvements to its water pollution control authority, which operates the government's water and sewage treatment plants, pumping stations, and collections systems. The New Hartford Water Pollution Control Authority is reported as the sole enterprise fund. Because both the water and sewer activity is recorded in the same fund and financial activity is blended, segment information for each activity is not presented. Summary financial information for the WPCA is presented in the proprietary fund statements on pages 25-27.

NOTE 6 – PENSION PLANS

Defined Benefit Pension Plan

Plan Description - The Town of New Hartford, CT Retirement Plan (the Plan) is a single-employer, defined benefit, noncontributory pension plan administered by the Town of New Hartford, CT. The Plan provides retirement and death benefits to plan members and beneficiaries. The Town of New Hartford, CT retains the authority to establish and amend benefit provisions. The Plan is considered to be part of the Town of New Hartford, CT's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The Plan does not issue a separate stand-alone financial report. The pension board is comprised of 5 members who serve for a specified term length and are appointed by the Board of Selectmen. The Board of Selectmen seek residents who have expertise in the field of investments, pensions, or something similar to serve on this Board.

Classes of Employees Covered and Current Membership – All employees (except those covered by the State of Connecticut Teachers Retirement System) at least 25 years of age and having five years of credited service are eligible. Effective July 1, 2011, the plan is closed to new entrants. One year of credited service is earned for each calendar year during which 1,000 hours is worked. Current membership consists of the following:

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Active plan members	40
Inactive plan members or beneficiaries receiving benefits	29
Inactive plan members entitled to but not yet receiving benefits	<u>33</u>
Total plan participants	102

Benefits Provided - Under the Plan, employees who have attained 25 years of age are 100% vested after 5 years of credited service. For employees hired after January 1, 2002, normal retirement is the Social Security normal retirement age. Otherwise, normal retirement is at age 65. Retirees will receive a retirement benefit for life of 1.25% of final average compensation for the highest three consecutive calendar years out of the final ten years, multiplied by years of credited service (not to exceed 40). A surviving spouse of a participant, who dies after five years of service, will receive a death benefit equal to 50% of the benefit, which the deceased employee was (or would have been) eligible for at early retirement (age 55 with ten years of service). Benefits and refunds are recognized when due and payable in accordance with terms of the plan.

Contributions - The contribution requirements of the Town are established and may be amended by the Board of Selectmen, as suggested by the actuarial valuations. The actuarial method used to develop the annual funding percentage for all benefits is the Projected Unit Credit Cost Method. The Town currently contributes at the actuarially determined rate, which at \$281,633 was 14.67% of annual covered payroll. Employees do not contribute to the Plan. Costs to administer the plan are paid by the Town out of the General Fund, and are not included in the actuarially determined contribution. Investment management fees are paid out of the pension trust.

Significant Accounting Policies

Basis of Accounting - Financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due. Benefits are recognized in the period owed.

Investment Policy – The pension plan's policy in regard to the allocation of invested assets is established by and may be revised by the Pension Committee. The overall investment goal is to obtain a competitive rate-of-return on portfolio assets commensurate with prudent investment rules and the responsibility to provide retirement benefits for members, retirees and their beneficiaries. The committee regards prudent risk taking as justifiable and necessary to meet the plan liabilities and minimize long term contributions within reasonable and prudent levels of risk. The strategic allocation targets are:

<u>Asset Class</u>	<u>Target Allocation</u>
Money Market	2.00%
Core Fixed Income	38.00%
Large Capitalization Domestic Equity	34.00%
Mid/Small Cap Equity Domestic Equity	11.00%
International Equity	13.00%
Commodities	2.00%

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Method Used to Value Investments – The actuarial value of assets phases in recognition of the difference between the actuarial return on Market Value and the expected return of Market Value over a 4-year period at 25% per year. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Investments that represent 5% or more to total assets are:

Russell US Core Equity I	5.98%
Schwab S&P 500 Index	11.93%
Vanguard Mid-Cap Index-Adm	5.99%
Russell Investment Grade Bond I	5.97%
PIMCO Total Return D	5.98%
Metropolitan West Total Return Bond I	5.97%

Money-weighted rate of return – The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.44%. Money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Currently there is no Deferred Retirement Option Plan.

Funded Status and Funding Progress

The Town's annual pension cost and net pension obligation to the Plan for the current year as of July 1, 2015 (the most recent actuarial date) were as follows:

Schedule of Net Pension Liability

	<u>2017</u>
Total Pension Liability *	\$ 5,071,179
Plan Fiduciary net position	<u>3,582,775</u>
Net pension liability (asset)	1,488,404
Plan fiduciary net position as a percentage of total pension liability	70.65%
 Covered-employee payroll	 \$ 1,919,240
 Net pension liability as a % of covered employee payroll	 77.55%

* Total pension liability calculated using the Entry Age Normal Cost Method

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Actuarial Methods and Assumptions: The annual required contribution for the current year was determined as part of the July 1, 2015 actuarial valuation using the Projected Unit Credit Method. The funding policy consists of two parts, normal cost plus an amortization of the plan's Unfunded Actuarial Liability. For the July 1, 2015 valuation, a closed amortization period of 30 years was used. Significant actuarial assumptions used include (1) inflation of 3.0% (2) rate of return on investments of 7.5% per year, (3) projected salary increases of 4.0% per year, and (3) a retirement age of 65 or social security retirement age for hires after December 31, 2001. The unfunded actuarial accrued liability is being amortized over 30 years. Mortality was based on RP2000 Combined Mortality projected using Scale AA to the valuation date. A full actuarial experience study has not been completed.

Discount Rate – The discount rate used to measure to total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rate equal to the difference between actuarially determined the contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all prior periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability, calculated using the discount rate of 7.5% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease</u> <u>Discount Rate</u> 6.5%	<u>Current</u> <u>Discount Rate</u> 7.5%	<u>1% Increase</u> <u>Discount Rate</u> 8.5%
Net pension liability as of June 30, 2017	\$1,488,404	\$1,976,451	\$1,506,369

Valuation Date and Roll Forward Process – The plan used the July 1, 2015 valuation to calculate the Actuarially Determined Employer Contribution for fiscal year ending June 30, 2017. The July 1, 2015 valuation directly calculated the July 1, 2015 Total Pension Liability. The July 1, 2015 Total Pension Liability was increased by service cost and interest and decreased by benefit payments to estimate the total pension liability as of June 30, 2017. The Pension Liability was also adjusted to reflect any material plan changes after the valuation.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Target Allocation and Expected Rate of Return Actuarial Valuation as of July 1, 2015

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>	<u>Weighting</u>
U.S. Large Cap	34.00%	4.75%	1.62%
U.S. Mid Cap	6.00%	5.50%	0.33%
U.S. Small Cap	5.00%	5.50%	0.28%
International	10.00%	5.25%	0.53%
Emerging	3.00%	6.00%	0.18%
Investment Bond	12.00%	2.25%	0.27%
International Bond	14.00%	2.00%	0.28%
Income Fund	8.00%	2.00%	0.16%
High Yield	4.00%	3.25%	0.13%
Commodity	2.00%	5.00%	0.10%
Cash	2.00%	0.00%	0.00%
	100.00%		3.88%
Long-Term Inflation Expectation			3.00%
Long-Term Expected Nominal Return			6.88%

* Long-term returns are provided by HHIA. The returns are geometric means.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.5% and 7.5%. An expected rate of return 7.5% was used in the calculation of the liability in this report. The July 1, 2015 valuation was based on a rate of 7.5%.

Required Supplementary Information - Historical trend information for the pension plan are presented as supplementary schedules following the notes to the financial statements, and, as information becomes available, will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension – For the year ended June 30, 2017 the Town recognized pension expense of \$250,303. At June 30, 2017, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

TOWN OF NEW HARTFORD
Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at June 30, 2016	\$ 4,705,584	\$ 3,051,052	\$ 1,654,532
Changes for the year:			
Service Cost	159,157	-	159,157
Interest	359,230	-	359,230
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Benefit Payments, including Refunds of Member Contributions	(152,792)	(152,792)	-
Employer Contributions	-	281,633	(281,633)
Employee Contributions	-	-	-
Net Investment Income	-	401,509	(401,509)
Administrative Expenses	-	-	-
Other	-	1,373	(1,373)
Net Changes	365,595	531,723	(166,128)
Balance at June 30, 2017	<u>\$ 5,071,179</u>	<u>\$ 3,582,775</u>	<u>\$ 1,488,404</u>
Plan fiduciary net position as a percentage of total pension liability			70.65%
Covered-Employee Payroll			\$ 1,919,240
Net pension liability as a percentage of covered-employee payroll			77.55%

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (3,061)
Changes in assumptions	42,553	(231,220)
Net difference between projected and actual earnings on pension plan investments	63,639	-
	<u>\$ 106,192</u>	<u>\$ (234,281)</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

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

June 30, 2018	\$ (33,087)
June 30, 2019	(51,322)
June 30, 2020	(10,103)
June 30, 2021	(33,577)

Defined Contribution Plan

Town Employees

The Town adopted and administers a single-employer defined contribution pension plan (Town of New Hartford 457(b) Plan) to provide benefits at retirement to employees of the Town. Union and non-union town employees hired after 7/1/11, who are not covered by CT Teacher's Retirement Board, are required to contribute 1% of their salary and are eligible for a required 5% employer contribution. Employer contributions are 100% invested. Benefit terms may be amended by the Town. At June 30, 2017, there were 9 plan members. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits. Income accumulates tax-free until distribution from the plan.

The Town's required 5% contribution was \$21,661. The Board of Education's required 5% contribution was \$3,517. Participant contributions were \$41,030 for the year. Contributions are placed into individual participant accounts, where the funds are invested in mutual funds at the employees' discretion. Each participant has ownership of his or her respective accounts. Plan provisions and contribution requirements are established and may be amended by the Town.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Teacher's Retirement System

Certified teachers in the Town of New Hartford, CT are eligible to participate in the State of Connecticut's Teacher's Retirement System, a multiple-employer, public employee's retirement system. The Town does not contribute to the system nor does it have any legal obligation for benefits. A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. Members are required to contribute 7.25% of their annual salary to the system as required by section 10-183b(7) C.G.S. The State contributes amounts based on actuarial estimates.

The State's aggregate contribution to the plan for the fiscal year ended June 30, 2016 for all participating local governments was \$975,578,000. The amount of the contribution allocable to the Town was estimated to be \$832,064 and the "on-behalf" payment has been recognized as a government grant and an education expenditure in the General Fund. For the year ended June 30, 2016, teachers for the Town of New Hartford, CT contributed \$253,293 to the plan. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis.

Plan Description - Teachers, principals, superintendents, and supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System- a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board (TRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the TRB Board. TRB issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions - The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement - : Retirement benefits for the employees are calculated as 2% of the average annual salary times during the years credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement - Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement - : Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for non-service related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions - Per Connecticut General Studies Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved and amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Employees:

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	\$ 12,149,511
Total	<u>\$ 12,149,511</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2017 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2017, the Town recognized benefits expense and contribution revenue of \$832,064 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$1,324,948 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future Cost-of-Living increases for members who retire on or after September 1, 1992 are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

TOWN OF NEW HARTFORD
Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. Equities	21.00%	5.8%
Developed non-U.S. Equities	18.00%	6.6%
Emerging Markets (non-U.S.)	9.00%	8.3%
Real Estate	7.00%	5.1%
Private Equity	11.00%	7.6%
Alternative Investments	8.00%	4.1%
Core fixed-income	7.00%	1.3%
High-yield Bonds	5.00%	3.9%
Emerging Market Bond	5.00%	3.7%
Inflation linked Bond Funds	3.00%	1.0%
Cash	6.00%	0.4%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The Town's proportionate share of the net pension liability is \$0, and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

NOTE 7 – OTHER MATTERS

Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The Town purchases commercial insurance to cover most potential risks of loss. Neither the Town nor its insurers have settled any claim within the past year, which have exceeded the Town's insurance coverage. There were no significant changes in coverage from the prior year, and no settlements have exceeded insurance coverage in the last three years.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

The Town belongs to the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

Contingencies

The Town participates in Regional Refuse District No. 1, a transfer station that was formally a landfill. The District has been informed that its landfill is on the Superfund list and has been named a potentially responsible party by the Environmental Protection Agency. The District has settled its liability for the Remedial Investigation/Feasibility Study, and the EPA has approved a long-term natural attenuation and monitoring program as the final remedy for the site. The annual financial obligation for this long-term work was funded by amounts obtained in grant funds and assessed to all PRP's and set aside in a trust fund for these activities. At this point, it is premature to estimate the final cost of the program, as the total cost of post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations. The towns served by the District are required to pay any shortfall in the District's budget. The Town of New Hartford, CT is responsible for approximately 32% of any such shortfall.

NOTE 8 – FUND BALANCES

The following balances were assigned at June 30, 2017:

General Fund:

Subsequent Year Budget	\$ 250,000
Return of Settlement Funds	50,833
Capital Improvements	<u>171,500</u>
Total	<u>\$ 472,333</u>

All funds reported a positive fund balance as of June 30, 2017.

NOTE 9 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other than Pensions* – This Statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements (thereby jointly referred to as trusts) and applies to all governments whose employees are provided with OPEB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

- GASB No. Statement 82 – *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73* – This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of Payments made by employers to satisfy employee (plan member) contribution requirements. The pronouncement is effective for fiscal years beginning after June 15, 2016.
- GASB Statement No. 83 – *Certain Asset Retirement Obligations* – this Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations. The pronouncement is effective for fiscal years beginning after June 15, 2018.
- GASB Statement No. 84 – *Fiduciary Activities* – establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The pronouncement is effective for fiscal years beginning after December 15, 2018.
- GASB Statement No. 85 – *Omnibus 2017* – This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement an application, and postemployment benefits (pensions and other postemployment benefits other than pensions - OPEB. The pronouncement is effective for fiscal years beginning after June 15, 2017.

NOTE 10 – SUBSEQUENT EVENT

On November 17, 2017, the existing \$4,000,000 BAN issued in November 2016 was refinanced with a \$3,915,000 GO Bond. Interest will be calculated at between 3% and 3.125% and principal payments will vary between \$175,000 and \$220,000 beginning 11/15/18. Final payment will be due November 15, 2037.

Required Supplementary Information

TOWN OF NEW HARTFORD
Schedule of Net Pension Liability and Related Ratios
For the Last 4 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability *				
Service Cost	\$ 159,157	\$ 170,833	\$ 155,489	\$ 149,509
Interest	359,230	342,348	322,788	300,559
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(5,843)	-	-
Changes of assumptions	-	(441,420)	133,735	-
Benefit payments, including refunds of member contributions	<u>(152,792)</u>	<u>(157,716)</u>	<u>(158,991)</u>	<u>(144,348)</u>
Net change in total pension liability	365,595	(91,798)	453,021	305,720
Total pension liability - beginning	<u>4,705,584</u>	<u>4,797,382</u>	<u>4,344,361</u>	<u>4,038,641</u>
Total pension liability - ending (a)	<u>\$ 5,071,179</u>	<u>\$ 4,705,584</u>	<u>\$ 4,797,382</u>	<u>\$ 4,344,361</u>
Plan fiduciary net position				
Contributions - employer	\$ 281,633	\$ 263,543	\$ 263,543	\$ 231,114
Contributions - employee	-	-	-	-
Net investment income	401,509	(13,157)	49,354	378,155
Benefit payments, including refunds of member contributions	(152,792)	(157,716)	(158,991)	(144,348)
Administrative Expenses	-	-	-	-
Other	<u>1,373</u>	<u>558</u>	<u>291</u>	<u>6,956</u>
Net change in pension fiduciary net position	531,723	93,228	154,197	471,877
Plan fiduciary net position - beginning	<u>3,051,052</u>	<u>2,957,824</u>	<u>2,803,627</u>	<u>2,331,750</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,582,775</u>	<u>\$ 3,051,052</u>	<u>\$ 2,957,824</u>	<u>\$ 2,803,627</u>
Net pension liability - ending: (a) - (b)	<u>\$ 1,488,404</u>	<u>\$ 1,654,532</u>	<u>\$ 1,839,558</u>	<u>\$ 1,540,734</u>
Plan fiduciary net position as a percentage of the total pension liability	70.65%	64.84%	61.65%	64.53%
Covered employee payroll	\$ 1,919,240	\$ 1,845,423	\$ 1,708,040	\$ 1,642,346
Net pension liability as a percentage of covered-employee payroll	77.55%	89.66%	107.70%	93.81%

* Total pension liability calculated using the Entry Age Normal Cost Method, as required by paragraph 46 of GASB Statement 67.

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Contributions For the Last 4 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution (ADEC)	\$ 281,633	\$ 257,906	\$ 253,343	\$ 208,104
Contributions in relation to the ADEC	<u>281,633</u>	<u>263,543</u>	<u>263,543</u>	<u>231,114</u>
Contribution deficiency (excess)	<u>-</u>	<u>(5,637)</u>	<u>(10,200)</u>	<u>(23,010)</u>
Covered-employee payroll	1,919,240	1,845,423	1,708,040	1,642,346
Contributions as a percentage of covered-employee payroll	14.67%	14.28%	15.43%	14.07%

Notes to Schedule

Valuation Date:

7/1/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Projected Unit Credit

Amortization method

Closed

Remaining amortization period

30 yrs

Asset valuation method

-
actual return on Market Value and expected return
of Market Value over a 4-year period at 25% per
year

Inflation

3.00%

Salary increases

4% increase per year for June 30, 2016

Investment rate of return

7.5% for June 30, 2016

Retirement Age

65 or Social Security Retirement Age for hires after Decem

Mortality

RP2000 Combined Mortality projected using scale AA to th

* Pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Investment Returns

Last 4 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	12.44%	-0.41%	1.73%	16.45%

See accountant's report.

TOWN OF NEW HARTFORD
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
June 30, 2017

<u>Schedule of Proportionate Share of Net Pension Liability</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	
State of Connecticut's proportionate share of the net pension associated with Town	12,149,511	10,022,228	9,263,541
Total	<u>\$ 12,149,511</u>	<u>\$ 10,022,228</u>	<u>\$ 9,263,541</u>
Town's covered-employee payroll	<u>\$ 3,493,688</u>	<u>\$ 3,424,590</u>	<u>\$ 3,287,462</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

See accountant's report.

TOWN OF NEW HARTFORD
State Teacher's Retirement System
Note to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Year-ended June 30, 2017

Change of benefit terms	None
Changes of assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2016.
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	17.6 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.50% average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

Supplemental, Combining, and Individual Fund Statements and Schedules

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

TOWN OF NEW HARTFORD
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

Page 1 of 5

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over (Under)
Revenues				
Taxes				
Property Taxes	\$ 19,039,795	\$ 19,039,795	\$ 19,284,458	\$ 244,663
Property Taxes - Prior Years	220,000	220,000	352,966	132,966
Interest and Lien Fees	100,000	100,000	219,449	119,449
Total Taxes	<u>19,359,795</u>	<u>19,359,795</u>	<u>19,856,873</u>	<u>497,078</u>
Fees, Fines, and Permits				
Licenses and Permits	1,000	1,000	6,611	5,611
Copy Machine Fees	10,000	10,000	11,845	1,845
Town Clerk Fees	95,000	95,000	100,860	5,860
Building Inspector Fees	75,000	75,000	109,214	34,214
Zoning & Wetlands Fees	5,000	5,000	12,240	7,240
Burning Official Fees	1,300	1,300	1,500	200
Parking Tickets Fees	100	100	-	(100)
Total Fees, Fines, and Permits	<u>187,400</u>	<u>187,400</u>	<u>242,270</u>	<u>54,870</u>
Intergovernmental Revenue				
Telephone access line tax	19,750	19,750	19,956	206
Town Aid for Roads	270,291	270,291	269,713	(578)
LOCIP Grant	63,091	63,091	-	(63,091)
Lieu of taxes-Veteran	3,150	3,150	2,426	(724)
Lieu of taxes-Elderly	34,000	34,000	29,084	(4,916)
Lieu of taxes-Disabled	450	450	510	60
Adult Education	2,575	2,575	2,731	156
Pequot Grant	19,069	19,069	19,069	-
ECS Grant	3,155,693	3,155,693	3,113,123	(42,570)
MRSA Revenue Sharing	140,338	140,338	140,338	-
Municipal Grant in Aid	139,174	139,174	139,174	-
Education Pass-through Grants	187,757	187,757	170,493	(17,264)
School Transportation	34,574	34,574	-	(34,574)
Special Education Excess Cost Grant	70,784	70,784	24,430	(46,354)
Total Intergovernmental Revenues	<u>4,140,696</u>	<u>4,140,696</u>	<u>3,931,047</u>	<u>(209,649)</u>
Other Revenues				
Rental Income	86,419	86,419	115,105	28,686
WPCA split 61%	66,150	66,150	49,610	(16,540)
CIRMA Equity Distribution	7,500	7,500	9,395	1,895
Miscellaneous	40,000	40,000	35,287	(4,713)
Total Other Revenues	<u>200,069</u>	<u>200,069</u>	<u>209,397</u>	<u>9,328</u>
Investment Earnings				
Short-Term Interest	10,000	10,000	18,492	8,492
Total Investment Income	<u>10,000</u>	<u>10,000</u>	<u>18,492</u>	<u>8,492</u>
Other Financing Sources				
Surplus to Finance Budget	200,000	200,000	-	(200,000)
Total Other Financing Sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total Revenues	<u>\$ 24,097,960</u>	<u>\$ 24,097,960</u>	<u>\$ 24,258,079</u>	<u>\$ 160,119</u>

See accountant's report.

TOWN OF NEW HARTFORD
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

Page 2 of 5

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Expenditures				
General Government				
First Selectman	\$ 73,352	\$ 73,352	\$ 73,352	\$ -
Senior Bookkeeper	54,467	54,473	53,634	(839)
Bookkeeper Ass't	13,811	19,012	18,853	(159)
Admin. Asst./Welfare Admin.	61,654	61,654	59,518	(2,136)
Overtime/ Substitutes	5,000	3,869	2,975	(894)
Town Hall Janitorial Service	17,340	17,340	16,938	(402)
Administrative Expenses	12,000	7,253	7,253	-
Office Supplies and Equipment	20,000	20,517	20,513	(4)
Communications Expense	5,000	5,000	-	(5,000)
Town Hall Maintenance and Utilities:				
Telephone	12,000	12,153	12,153	-
Heating	15,000	8,268	8,048	(220)
Electricity	40,000	46,732	46,732	-
Other Utilities	7,000	10,816	10,816	-
Computer Maintenance	28,000	27,099	26,990	(109)
Interior Maintenance	39,000	39,000	25,992	(13,008)
Insurance				
Liability and Property	74,500	71,585	71,585	-
Workers' Compensation	96,000	99,355	99,355	-
Pension	137,000	139,470	139,470	-
Town's Share of FICA	110,000	128,980	128,980	-
Unemployment	10,000	4,175	-	(4,175)
Health	414,264	395,284	387,191	(8,093)
Longevity Pay	3,640	3,640	3,640	-
Town:				
Attorney	15,000	15,000	13,503	(1,497)
Engineer	25,000	25,000	5,463	(19,537)
Tax Collector:				
Salary	54,551	54,551	54,551	-
Assistant	18,872	18,872	16,554	(2,318)
Data Processing	9,000	9,000	9,000	-
Supplies and Expenses	7,200	7,200	7,060	(140)
Collection Expense	1,500	1,500	1,146	(354)
Assessor:				
Salary	5,000	3,950	450	(3,500)
Assessor's Clerk	45,272	46,322	45,626	(696)
Data Processing	16,150	16,150	16,060	(90)
Supplies and Expenses	4,500	4,500	4,226	(274)
Probate	5,790	5,790	5,177	(613)
Registrar Salary (D)	12,599	11,948	11,728	(220)
Registrar Salary (R)	12,830	10,527	10,491	(36)
Elections	24,888	30,852	30,851	(1)
Referendums	4,231	1,221	1,221	-
Board of Finance				
Supplies and Expenses	2,500	2,500	1,275	(1,225)
Audit	27,875	27,875	25,875	(2,000)
Town Reports	1,000	1,000	350	(650)
Treasurer's Salary	7,151	7,151	7,151	-

See accountant's report.

TOWN OF NEW HARTFORD
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

Page 3 of 5

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Town Clerk:				
Salary	62,483	62,483	62,483	-
Clerical Salary	38,279	38,548	37,959	(589)
Supplies and Expenses	36,976	36,707	34,152	(2,555)
Town Clerk Training	<u>750</u>	<u>750</u>	<u>750</u>	-
Total General Government	1,688,425	1,688,424	1,617,090	(71,334)
Public Safety				
Constables	\$ 306,908	\$ 299,483	\$ 279,896	\$ (19,587)
Constables - Overtime	6,000	2,836	2,676	(160)
Resident State Troopers	119,480	126,905	126,905	-
Vehicle Expense	7,000	7,000	2,096	(4,904)
Supplies and Expenses	5,450	5,450	5,349	(101)
Street Lights	23,000	26,164	26,164	-
Fire Department:		-		
Fire Marshal	14,000	14,000	11,625	(2,375)
Deputy Fire Marshal	500	500	-	(500)
Fire Marshal Vehicle	1,800	1,800	1,800	-
Burning Official	1,600	1,600	440	(1,160)
Animal Control Fund	16,500	16,500	13,961	(2,539)
Local Emergency Planning	6,060	6,060	4,287	(1,773)
Litchfield County Dispatch	72,400	72,400	72,343	(57)
Paramedic Intercept	54,000	54,187	54,187	-
Ambulance Association	<u>120,000</u>	<u>120,000</u>	<u>106,617</u>	<u>(13,383)</u>
Total Public Safety	754,698	754,885	708,346	(46,539)
Highways				
Wages	\$ 514,005	\$ 527,233	\$ 519,452	\$ (7,781)
Overtime Wages	80,000	73,924	73,449	(475)
Supplies and Expenses	75,000	106,035	106,035	-
Equip. Maint. and Repair	100,000	119,686	119,686	-
Gas, Grease, and Oil	85,000	66,048	62,067	(3,981)
Telephone	3,000	3,005	3,005	-
Heating Oil	14,000	7,937	7,937	-
Electricity	8,000	9,595	9,595	-
Tree Removal	40,000	23,048	23,048	-
Road Maint. and Improvement	130,000	131,833	131,833	-
Snow Sand	70,000	63,222	63,222	-
Snow Salt/Liquid Calcium	80,000	76,452	76,452	-
Road Sweeping/Catchbasin Clean	10,000	1,000	1,000	-
Asphalt/Bituminous Paving	425,000	424,988	424,988	-
Crack and Chip Seal	<u>-</u>	<u>-</u>	<u>-</u>	-
Total Highway	1,634,005	1,634,006	1,621,769	(12,237)

See accountant's report.

TOWN OF NEW HARTFORD
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

Page 4 of 5

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Planning and Development				
Building Inspector	\$ 31,069	\$ 36,030	\$ 35,774	\$ (256)
Building Department Expense	3,450	3,450	2,240	(1,210)
Zoning:				
Officer	59,842	59,842	56,429	(3,413)
Zoning Secretary	8,000	3,038	2,095	(943)
Land Use Administrative Assistant	47,446	47,447	46,718	(729)
Printing Supplies and Expenses	9,000	9,000	7,106	(1,894)
Legal and Professional Fees	37,000	37,000	26,971	(10,029)
Engineer Fees	2,000	2,000	-	(2,000)
Town Planner	1,000	1,000	-	(1,000)
Inland Wetlands	3,000	3,000	2,290	(710)
Litchfield Co. Soil Conservator	1,795	1,795	1,795	-
Total Planning and Development	203,602	203,602	181,418	(22,184)
Health and Welfare				
Farmington Valley Health District	\$ 35,763	\$ 35,763	\$ 35,763	\$ -
Foothills Visiting Nurse	20,000	20,000	20,000	-
Regional Refuse Disposal	140,252	140,252	140,252	-
Meals on Wheels	3,130	3,130	3,130	-
Agent for the Elderly	1,000	1,000	-	(1,000)
Helping Hands Chore	750	750	750	-
Total Health and Welfare	200,895	200,895	199,895	(1,000)
Libraries				
N. H. Free Public Library	\$ 234,885	\$ 234,885	\$ 234,885	\$ -
Bakerville Library	53,570	53,570	53,570	-
Total Libraries	288,455	288,455	288,455	-
Parks and Recreation				
Recreation Director	\$ 25,153	\$ 25,609	\$ 25,015	\$ (594)
Recreation Recording Secretary	1,000	544	-	(544)
Seasonal Help	10,000	10,000	6,537	(3,463)
General Recreation	1,500	1,500	32	(1,468)
Contracted Services	40,000	40,000	32,497	(7,503)
Sports Allocations	1,000	1,000	-	(1,000)
Propane	7,000	7,000	6,856	(144)
Total Parks and Recreation	85,653	85,653	70,937	(14,716)
Debt Service				
Principal	\$ 459,271	\$ 459,271	\$ 458,772	\$ (499)
Interest	208,396	208,396	164,274	(44,122)
Total Debt Service	667,667	667,667	623,046	(44,621)

See accountant's report.

TOWN OF NEW HARTFORD
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

Page 5 of 5

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Commissions/Other Agencies				
Conservation Commission	\$ 2,000	\$ 2,000	\$ 727	\$ (1,273)
Open Space Board	2,000	2,000	1,436	(564)
Board of Tax Review	1,000	1,000	-	(1,000)
New Hartford Day	1,800	1,800	1,800	-
Historic District Commission	500	500	143	(357)
Senior Citizen Supplies	14,640	14,640	13,958	(682)
Senior Director	25,821	25,821	24,497	(1,324)
Northwest Transportation	1,162	1,162	1,162	-
Historical Society	1,000	669	-	(669)
Litchfield Hills CEO	5,450	5,450	5,450	-
Contingency Fund	8,000	8,000	-	(8,000)
Community Club	50	50	-	(50)
Town Hill Cemetery	100	100	-	(100)
Bond Costs	-	-	-	-
Susan B. Anthony Project	2,500	2,500	2,500	-
Winchester Youth Service	5,305	5,305	5,305	-
Economic Development	11,000	11,000	10,907	(93)
Stanclift Cove	6,000	6,000	6,000	-
West Hill Lake Association	16,000	16,000	16,000	-
Torrington Water Co. Hydrants	10,600	10,744	10,744	-
CCM	4,115	4,115	4,115	-
Total Commissions/Other Agencies	119,043	118,856	104,744	(14,112)
Capital Expenditures				
Town Hall Equipment Replacement	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Technology	10,000	10,000	10,000	-
Park & Recreation	35,000	35,000	35,000	-
Downtown Improvements	70,000	70,000	70,000	-
Dump Truck	165,000	165,000	165,000	-
Large Truck	55,000	55,000	55,000	-
BOE Captial	89,000	89,000	89,000	-
Town Hall Phone System	20,000	20,000	20,000	-
Total Capital Expenditures	459,000	459,000	459,000	-
Education				
Elementary Education	\$ 7,988,026	\$ 7,988,026	\$ 7,982,730	\$ (5,296)
Adult Education Cooperative	2,575	2,575	8,941	6,366
Regional School District #7	9,818,159	9,818,159	9,818,159	-
Education Pass-through Grants	187,757	187,757	170,165	(17,592)
Total Education	17,996,517	17,996,517	17,979,995	(16,522)
Total Expenditures	\$ 24,097,960	\$ 24,097,960	\$ 23,854,695	\$ (243,265)
Excess of Revenues over Expenditures	\$ -	\$ -	\$ 403,384	\$ 403,384

See accountant's report.

Nonmajor Governmental Funds

Debt Service Fund – A fund used to account for financial resources to be used for the payment of compensated absences payable to retired or terminated employees.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

New Hartford Day Fund – To account for the revenues and expenditures related to the “New Hartford Day” celebration.

Dog Fund – To account for funds provided by the sale of dog licenses, sale of stray dogs, and various fines levied against owners of stray dogs, as well as General Fund appropriations.

Historical Documents Fund – To account for funds related to the preservation of the Town’s records.

School Cafeteria Fund – To separately account for the operations of the school cafeterias. The Town’s participation in the state-administered Federal Child Nutrition Program is reported in this fund.

Recreation Fund – To account for the revenues and expenditures involved in the administration of recreational services.

Senior Center Fund – To account for the revenues and expenditures involved in the administration of senior center activities.

Town Hill Cemetery Fund – To account for funds used for the maintenance of Town Hill Cemetery.

Small Cities Housing Rehabilitation – To account for funds used to assist qualified citizens in making improvements to their homes.

Open Space Fund – To account for funds related to the preservation of undeveloped land.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Community Investment (formerly known as Farmland Preservation) – To account for funds restricted to preservation of farmland located within the town boundaries.

TOWN OF NEW HARTFORD

Page 1 of 2

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2017

	SPECIAL REVENUE FUNDS						
	Debt Service Fund	New Hartford Day	Dog Fund	Historical Documents Fund	School Cafeteria	Recreation Fund	Senior Center
Assets							
Cash and cash equivalents	\$ 46,974	\$ 5,159	\$ 8,976	\$ -	\$ 46,360	\$ 99,921	\$ 966
Investments	-	-	-	-	-	-	-
Grants Receivable	-	-	-	-	-	-	-
Deferred Loans Receivable	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	8,549	6,451	-	-
Inventories	-	-	-	-	942	-	-
Total Assets	\$ 46,974	\$ 5,159	\$ 8,976	\$ 8,549	\$ 53,753	\$ 99,921	\$ 966
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	-	-	-	-	-	19,378	-
Interfund Payables	-	-	-	-	45,360	-	-
Due to State of CT	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	45,360	19,378	-
Fund Balances							
Nonspendable	-	-	-	-	942	-	-
Restricted	-	5,159	-	8,549	-	-	-
Committed	46,974	-	8,976	-	7,451	80,543	966
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	46,974	5,159	8,976	8,549	8,393	80,543	966
Total Liabilities and Fund Balances	\$ 46,974	\$ 5,159	\$ 8,976	\$ 8,549	\$ 53,753	\$ 99,921	\$ 966

See accountant's report.

TOWN OF NEW HARTFORD

Page 2 of 2

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2017

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	
	Town Hill Cemetery Fund	Small Cities Housing Rehabilitation	Open Space	Community Investment	Total
Assets					
Cash and cash equivalents	\$ 1,683	\$ 71,526	\$ -	\$ -	\$ 281,565
Investments	111,588	-	-	-	111,588
Grants Receivable	-	-	-	-	-
Deferred Loans Receivable	-	416,158	-	-	416,158
Interfund Receivables	-	-	22,750	8,747	46,497
Inventories	-	-	-	-	942
Total Assets	\$ 113,271	\$ 487,684	\$ 22,750	\$ 8,747	\$ 856,750
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	-	-	-	-	19,378
Interfund Payables	-	-	-	-	45,360
Due to State of CT	-	-	-	-	-
Total Liabilities	-	-	-	-	64,738
Fund Balances					
Nonspendable	-	416,158	-	-	417,100
Restricted	113,271	71,526	-	8,747	207,252
Committed	-	-	22,750	-	167,660
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	113,271	487,684	22,750	8,747	792,012
Total Liabilities and Fund Balances	\$ 113,271	\$ 487,684	\$ 22,750	\$ 8,747	\$ 856,750

See accountant's report.

TOWN OF NEW HARTFORD

Page 1 of 2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

SPECIAL REVENUE FUNDS							
	Debt Service Fund	New Hartford Day	Dog Fund	Historical Documents Fund	School Cafeteria	Recreation Fund	Senior Center
Revenues							
Operating Grants and Contributions	\$ -	\$ 465	\$ -	\$ 4,000	\$ 32,335	\$ -	\$ -
Capital Grants and Contributions	-	-	-	-	-	-	-
Charges for Services	-	-	14,720	3,135	82,812	157,070	19,067
Other Income	-	-	-	-	-	-	-
Investments earnings	47	3	-	-	-	-	-
Total Revenues	<u>47</u>	<u>468</u>	<u>14,720</u>	<u>7,135</u>	<u>115,147</u>	<u>157,070</u>	<u>19,067</u>
Expenditures							
Current							
General government	-	1,234	-	4,999	-	-	-
Public safety	-	-	4,448	-	-	-	-
Parks and recreation	-	-	-	-	-	174,283	28,248
Commissions/agencies	-	-	-	-	-	-	-
Education	-	-	-	-	132,445	-	-
Debt Service	-	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,234</u>	<u>4,448</u>	<u>4,999</u>	<u>132,445</u>	<u>174,283</u>	<u>28,248</u>
Excess/(Deficiency) of Revenues Over Expenditures	47	(766)	10,272	2,136	(17,298)	(17,213)	(9,181)
Other Financing Sources/(Uses)							
Proceeds from Financing	-	-	-	-	-	-	-
Transfers in	-	1,800	-	-	22,401	-	9,560
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>22,401</u>	<u>-</u>	<u>9,560</u>
Net change in fund balances	47	1,034	10,272	2,136	5,103	(17,213)	379
Fund balances - beginning	<u>46,927</u>	<u>4,125</u>	<u>(1,296)</u>	<u>6,413</u>	<u>3,290</u>	<u>97,756</u>	<u>587</u>
Fund balances - ending	<u>\$ 46,974</u>	<u>\$ 5,159</u>	<u>\$ 8,976</u>	<u>\$ 8,549</u>	<u>\$ 8,393</u>	<u>\$ 80,543</u>	<u>\$ 966</u>

See accountant's report.

TOWN OF NEW HARTFORD

Page 2 of 2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS	
	Town Hill Cemetery Fund	Small Cities Housing Rehabilitation	Open Space	Community Investment	Total
Revenues					
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ 36,800
Capital Grants and Contributions	-	-	28,708	-	28,708
Charges for Services	3,700	-	-	3,024	283,528
Other Income	-	-	-	-	-
Investments earnings	9,082	34	-	-	9,166
Total Revenues	<u>12,782</u>	<u>34</u>	<u>28,708</u>	<u>3,024</u>	<u>358,202</u>
Expenditures					
Current					
General government	-	-	-	-	6,233
Public safety	-	-	-	-	4,448
Parks and recreation	-	-	-	-	202,531
Commissions/agencies	4,615	-	-	-	4,615
Education	-	-	-	-	132,445
Debt Service	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Expenditures	<u>4,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,272</u>
Excess/(Deficiency) of Revenues Over Expenditures	8,167	34	28,708	3,024	7,930
Other Financing Sources/(Uses)					
Proceeds from Financing	-	-	-	-	-
Transfers in	-	-	-	-	33,761
Transfers out	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,761</u>
Net change in fund balances	8,167	34	28,708	3,024	41,691
Fund balances - beginning	<u>105,104</u>	<u>487,650</u>	<u>(5,958)</u>	<u>5,723</u>	<u>750,321</u>
Fund balances - ending	<u>\$113,271</u>	<u>\$ 487,684</u>	<u>\$ 22,750</u>	<u>\$ 8,747</u>	<u>\$ 792,012</u>

See accountant's report.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments.

Pension Trust Fund – To account for investments and related activity for the pension accounts funded on behalf of Town employees.

Private Purpose Trust Fund

Neighbor to Neighbor Fund – To account for donations received from the public and disbursed by the Town for Community Assistance.

Agency Funds

Driveway Permits – To account for cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

Zoning Permits – To account for cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

Student Activities Fund – To account for monies from various self-funding school activity funds.

TOWN OF NEW HARTFORD
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	AGENCY FUNDS			
	Driveway <u>Permits</u>	Zoning <u>Permits</u>	Student Activities <u>Fund</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 43,858	\$ 7,187	\$ 9,082	\$ 60,127
Investments:				
Short-Term Investments	-	-	-	-
Mutual Funds	-	-	-	-
Total Assets	<u>\$ 43,858</u>	<u>\$ 7,187</u>	<u>\$ 9,082</u>	<u>\$ 60,127</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Fiduciary Deposits	<u>43,858</u>	<u>7,187</u>	<u>9,082</u>	<u>60,127</u>
Total Liabilities	<u>43,858</u>	<u>7,187</u>	<u>9,082</u>	<u>60,127</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Held in Trust for Pension Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accountant's report.

TOWN OF NEW HARTFORD

Agency Funds

Combining Statement of Changes in Assets and Liabilities For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Driveway Permits</u>				
Assets:				
Cash	\$ 39,937	\$ 9,025	\$ 5,104	\$ 43,858
Total Assets	<u>39,937</u>	<u>9,025</u>	<u>5,104</u>	<u>43,858</u>
Liabilities				
Fiduciary Deposits	39,937	9,025	5,104	43,858
Total Liabilities	<u>\$ 39,937</u>	<u>\$ 9,025</u>	<u>\$ 5,104</u>	<u>\$ 43,858</u>
<u>Zoning Permits</u>				
Assets:				
Cash	\$ 9,235	\$ -	\$ 2,048	\$ 7,187
Total Assets	<u>9,235</u>	<u>-</u>	<u>2,048</u>	<u>7,187</u>
Liabilities				
Fiduciary Deposits	9,235	-	2,048	7,187
Total Liabilities	<u>\$ 9,235</u>	<u>\$ -</u>	<u>\$ 2,048</u>	<u>\$ 7,187</u>
<u>Student Activities Fund</u>				
Assets:				
Cash	\$ 9,349	\$ 42,189	\$ 42,456	\$ 9,082
Total Assets	<u>9,349</u>	<u>42,189</u>	<u>42,456</u>	<u>9,082</u>
Liabilities				
Fiduciary Deposits	9,349	42,189	42,456	9,082
Total Liabilities	<u>\$ 9,349</u>	<u>\$ 42,189</u>	<u>\$ 42,456</u>	<u>\$ 9,082</u>
<u>Total Agency Funds</u>				
Assets:				
Cash	\$ 58,521	\$ 51,214	\$ 49,608	\$ 60,127
Total Assets	<u>58,521</u>	<u>51,214</u>	<u>49,608</u>	<u>60,127</u>
Liabilities				
Fiduciary Deposits	58,521	51,214	49,608	60,127
Total Liabilities	<u>\$ 58,521</u>	<u>\$ 51,214</u>	<u>\$ 49,608</u>	<u>\$ 60,127</u>

See accountant's report.

Supplemental Schedules

TOWN OF NEW HARTFORD
Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2017

List of 10/1:	Outstanding	Current	Lawful Corrections		Transfers	Collectible	Receipt	Receipt	Total	Outstanding
	<u>July 1, 2016</u>	<u>Levy</u>	<u>Additions</u>	<u>Deductions</u>	<u>to</u> <u>Suspense</u>	<u>Taxes</u>	<u>of</u> <u>Taxes</u>	<u>of</u> <u>Interest</u> <u>and Liens</u>	<u>Receipts</u>	<u>June 30, 2017</u>
2015		\$ 19,510,965	\$ 50,755	\$ 64,427	\$ (1,204)	\$ 19,496,089	\$ 19,235,749	\$ 55,941	\$ 19,291,690	\$ 260,340
2014	\$ 277,602	-	2,405	5,197	(3,194)	271,616	163,635	37,533	201,168	107,981
2013	127,739	-	1,578	1,961	(1,575)	125,781	77,405	30,448	107,853	48,376
2012	75,631	-	88	1,148	(970)	73,601	41,745	23,648	65,393	31,856
2011	55,321	-	-	914	(1,336)	53,071	33,792	27,478	61,270	19,279
2010	29,074	-	-	892	(434)	27,748	20,967	18,863	39,830	6,781
2009	21,390	-	-	776	(254)	20,360	17,964	20,435	38,399	2,396
2008	9,133	-	-	773	-	8,360	7,580	7,366	14,946	780
2007	720	-	-	720	-	-	-	208	208	-
2006	700	-	-	699	-	1	-	223	223	1
2005	484	-	-	484	-	-	-	333	333	-
2004	473	-	-	473	-	-	-	-	-	-
2003	1,324	-	-	1,324	-	-	-	-	-	-
2002	764	-	764	1,528	-	-	-	56	56	-
2001	-	-	-	-	-	-	-	398	398	-
	<u>\$ 600,355</u>	<u>\$ 19,510,965</u>	<u>\$ 55,590</u>	<u>\$ 81,316</u>	<u>\$ (8,967)</u>	<u>\$ 20,076,627</u>	<u>\$ 19,598,837</u>	<u>\$ 222,930</u>	<u>\$ 19,821,767</u>	<u>\$ 477,790</u>

Net Grand List- October 1, 2015

Tax Rate: 29.517 mills

Total Suspense Collections	2,764	*	2,764
Total Collections	<u>\$ 19,601,601</u>	<u>\$ 222,930</u>	<u>\$ 19,824,531</u>

*total suspense interest collections of \$2,764 included in total receipt of interest & liens collected

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Debt Limitation

As of June 30, 2017

Total Prior Year Tax Collections - including interest and lien fees
Received by Treasurer

\$ 19,097,156

Reimbursement for revenue loss on:

Tax relief for elderly

33,858

Base

\$ 19,131,014

	General Purposes	Schools	Sewers	Urban Renewal
Debt limitation:				
2 1/4 times base	\$43,044,782	\$ -	\$ -	\$ -
4 1/2 times base	-	86,089,563	-	-
3 3/4 times base	-	-	71,741,303	-
3 1/4 times base	-	-	-	62,175,796
Total debt limitation	43,044,782	86,089,563	71,741,303	62,175,796
Indebtedness:				
Bonds payable	7,211,707	878,293	-	-
Notes payable	50,000	-	-	-
USDA Note	-	-	3,255,330	-
Overlapping debt:				
Regional School District No. 7	-	1,146,174	-	-
Total Indebtedness	7,261,707	2,024,467	3,255,330	-
Debt limitation in excess of outstanding and authorized debt	<u>\$35,783,075</u>	<u>\$84,065,096</u>	<u>\$68,485,973</u>	<u>\$ 62,175,796</u>

NOTE:

In no case should this total indebtedness exceed
seven times the base \$19,131,014 or \$133,917,098.

See accountant's report.

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic conditions.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.)
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

TOWN OF NEW HARTFORD
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 9,943,175	\$ 10,358,650	\$ 10,236,647	\$ 10,921,448	\$ 11,155,435	\$ 12,124,042	\$ 12,513,900	\$ 13,359,082	\$ 12,910,546	\$ 12,967,824
Restricted	13,900	21,155	24,480	28,944	31,929	36,948	636,139	640,194	1,615,291	623,410
Unrestricted	<u>4,039,050</u>	<u>4,221,104</u>	<u>1,760,535</u>	<u>3,400,525</u>	<u>3,546,323</u>	<u>1,963,071</u>	<u>1,590,443</u>	<u>833,140</u>	<u>981,767</u>	<u>2,332,332</u>
Total Governmental Activities Net Position	<u>\$ 13,996,125</u>	<u>\$ 14,600,909</u>	<u>\$ 12,021,662</u>	<u>\$ 14,350,917</u>	<u>\$ 14,733,687</u>	<u>\$ 14,124,061</u>	<u>\$ 14,740,482</u>	<u>\$ 14,832,416</u>	<u>\$ 15,507,604</u>	<u>\$ 15,923,566</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 3,691,737	\$ 4,942,028	\$ 9,746,307	\$ 11,265,057	\$ 10,945,088	\$ 10,636,926	\$ 10,767,874	\$ 10,446,135	\$ 10,126,458	\$ 9,790,577
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>90,278</u>	<u>47,118</u>	<u>(1,981,117)</u>	<u>(2,016,632)</u>	<u>(2,045,157)</u>	<u>(1,965,796)</u>	<u>(1,993,158)</u>	<u>(2,044,291)</u>	<u>(2,085,887)</u>	<u>(2,161,368)</u>
Total Business-type Activities Net Position	<u>\$ 3,782,015</u>	<u>\$ 4,989,146</u>	<u>\$ 7,765,190</u>	<u>\$ 9,248,425</u>	<u>\$ 8,899,931</u>	<u>\$ 8,671,130</u>	<u>\$ 8,774,716</u>	<u>\$ 8,401,844</u>	<u>\$ 8,040,571</u>	<u>\$ 7,629,209</u>
Primary Government:										
Net Investment in Capital Assets	\$ 13,634,912	\$ 15,300,678	\$ 19,982,954	\$ 22,186,505	\$ 22,100,523	\$ 19,167,283	\$ 19,779,931	\$ 20,385,138	\$ 20,385,138	\$ 20,385,138
Restricted	13,900	21,155	24,480	28,944	31,929	36,948	636,139	640,194	1,615,291	623,410
Unrestricted	<u>4,129,328</u>	<u>4,268,222</u>	<u>(220,582)</u>	<u>1,383,893</u>	<u>1,501,166</u>	<u>3,590,960</u>	<u>3,099,128</u>	<u>2,208,928</u>	<u>1,547,746</u>	<u>2,544,227</u>
Total Primary Government Net Position	<u>\$ 17,778,140</u>	<u>\$ 19,590,055</u>	<u>\$ 19,786,852</u>	<u>\$ 23,599,342</u>	<u>\$ 23,633,618</u>	<u>\$ 22,795,191</u>	<u>\$ 23,515,198</u>	<u>\$ 23,234,260</u>	<u>\$ 23,548,175</u>	<u>\$ 23,552,775</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 1,963,532	\$ 2,095,182	\$ 2,185,561	\$ 2,257,962	\$ 1,940,123	\$ 1,858,404	\$ 1,692,211	\$ 2,272,452	\$ 1,879,103	\$ 1,809,887
Public Safety	659,020	670,923	638,618	738,279	616,213	621,356	611,487	655,616	742,342	779,498
Highways	1,550,128	1,655,437	1,636,007	1,834,330	1,535,240	1,564,137	1,701,028	1,804,175	1,833,059	1,865,478
Planning and Development	241,915	194,147	197,609	164,289	144,909	148,092	146,313	161,557	155,243	197,353
Health and Welfare	294,581	312,056	317,245	296,489	331,132	204,198	220,060	204,070	203,117	213,615
Libraries	245,483	269,007	259,000	259,000	263,000	268,000	272,000	280,000	285,600	288,455
Parks and Recreation	302,625	303,697	306,023	317,543	317,706	329,721	284,804	301,555	353,647	301,870
Commissions/Agencies	90,943	83,142	76,987	64,330	76,513	62,503	83,391	76,250	102,127	194,602
Education	17,779,811	16,399,158	16,307,462	16,341,565	16,837,641	17,543,708	18,094,896	18,270,620	18,905,910	19,631,108
Interest on Long-Term Debt	-	-	-	-	232,961	219,579	195,733	176,910	159,693	116,543
Total Governmental Activities Expenses	<u>23,128,038</u>	<u>21,982,749</u>	<u>21,924,512</u>	<u>22,273,787</u>	<u>22,295,438</u>	<u>22,819,698</u>	<u>23,301,923</u>	<u>24,203,205</u>	<u>24,619,841</u>	<u>25,398,409</u>
Business-Type Activities:										
Water and Sewer System	<u>795,831</u>	<u>699,739</u>	<u>667,246</u>	<u>877,457</u>	<u>979,493</u>	<u>950,811</u>	<u>1,093,402</u>	<u>1,075,029</u>	<u>1,055,465</u>	<u>1,011,545</u>
Total Business-Type Activities Expenses	<u>795,831</u>	<u>699,739</u>	<u>667,246</u>	<u>877,457</u>	<u>979,493</u>	<u>950,811</u>	<u>1,093,402</u>	<u>1,075,029</u>	<u>1,055,465</u>	<u>1,011,545</u>
Total Primary Government Expenses	<u>\$ 23,923,869</u>	<u>\$ 22,682,488</u>	<u>\$ 22,591,758</u>	<u>\$ 23,151,244</u>	<u>\$ 23,274,931</u>	<u>\$ 23,770,509</u>	<u>\$ 24,395,325</u>	<u>\$ 25,278,234</u>	<u>\$ 25,675,306</u>	<u>\$ 26,409,954</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 114,226	\$ 92,579	\$ 100,844	\$ 107,446	\$ 115,562	\$ 129,867	\$ 109,571	\$ 111,026	\$ 139,335	\$ 126,151
Parks and Recreation	157,683	148,265	174,387	162,076	180,775	180,819	185,591	189,482	223,558	176,137
Education	124,380	123,278	163,073	117,464	110,907	98,401	148,500	148,323	121,954	197,917
Other Activities	99,290	90,281	72,900	87,996	83,986	100,975	103,326	95,250	128,055	140,698
Operating Grants and Contributions	6,318,027	4,523,354	4,314,244	4,392,255	4,827,438	4,551,503	4,947,624	4,748,459	4,728,849	5,102,903
Capital Grants and Contributions	<u>766,185</u>	<u>522,606</u>	<u>89,973</u>	<u>1,450,936</u>	<u>117,896</u>	<u>130,370</u>	<u>146,071</u>	<u>294,645</u>	<u>549,794</u>	<u>106,216</u>
Total Governmental Activities Program Revenues	<u>7,579,791</u>	<u>5,500,363</u>	<u>4,915,421</u>	<u>6,318,173</u>	<u>5,436,564</u>	<u>5,191,935</u>	<u>5,640,683</u>	<u>5,587,185</u>	<u>5,891,545</u>	<u>5,850,022</u>
Business-type Activities:										
Charges for Services:										
Water and Sewer System	534,888	557,660	625,768	617,682	666,939	722,010	741,298	702,157	718,642	600,183
Capital Grants and Contributions	-	1,329,210	-	2,697,580	-	-	455,891	-	-	-
Total Business-type Activities Program Revenues	<u>534,888</u>	<u>1,886,870</u>	<u>625,768</u>	<u>3,315,262</u>	<u>666,939</u>	<u>722,010</u>	<u>1,197,189</u>	<u>702,157</u>	<u>718,642</u>	<u>600,183</u>
Total Primary Government Program Revenues	<u>\$ 8,114,679</u>	<u>\$ 7,387,233</u>	<u>\$ 5,541,189</u>	<u>\$ 9,633,435</u>	<u>\$ 6,103,503</u>	<u>\$ 5,913,945</u>	<u>\$ 6,837,872</u>	<u>\$ 6,289,342</u>	<u>\$ 6,610,187</u>	<u>\$ 6,450,205</u>
	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)

TOWN OF NEW HARTFORD

Table 2

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental Activities	\$ (15,548,247)	\$ (16,482,386)	\$ (17,009,091)	\$ (15,955,614)	\$ (16,858,874)	\$ (17,627,763)	\$ (17,661,240)	\$ (18,616,020)	\$ (18,728,296)	\$ (19,548,387)
Business-type Activities	<u>(260,943)</u>	<u>1,187,131</u>	<u>(41,478)</u>	<u>2,437,805</u>	<u>(312,554)</u>	<u>(228,801)</u>	<u>103,787</u>	<u>(372,872)</u>	<u>(336,823)</u>	<u>(411,362)</u>
Total Primary Government Net Expense	<u>\$ (15,809,190)</u>	<u>\$ (15,295,255)</u>	<u>\$ (17,050,569)</u>	<u>\$ (13,517,809)</u>	<u>\$ (17,171,428)</u>	<u>\$ (17,856,564)</u>	<u>\$ (17,557,453)</u>	<u>\$ (18,988,892)</u>	<u>\$ (19,065,119)</u>	<u>\$ (19,959,749)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 16,225,898	\$ 16,925,370	\$ 16,845,097	\$ 16,990,778	\$ 17,274,591	\$ 17,928,524	\$ 18,065,221	\$ 18,237,621	\$ 19,222,996	\$ 19,607,260
Grants Not Restricted for Specific Purpose	198,695	273,707	232,686	236,197	222,749	455,629	96,757	97,629	75,692	211,383
Unrestricted Investment Income	131,943	16,921	37,123	30,162	43,584	26,823	29,189	12,159	13,542	28,407
Gain on Disposal of Fixed Assets	-	-	-	-	-	-	-	-	14,981	-
Rental Income	31,050	42,849	44,319	45,901	47,278	48,933	-	-	-	-
Other Income	297,084	95,612	88,141	27,261	73,393	100,365	86,293	67,740	51,823	117,299
Special Item-Return of Unexpended Grant	-	-	-	-	(455,891)	-	-	-	-	-
Transfers	<u>-</u>	<u>(20,000)</u>	<u>(2,817,522)</u>	<u>954,570</u>	<u>35,940</u>	<u>-</u>	<u>201</u>	<u>-</u>	<u>24,450</u>	<u>-</u>
Total Governmental Activities	<u>16,884,670</u>	<u>17,334,459</u>	<u>14,429,844</u>	<u>18,284,869</u>	<u>17,241,644</u>	<u>18,560,274</u>	<u>18,277,661</u>	<u>18,415,149</u>	<u>19,403,484</u>	<u>19,964,349</u>
Business-type Activities:										
Unrestricted Investment Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Transfers	<u>-</u>	<u>20,000</u>	<u>2,817,522</u>	<u>(954,570)</u>	<u>(35,940)</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>(24,450)</u>	<u>-</u>
Total Business-type Activities	<u>-</u>	<u>20,000</u>	<u>2,817,522</u>	<u>(954,570)</u>	<u>(35,940)</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>(24,450)</u>	<u>-</u>
Total Primary Government	<u>\$ 16,884,670</u>	<u>\$ 17,354,459</u>	<u>\$ 17,247,366</u>	<u>\$ 17,330,299</u>	<u>\$ 17,205,704</u>	<u>\$ 18,560,274</u>	<u>\$ 18,277,460</u>	<u>\$ 18,415,149</u>	<u>\$ 19,379,034</u>	<u>\$ 19,964,349</u>
Change in Net Position										
Governmental Activities	\$ 1,336,423	\$ 852,073	\$ (2,579,247)	\$ 2,329,255	\$ 382,770	\$ 932,511	\$ 616,421	\$ (200,871)	\$ 675,188	\$ 415,962
Business-type Activities	<u>(260,943)</u>	<u>1,207,131</u>	<u>2,776,044</u>	<u>1,483,235</u>	<u>(348,494)</u>	<u>(228,801)</u>	<u>103,586</u>	<u>(372,872)</u>	<u>(361,273)</u>	<u>(411,362)</u>
Total Primary Government	<u>\$ 1,075,480</u>	<u>\$ 2,059,204</u>	<u>\$ 196,797</u>	<u>\$ 3,812,490</u>	<u>\$ 34,276</u>	<u>\$ 703,710</u>	<u>\$ 720,007</u>	<u>\$ (573,743)</u>	<u>\$ 313,915</u>	<u>\$ 4,600</u>

TOWN OF NEW HARTFORD
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011**</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund:										
Reserved	\$ -	\$ -	\$ 3,939,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>3,102,910</u>	<u>3,394,424</u>	<u>3,519,887</u>	-	-	-	-	-	-	-
Nonspendable				-	-	-	-	-	-	-
Restricted				452,090	17,542	17,542	17,865	17,883	1,024,177	17,918
Committed				-	-	-	-	-	-	-
Assigned				464,312	858,333	792,140	999,022	1,069,364	422,333	472,333
Unassigned				<u>3,082,427</u>	<u>3,083,829</u>	<u>3,194,256</u>	<u>2,442,778</u>	<u>1,919,270</u>	<u>2,497,535</u>	<u>1,851,502</u>
Total General Fund	<u>\$ 3,102,910</u>	<u>\$ 3,394,424</u>	<u>\$ 7,459,342</u>	<u>\$ 3,998,829</u>	<u>\$ 3,959,704</u>	<u>\$ 4,003,938</u>	<u>\$ 3,459,665</u>	<u>\$ 3,006,517</u>	<u>\$ 3,944,045</u>	<u>\$ 2,341,753</u>
All Other Governmental Funds:										
Reserved	\$ 46,959	\$ 222,936	\$ 300,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	716,098	671,589	788,271	-	-	-	-	-	-	-
Capital Projects Funds	<u>559</u>	<u>-</u>	<u>-</u>	-	-	-	-	-	-	-
Nonspendable				3,177	2,051	472,412	469,019	446,235	418,448	417,100
Restricted				464,373	543,574	157,417	172,329	196,719	192,857	207,252
Committed				318,673	401,303	289,285	790,083	423,342	409,945	135,934
Assigned				188,267	182,222	99,614	-	-	-	-
Unassigned				<u>-</u>	<u>-</u>	<u>(110,172)</u>	<u>(61,292)</u>	<u>(48,180)</u>	<u>(7,254)</u>	<u>(1,674,024)</u>
Total All Other Governmental Funds	<u>\$ 763,616</u>	<u>\$ 894,525</u>	<u>\$ 1,088,407</u>	<u>\$ 974,490</u>	<u>\$ 1,129,150</u>	<u>\$ 908,556</u>	<u>\$ 1,370,139</u>	<u>\$ 1,018,116</u>	<u>\$ 1,013,996</u>	<u>\$ (913,738)</u>

Note:

The change in the classification of fund balance amounts in 2011 is discussed in the notes to the 2011 Financial Statements

** Prior year amounts have not been restated for the implementation of Statement 54.

TOWN OF NEW HARTFORD
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Revenues										
Taxes	\$ 16,340,531	\$ 16,773,343	\$ 16,857,985	\$ 17,002,857	\$ 17,308,285	\$ 17,782,201	\$ 17,985,887	\$ 18,230,946	\$ 19,105,372	\$ 19,856,873
Investment Income	131,621	16,599	36,801	29,836	43,258	26,497	28,874	12,159	13,542	28,407
Fees and Charges	495,579	454,403	511,204	474,982	491,230	510,062	546,988	544,081	612,902	640,903
Intergovernmental Revenue	7,322,160	5,366,019	4,633,785	6,149,577	5,168,083	5,080,569	5,190,452	5,287,314	5,387,895	4,927,618
Contributions	45,800	15,759	3,118	-	-	-	-	-	-	-
Other	328,134	138,461	132,460	73,162	120,671	149,298	86,293	67,740	66,804	117,299
Total Revenues	<u>24,663,825</u>	<u>22,764,584</u>	<u>22,175,353</u>	<u>23,730,414</u>	<u>23,131,527</u>	<u>23,548,627</u>	<u>23,838,494</u>	<u>24,142,240</u>	<u>25,186,515</u>	<u>25,571,100</u>
Expenditures										
General Government	\$ 1,435,416	\$ 1,530,397	\$ 1,612,520	\$ 1,580,523	\$ 1,585,276	\$ 1,563,846	\$ 1,602,052	\$ 1,724,351	\$ 1,639,205	\$ 1,632,700
Public Safety	634,209	650,705	625,235	584,985	606,213	613,637	596,726	634,275	715,068	741,946
Highways	1,411,039	1,284,493	1,506,589	1,493,270	1,464,743	1,487,442	1,526,042	1,670,141	1,556,910	1,631,628
Planning and Development	229,805	178,883	155,878	144,366	128,590	132,650	135,820	147,345	141,684	184,341
Health and Welfare	281,487	291,490	290,699	269,942	319,288	288,890	206,340	190,352	189,396	199,895
Libraries	245,483	269,007	259,000	259,000	263,000	268,000	272,000	280,000	285,600	288,455
Commissions/Other Agencies	90,943	83,142	76,987	64,330	76,513	65,503	83,391	76,250	316,087	264,809
Parks and Recreation	266,158	278,762	261,540	266,589	288,181	293,088	267,333	263,802	102,127	194,602
Education	17,357,015	15,859,842	16,071,401	16,276,498	16,704,697	17,386,193	18,056,763	18,264,708	18,726,311	18,917,773
Capital Outlay	1,491,926	1,583,668	246,961	1,069,740	289,638	810,160	492,731	1,072,501	2,105,964	2,546,211
Debt Service										
Principal	532,000	500,000	500,000	601,000	601,000	596,000	486,454	446,776	453,312	409,162
Interest	285,610	249,772	235,821	343,171	232,961	219,579	195,733	176,910	164,213	252,338
Total Expenditures	<u>24,261,091</u>	<u>22,760,161</u>	<u>21,842,631</u>	<u>22,953,414</u>	<u>22,560,100</u>	<u>23,724,988</u>	<u>23,921,385</u>	<u>24,947,411</u>	<u>26,395,877</u>	<u>27,263,860</u>
Excess of Revenues										
Over (Under) Expenditures	402,734	4,423	332,722	777,000	571,427	(176,361)	(82,891)	(805,171)	(1,209,362)	(1,692,760)
Other Financing Sources (Uses)										
Issuance of Debt	-	-	-	-	-	-	-	-	100,000	2,045,000
Proceeds from Sale of Bonds	-	438,000	-	-	-	-	-	-	-	-
Proceeds from Bond Anticipation Notes	-	-	8,900,000	3,594,000	-	-	-	-	2,000,000	-
Proceeds from Premiums Received	-	-	-	-	-	-	-	-	18,320	207,734
Repayment of Refinanced Debt	-	-	-	-	-	-	-	-	-	(2,090,000)
Repayment of Bond Anticipation Notes	-	-	-	(8,900,000)	-	-	-	-	-	(2,000,000)
Contributions to Enterprise Funds	-	(20,000)	(4,973,922)	-	-	-	-	-	-	-
Transfer from Enterprise Funds	-	-	-	954,570	-	-	201	-	24,450	-
Transfers Out	(366,043)	(1,052,273)	(442,000)	(350,872)	(353,000)	(412,300)	(782,128)	(508,191)	(634,932)	(532,290)
Transfers In	366,043	1,052,273	442,000	350,872	353,000	412,300	782,128	508,191	634,932	532,290
Total Other Financing Sources (Uses)	<u>-</u>	<u>418,000</u>	<u>3,926,078</u>	<u>(4,351,430)</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>-</u>	<u>2,142,770</u>	<u>(1,837,266)</u>
Special Item										
Return of Unexpended Grant	-	-	-	-	(455,891)	-	-	-	-	-
Net Change in Fund Balances	<u>\$ 402,734</u>	<u>\$ 422,423</u>	<u>\$ 4,258,800</u>	<u>\$ (3,574,430)</u>	<u>\$ 115,536</u>	<u>\$ (176,361)</u>	<u>\$ (82,690)</u>	<u>\$ (805,171)</u>	<u>\$ 933,408</u>	<u>\$ (3,530,026)</u>
Debt Service as a Percentage of										
Noncapital Expenditures	3.6%	3.5%	3.4%	4.3%	3.7%	3.6%	2.9%	2.6%	2.5%	2.7%

TOWN OF NEW HARTFORD
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 5

Grand List Year	Fiscal Year	Real Property						Personal Property		Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial	Industrial	Vacant Land	Use Assessment	Apartments	Other	Motor Vehicle					
2015	2017	\$ 515,285,010	\$26,006,400	\$6,970,250	\$14,491,750	\$17,245,505	\$ 69,090	\$31,068,440	\$58,182,587	\$12,825,610	\$ 656,493,422	29.52	\$ 937,847,746	70%
2014	2016	513,211,520	25,871,440	6,960,450	15,244,865	17,211,795	69,090	30,848,860	57,409,728	13,918,685	652,909,063	29.04	932,727,233	70%
2013	2015	510,929,750	26,099,570	7,103,460	15,619,170	17,327,155	69,090	31,926,020	56,025,595	13,357,930	651,741,880	27.68	931,059,829	70%
2012	2014	570,100,559	28,860,510	7,596,470	17,403,750	17,203,400	69,090	32,323,614	55,073,646	13,259,673	715,371,366	24.95	1,021,959,094	70%
2011	2013	568,307,790	29,351,770	7,966,770	18,838,400	17,231,035	69,090	32,717,914	56,030,144	13,761,705	716,751,208	24.80	1,023,930,297	70%
2010	2012	564,660,510	29,328,740	7,524,510	18,364,055	17,360,701	69,090	29,983,113	52,849,285	12,151,635	707,988,369	24.20	1,011,411,956	70%
2009	2011	560,053,480	30,043,625	7,653,940	19,274,615	17,653,200	138,180	28,495,609	49,953,523	11,417,954	701,848,218	24.00	1,002,640,311	70%
2008	2010	558,111,710	29,543,265	8,809,570	19,909,745	18,143,775	825,090	27,931,410	47,992,715	10,294,724	700,972,556	23.90	1,001,389,366	70%
2007	2009	454,322,880	22,384,090	8,206,800	N/A	N/A	N/A	24,883,823	50,956,759	8,381,899	552,372,453	29.00	789,103,504	70%
2006	2008	448,568,040	22,138,060	8,206,800	N/A	N/A	N/A	21,025,377	49,768,128	5,162,306	544,544,099	28.15	777,920,141	70%

Source: Assessor's Office - Town of New Hartford, Connecticut

N/A = not available

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property. The estimated actual amount is the equalized grand list which is estimated by the state of Connecticut, office of Policy and Management.

TOWN OF NEW HARTFORD
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Table 6

Fiscal Year	NEW HARTFORD	REGIONAL SCHOOL DISTRICT 7	Total Direct and Overlapping
	Direct Rate		
2008	28.15	-	28.15
2009	29.00	-	29.00
2010	23.90	-	23.90
2011	24.00	-	24.00
2012	24.20	-	24.20
2013	24.80	-	24.80
2014	24.95	-	24.95
2015	27.68	-	27.68
2016	29.04	-	29.04
2017	29.52	-	29.52

Source: Assessors Office, Town of New Hartford

* Regional School District 7 is a school district and is funded through annual assessments billed to its member towns.

The direct rate is composed of only one rate, levied on the taxable grand list.

TOWN OF NEW HARTFORD
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 7

Taxpayer	Nature of Business	Grand List as of October 1, 2015			Grand List as of October 1, 2006		
		Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value
Metropolitan District Water Bureau	Water and Sewer Utility	\$ 11,365,910	1	1.73%	\$ 7,607,180	3	1.40%
Connecticut Light & Power	Power Company	10,211,380	2	1.56%	9,100,390	1	1.67%
Home Depot USA, Inc.	Retail Tools and Maintenance Materials	7,257,330	3	1.11%	8,405,750	2	1.54%
Perry Technology Corporation	Retail	5,640,070	4	0.86%	2,972,430	4	0.55%
Altra Industrial Motion	Manufacturer	3,870,600	5	0.59%			
Ski Sundown	Ski Area	2,870,950	6	0.44%	1,874,620	5	0.34%
Rutsky Curtiss	Individual	1,993,540	7	0.30%			
Zahnradfabrik LLC	Real Estate Property Management	1,753,640	8	0.27%	1,691,130	6	0.31%
Hitchcock Properties LLC	Real Estate Property Management	1,525,930	9	0.23%	1,312,500	8	0.24%
PNL Nutmeg, LLC	Manufacturer	1,438,120	10	0.22%			
Marandino	Individual				1,615,320	7	0.30%
Fortissimo, LLC	Retail				1,217,580	9	0.22%
Two Hundred Kelsey Associates	Real Estate Management				1,120,000	10	0.21%
		\$ 47,927,470		7.30%	\$ 36,916,900		6.78%

Source: Assessor's Office, Town of New Hartford

TOWN OF NEW HARTFORD
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Rate in Mills	Total Tax Levy for Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	27.10	15,293,495	15,119,089	98.9%	160,653	15,279,742	99.9%
2008	28.15	16,169,557	15,931,870	98.5%	209,672	16,141,542	99.8%
2009	29.00	16,876,463	16,649,176	98.7%	220,897	16,870,073	100.0%
2010	23.90	16,726,035	16,447,947	98.3%	232,620	16,680,567	99.7%
2011	24.00	16,913,359	16,648,060	98.4%	222,491	16,870,551	99.7%
2012	24.20	17,201,545	16,965,763	98.6%	208,904	17,174,667	99.8%
2013	24.80	17,815,716	17,498,226	98.2%	265,332	17,763,558	99.7%
2014	24.95	17,943,205	17,675,720	98.5%	209,492	17,885,212	99.7%
2015	27.68	18,143,764	17,840,536	98.3%	185,502	18,026,038	99.4%
2016	29.04	19,079,697	18,787,961	98.5%	163,635	18,951,596	99.3%
2017	29.52	19,510,965	19,235,749	98.6%	-	19,235,749	98.6%

Source: Tax Collector Reports

TOWN OF NEW HARTFORD
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

Table 9

							Other Debt					
	Governmental Activities		Business Type Activities				Governmental Activities		Business Type Activities			
Fiscal Year	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Percentage of Actual Taxable Value of Property ¹	Total Primary Government Bonded Debt	Bonded Debt per Capita	USDA Note	Capital Lease and Loans	Sewer Notes	Total Primary Government Debt	Total Debt per Capita	Percentage of Personal Income ²
2017	\$ 2,201,556	\$ 4,000,000	\$ -	0.66%	\$ 6,201,556	917	\$3,255,330	\$ 50,000	\$639,659	\$10,146,545	1,500	4.08%
2016	2,460,000	2,018,320	-	0.48%	4,478,320	650	3,344,102	100,000	659,652	8,582,074	1,246	3.34%
2015	2,830,000	-	20,000	0.31%	2,850,000	414	3,430,079	19,500	675,850	6,975,429	1,013	2.70%
2014	3,190,000	-	40,000	0.32%	3,230,000	466	3,513,350	37,955	678,479	7,459,784	1,077	2.76%
2013	3,645,000	-	60,000	0.36%	3,705,000	537	3,594,000	-	694,507	7,993,507	1,158	2.73%
2012	4,241,000	-	80,000	0.43%	4,321,000	628	3,594,000	-	709,099	8,624,099	1,253	3.41%
2011	4,842,000	-	105,000	0.49%	4,947,000	710	3,594,000	-	723,618	9,264,618	1,329	3.64%
2010	5,443,000	8,900,000	130,000	1.45%	14,473,000	2,149	-	-	737,251	15,210,251	2,258	7.42%
2009	5,943,000	-	155,000	0.77%	6,098,000	905	-	-	750,569	6,848,569	1,017	3.34%
2008	6,005,000	-	180,000	0.80%	6,185,000	919	-	-	763,323	6,948,323	1,033	3.39%

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

¹ See Table 5 for taxable property value data

² See Table 16 for personal income and population data.

TOWN OF NEW HARTFORD
Legal Debt Margin Information
Last Ten Fiscal Years

Table 10

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limitation	\$ 113,262,107	\$ 119,117,327	\$ 117,889,170	\$ 119,524,370	\$ 121,581,929	\$ 124,470,437	\$ 126,290,486	\$ 127,775,816	\$ 133,916,559	\$133,917,098
Total net debt applicable to limit	\$ 9,785,186	\$ 9,570,579	\$ 17,542,645	\$ 7,756,015	\$ 8,352,087	\$ 9,716,111	\$ 8,853,680	\$ 8,035,572	\$ 9,393,477	\$ 12,541,504
Legal debt margin	\$103,476,921	\$109,546,748	\$100,346,525	\$ 111,768,355	\$ 113,229,842	\$ 114,754,326	\$ 117,436,806	\$ 119,740,244	\$ 124,523,082	\$121,375,594
Total net debt applicable to the limit as a percentage of debt limit	8.64%	8.03%	14.88%	6.49%	6.87%	7.81%	7.01%	6.29%	7.01%	9.37%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2017 debt limit can be found on page 74 of this Report.

TOWN OF NEW HARTFORD
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Regional School District Number 7	\$ 2,163,000	52.99%	\$ 1,146,174
Subtotal, overlapping debt			<u>1,146,174</u>
Town of New Hartford direct debt			<u>9,350,330</u>
Total direct and overlapping debt			<u>\$ 10,496,504</u>

Sources: Enrollment data used to estimate applicable percentage provided by Regional School District Number 7. Debt outstanding data also provided by Regional School District Number 7.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of New Hartford. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using student population. Applicable percentages were estimated by determining the towns enrolled student population at Regional School District Number 7 and dividing it by the student population at Regional School District Number 7

TOWN OF NEW HARTFORD
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Table 12

WPCA Notes						
Fiscal	Service	Less:	Net	Debt Service		
Year	Charges	Operating	Available	Principal	Interest	Coverage
	and Other	Expenses	Revenue			
2008	535	588	(53)	12	35	-1.13
2009	557	493	64	13	34	1.36
2010	626	463	163	13	33	3.54
2011	618	574	44	14	32	0.96
2012	667	511	156	15	103	1.32
2013	722	496	226	15	107	1.85
2014	741	640	101	36	104	0.72
2015	702	618	84	23	101	0.68
2016	721	602	119	36	98	0.89
2017	600	564	36	20	91	0.32

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Service charges and other includes investment earnings. Operating expenses do not include interest or depreciation.

TOWN OF NEW HARTFORD
Annual Bonded Debt Maturity Schedule
As of June 30, 2017

Table 13

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	375,000	62,325	437,325
2019	370,000	51,150	421,150
2020	160,000	42,400	202,400
2021	165,000	37,550	202,550
2022	165,000	32,600	197,600
2023	165,000	26,000	191,000
2024	165,000	19,400	184,400
2025	165,000	12,800	177,800
2026	155,000	7,950	162,950
2027	160,000	3,200	163,200
Total	<u>\$ 2,045,000</u>	<u>\$ 295,375</u>	<u>\$ 2,340,375</u>

TOWN OF NEW HARTFORD
Annual Self-Supporting Water and Sewer Debt Maturity Schedule
As of June 30, 2017

Table 14

Fiscal <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	17,394	28,443	45,837
2019	18,033	27,656	45,689
2020	18,699	26,843	45,542
2021	19,396	25,998	45,394
2022	20,125	25,122	45,247
2023	20,886	24,213	45,099
2024	21,682	23,270	44,952
2025	22,513	22,291	44,804
2026	23,381	21,275	44,656
2027	24,288	20,221	44,509
2028	22,027	19,123	41,150
2029	23,018	18,131	41,149
2030	24,054	17,095	41,149
2031	25,136	16,013	41,149
2032	26,267	14,882	41,149
2033	27,450	13,700	41,150
2034	28,685	12,465	41,150
2035	29,976	11,174	41,150
2036	31,324	9,826	41,150
2037	32,734	8,416	41,150
2038	34,207	6,943	41,150
2039	35,747	5,403	41,150
2040	37,355	3,795	41,150
2041	37,629	2,116	39,745
2042	7,848	380	8,228
Total	<u>\$ 629,854</u>	<u>\$ 404,794</u>	<u>\$ 1,034,648</u>

TOWN OF NEW HARTFORD
Long-Term Debt Ratios
For the Year Ended June 30, 2017

Table 15

1 Population	6,764
2 Net Taxable Grand List (10/1/15)	\$652,658,673
Estimated Full Value (70%)	\$932,369,533
1 Equalized Net Taxable Grand List (2015)	\$923,271,139
1 Money Income per Capita (2015)	\$36,769

	Total Direct Debt <u>\$ 8,090,000</u>	Total Net Direct Debt <u>\$ 8,090,000</u>	Total Overall Net Debt <u>\$ 9,236,174</u>
Per Capita	\$1,196.04	\$1,196.04	\$1,365.49
Ratio to Net Taxable Grand List	1.24%	1.24%	1.42%
Ratio to Estimated Full Value	0.87%	0.87%	0.99%
Ratio to Equalized Net Taxable Grand List	0.88%	0.88%	1.00%
Debt per Capita to Money Income per Capita	3.25%	3.25%	3.71%

1 State of Connecticut Municipal Fiscal Indicators, (2011-2015 American Community Survey)

2 Revalued 10/1/13

TOWN OF NEW HARTFORD

Table 16

**Presentation of Intergovernmental Revenues as a Percentage of General Fund Revenues
As of June 30, 2017**

	<u>General Fund</u>	<u>Governmental Funds</u>
Intergovernmental Revenue	\$ 4,784,602	\$ 4,927,618
Total Revenue	\$ 25,134,641	\$ 25,571,100
Percent Intergovernmental	19.04%	19.27%

TOWN OF NEW HARTFORD
Enumeration of Outstanding Bond Authorizations
As of June 30, 2017

Table 17

Project	Authorized	Debt Issued	(Grants/ Paydowns)	Authorized/Unissued		
				General Purpose	School	Sewer
Ann Antolini School	\$ 4,751,000	\$ 3,300,000	\$ 16,500	\$ -	\$ 1,434,500	\$ -
Carpenter Road Bridge	759,000	700,000	3,500	55,500	-	-
New Hartford Elementary School	2,822,552	1,744,000	1,025,000	-	53,552	-
Wastewater Facility	3,118,000	-	796,000	-	-	2,322,000
Open Space	2,579,000	1,443,000	980,000	156,000	-	-
Phillips Farm Easement	755,000	438,000	-	317,000	-	-
WTTP Upgrade	8,950,000	3,594,000	4,596,716	-	-	759,284
	<u>\$ 23,734,552</u>	<u>\$ 11,219,000</u>	<u>\$ 7,417,716</u>	<u>\$ 528,500</u>	<u>\$ 1,488,052</u>	<u>\$ 3,081,284</u>

Source:
Debt Report and Statutory Debt Limits as June 1, 2016

TOWN OF NEW HARTFORD
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 18

Fiscal Year	Population¹	Personal Income (thousands of dollars)	Per Capita Personal Income²	Median Age	School Enrollment⁴	Unemployment Rate³
2017	6,764	\$ 248,706	\$ 36,769	45	443	4.3%
2016	6,812	257,214	37,759	44	473	4.7%
2015	6,886	257,956	37,461	44	494	4.3%
2014	6,924	263,791	38,098	44	545	5.6%
2013	6,901	292,457	42,379	44	569	7.2%
2012	6,882	253,086	36,775	43	582	6.6%
2011	6,970	254,182	36,468	43	608	7.6%
2010	6,736	204,970	30,429	43	625	7.6%
2009	6,736	204,970	30,429	43	616	7.2%
2008	6,728	204,726	30,429	39	609	4.9%
2007	6,736	204,970	30,429	39	612	4.1%

¹ State of Connecticut Department of Economic and Community Development

² State of Connecticut Municipal Fiscal Indicators, (2011-2015 American Community Survey)

³ State of Connecticut Department of Labor

⁴ State of Connecticut Department of Education

Note: The per capita personal income figures are based upon the U.S. Bureau of Census compiled in 2011. The information contained in the Census is the most recent data available.

TOWN OF NEW HARTFORD

Principal Employers
Current Year and Nine
Years Ago

Table 19

Employer	Nature of Business	2017			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Town Employment
Altra Industrial Motion	Mfgr of Electromagnetic Clutches & Brakes	118	1	3.0%	N/A	N/A	N/A
Perry Technology Corporation	Mfgr of Machined Parts	100	2	2.5%	N/A	N/A	N/A
New Hartford Board of Education	Board of Education	85	3	2.2%	102	1	2.8%
Ovation Instruments	Mfgr of Musical Instruments	54	4	1.4%	N/A	N/A	N/A
Marandino Foods	Grocery Store	40	5	1.0%	N/A	N/A	N/A
Town of New Hartford	Municipality	34	6	0.9%	39	2	1.1%
Syntac Coated Products LLC	Mfgr of Pressure Sensitive Adhesive Products	30	7	0.8%	N/A	N/A	N/A
Hurley Mfg	Mfgr of Metal Springs	27	8	0.7%	N/A	N/A	N/A
Ski Sundown Inc.	Ski Area	15	9	0.4%	N/A	N/A	N/A
MTI Enterprises, Inc.	Dramatic Licensing Agency	12	10	0.3%	N/A	N/A	N/A

Sources: Town of New Hartford; CT Department of Labor

TOWN OF NEW HARTFORD
Full-Time Equivalent Employees By Function
Last Ten Fiscal Years

Table 20

Function/Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Town Clerk	2	2	2	2	2	2	2	2	2	2
Tax Collector	2	2	2	2	2	2	2	2	2	2
Registrar of Voters	1	1	2	2	2	2	2	2	2	2
Assessor	2	2	2	2	2	2	2	2	1	1
Board of Assessment	3	3	3	3	3	3	3	3	3	3
Financial Services	2	2	2	2	2	2	2	2	2	2
Administrative Services	3	3	3	3	3	3	3	3	3	3
Public Safety										
Fire	3	3	3	2	2	2	2	2	2	2
Police	3	3	3	3	3	2	3	4	4	4
Community Maintenance										
Building Official	1	1	1	1	1	1	1	1	1	1
Land Use	2	2	2	1	1	1	1	1	1	1
Zoning Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Public Works	11	11	8	7	8	8	8	8	9	9
Human and Cultural										
Leisure Services	2	2	2	0	0	1	1	1	1	1
Human & Leisure Services	1	1	1	0	0	0	0	0	0	0
Total - Town	39	39	37	31	32	32	33	34	34	34
Education										
Instructional Staff	70	75	70	62	53	52	52	50	47	47
Non-Instructional Staff	32	35	33	35	45	41	38	35	39	38
Total - Education	102	110	103	97	98	93	90	85	86	85
TOTAL	141	149	140	128	130	125	123	119	120	119

Source: Various Town Departments

TOWN OF NEW HARTFORD
Operating Indicators By Function
Last Ten Fiscal Years

Table 21

Function/Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL GOVERNMENT										
Town Clerk										
Land Records Processed	1,719	1,645	1,688	1,732	1,756	1,865	1,641	1,463	1,502	1,536
Registrar of Voters										
Number of Registered Voters	4,798	4,878	4,844	4,853	4,722	5,144	4,952	4,674	4,662	4,655
Voter Turnout % - National Election	N/A	94.78%	N/A	N/A	N/A	85.04%	N/A	N/A	N/A	N/A
Voter Turnout % - State Election	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Voter Turnout % - Local Election	42.70%	94.78%	51.70%	N/A	N/A	N/A	50.54%	70.23%	86.56%	N/A
PUBLIC SAFETY										
Police										
Number of 911 Call Responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Physical Arrests	73	N/A	N/A	N/A	83	74	49	64	54	50
Number of Major Crimes	46	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Parking Violations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Traffic Stops	1,026	848	896	823	724	518	684	1,047	966	729
Fire										
Number of Fire Related Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Emergency Medical/Rescue Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Fires Extinguished	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ambulance										
Number of Ambulance Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COMMUNITY MAINTENANCE										
Building Department										
Number of Inspections Conducted	698	540	587	622	773	N/A	N/A	N/A	N/A	N/A
Number of Building Permits Issued	413	443	421	472	496	501	506	N/A	N/A	436
Public Works										
Number of Snow Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miles of Street Reconstructed	N/A	< 2 miles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HUMAN AND CULTURAL										
Parks & Recreation										
Number of instructional programs conducted	51	48	57	60	61	65	N/A	N/A	N/A	N/A
Number of Members at Senior Center	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Library										
Volumes in Collection**	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Registered Borrowers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transit District										
Number of Dial-A-Ride Trips	980	662	873	861	1,141	747	542	684	950	610
EDUCATION										
Average Class Size										
Elementary Schools	17	18	18	21	22	21	20	19	18	18
Middle School*	x	x	x	x	x	x	x	x	x	x
High School*	x	x	x	x	x	x	x	x	x	x
SAT Scores*										
Math/Verbal	x	x	x	x	x	x	x	x	x	x
CAPT Scores										
% at goal (average of tests taken in Grade 10) *	x	x	x	x	x	x	x	x	x	x
CMT Scores										
% at goal: Grade 3 - Reading/Writing/Math	83.3/85.4/90.6	86.7/86.9/96.4	84.9/89.7/94.2	74.4/81.4/88.4	84.1/85.5/91.5	76.5/75.9/80.2	x/x/x	x/x/x	x/x/x	x/x/x
% at goal: Grade 4 - Reading/Writing/Math	75.9/72.4/79.3	86.3/81.6/91.8	74.4/75.9/80.2	85.2/92.0/94.3	78.4/84.1/89.7	86.6/78.0/87.8	x/x/x	x/x/x	x/x/x	x/x/x
% at goal: Grade 5 - Reading/Writing/Math/Science	84.9/82.2/90.4/80.8	82.6/79.3/83.7/70.1	84.0/87.5/94.7/x	80.2/87.4/91.9/75.9	89.5/90.7/93.0/87.2	72.2/68.9/89.9/78.9	x/x/x/86.4	x/x/x/87.2	x/x/x/x	x/x/x/x
% at goal: Grade 6 - Reading/Writing/Math	88.8/70.8/88.8	90.0/87.1/94.3	80.9/66.7/77.5	91.7/79.8/91.8	91.1/78.0/91.1	94.3/84.1/88.6	x/x/x	x/x/x	x/x/x	x/x/x
% at goal: Grade 7 - Reading/Writing/Math*	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x
% at goal: Grade 8 - Reading/Writing/Math*	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x

Source: Various Town Departments

* New Hartford Schools are only grades K-6; students go on to attend a Regional School District upon completion of 6th grade.

** estimated by the Bakerville Library stating that the size of their collection is over 14,000 and there are two libraries in the Town.

N/A = not available

TOWN OF NEW HARTFORD
Capital Asset Statistics By Function
Last Ten Fiscal Years

Table 22

Function/Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL GOVERNMENT										
Town Offices	1	1	1	1	1	1	1	1	1	1
PUBLIC SAFETY										
Police										
Police Cars	7	6	6	6	6	3	3	4	4	4
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Pieces of Equipment	8	8	8	8	8	8	8	8	8	8
TOWN MAINTENANCE										
Public Works										
Miles of Town Streets	N/A	81.7	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6
Miles of Highway	N/A	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic Signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HUMAN AND CULTURAL										
Leisure Services										
Senior Centers	1	1	1	1	1	1	1	1	1	1
Parks	4	4	4	4	4	4	4	4	4	4
Acres of Park Land	206	206	206	206	206	206	206	206	206	206
Playgrounds	3	3	3	3	3	3	3	3	3	3
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Athletic Fields	6	6	6	6	6	6	6	6	6	6
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Library										
Branches	2	2	2	2	2	2	2	2	2	2
EDUCATION										
Education										
Elementary Schools	3	3	3	3	3	3	3	3	3	3
Middle Schools*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
High Schools*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source(s): Various Town Departments

* New Hartford Schools are only grades K-6; students go on to attend a Regional School District upon completion of 6th grade.