Audited Financial Statements and
Other Financial Information

Town of Hartford, Maine

June 30, 2024

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise & Integrity

TOWN OF HARTFORD, MAINE

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JUNE 30, 2024

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RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Hartford
Hartford, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Hartford, Maine, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Hartford Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Town of Hartford, Maine as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Hartford, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Hartford, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hartford, Maine's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Hartford, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and OPEB information on pages 5 through 12 and 48 through 52 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hartford, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2025, on our consideration of the Town of Hartford, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Hartford Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hartford, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
January 21, 2025

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

(UNAUDITED)

The following management's discussion and analysis of Town of Hartford, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Hartford's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, OPEB schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The above-mentioned financial statements have been presented for the following activity:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, roads, bridges and highway equipment, solid waste and recycling, community service, education and other.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hartford, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Hartford are governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Hartford presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

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 the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Changes in Net OPEB Liability - MMEHT, Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT, Schedule of Contributions - OPEB - MMEHT and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by $374,377 from $2,792,794 to $3,167,171.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements increased by $278,051 from a balance of $1,710,632 to $1,988,683 at the end of this year.

Table 1
Town of Hartford, Maine
Net Position
June 30,

	2024	2023 (Restated)
Assets:		
Current Assets	$ 2,170,063	$ 1,891,481
Noncurrent Assets-Capital Assets	2,235,002	2,293,963
Total Assets	4,405,065	4,185,444
Deferred Outflows of Resources:		
Deferred Outflows of Related to OPEB	1,977	564
Total Deferred Inflows of Resources	1,977	564
Liabilities:		
Current Liabilities	173,033	187,003
Noncurrent Liabilities	983,594	1,120,791
Total Liabilities	1,156,627	1,307,794
Deferred Inflows of Resources:		
Prepaid Taxes	3,125	3,227
Deferred Revenue	77,644	78,489
Deferred Inflows of Related to OPEB	2,475	3,704
Total Deferred Inflows of Resources	83,244	85,420
Net Position:		
Net Investment in Capital Assets	1,115,002	1,033,963
Restricted	63,486	48,199
Unrestricted	1,988,683	1,710,632
Total Net Position	$ 3,167,171	$ 2,792,794

Revenues and Expenses

Revenues for the Town's governmental activities increased by 6.64%. Total expenses decreased by 0.50%. The increase in revenues was primarily due to grants and contributions not restricted to specific programs. The largest decrease in expenses was in general government.

Table 2
Town of Hartford, Maine
Change in Net Position
For the Years Ended June 30,

	2024	2023
Revenues		
Program Revenues:		
Charges for services	$ 28,589	$ 20,624
Operating grants and contributions	42,260	36,644
General Revenues:		
Property taxes	2,329,308	2,289,492
Excise taxes	297,251	267,916
Grants and contributions not restricted to specific programs	452,629	436,066
Miscellaneous	138,980	33,485
Total Revenues	3,289,017	3,084,227
Expenses		
General government	181,204	248,071
Public safety	101,241	95,552
Roads, bridges and highway equipment	833,097	813,542
Solid waste and recycling	112,676	110,100
Community service	9,914	24,731
Education	1,459,581	1,454,315
County tax	135,925	129,219
Other	65,819	53,806
Interest on long-term debt	15,183	-
Total Expenses	2,914,640	2,929,336
Change in Net Position	374,377	154,891
Net Position - July 1, as previously reported	2,871,283	2,716,392
Error correction	(78,489)	-
Net Position - July 1, as restated	2,792,794	2,716,392
Net Position - June 30	$ 3,167,171	$ 2,871,283

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Hartford, Maine
Fund Balances (Deficits) - Governmental Funds
June 30,

	2024	2023 (Restated)	Increase/ (Decrease)
General Fund:			
Nonspendable	$ 16,800	$ 3,227	$ 13,573
Committed	130,000	30,000	100,000
Unassigned	1,518,540	1,370,503	148,037
Total General Fund	$ 1,665,340	$ 1,403,730	$ 261,610
Nonmajor Funds			
Special Revenue Funds:			
Committed	$ 1,767	$ 2,282	$ (515)
Capital Projects Funds:			
Committed	-	50,000	(50,000)
Assigned	198,112	133,391	64,721
Unassigned (Deficit)	(1,251)	(1,250)	(1)
Permanent Funds:			
Nonspendable	22,837	22,837	-
Restricted	23,849	22,135	1,714
Total Nonmajor Funds	$ 245,314	$ 229,395	$ 15,919

The changes in total fund balances for the general fund and the aggregate nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

There difference between the original and final budget for the general fund was due to the use of applied receipts.

The general fund actual revenues exceeded budgeted amounts by $221,532. This was the result of all revenue categories being receipted at more than budgeted amounts with the exception of property taxes.

The general fund actual expenditures were under budgeted amounts by $73,717. All expenditure categories were within or below budgeted amounts with the exception of transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Town decreased by $58,961 from the prior year. This decrease is the result of current year capital acquisitions of $83,689, less depreciation expense of $142,650.

Table 4
Town of Hartford, Maine
Capital Assets (Net of Depreciation)
June 30,

	2024	2023
Land	$ 144,910	$ 135,910
Buildings, building improvements and land improvements	219,149	158,748
Machinery, equipment and vehicles	5,761	6,853
Infrastructure	1,865,182	1,992,452
Total	$ 2,235,002	$ 2,293,963

Debt

At June 30, 2024, the Town has a $1,120,000 bond payable versus $1,260,000 in the prior year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The 2024 - 2025 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2024 - 2025 as of the date this report was issued.

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately six months. The Town also maintains significant reserve accounts for future capital and program needs.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 1196 Main Street, Hartford, Maine 04220.

TOWN OF HARTFORD, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,858,057
Investments	63,558
Accounts receivable (net of allowance for uncollectibles):	
Taxes	167,709
Liens	30,647
Due from other governments	33,292
Prepaid items	16,800
Total current assets	2,170,063
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	144,910
Buildings, equipment and infrastructure, net of accumulated depreciation	2,090,092
Total noncurrent assets	2,235,002
TOTAL ASSETS	4,405,065
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	1,977
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,977
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 4,407,042
LIABILITIES	
Current liabilities:	
Accounts payable	$ 33,033
Current portion of long-term obligations	140,000
Total current liabilities	173,033
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	980,000
Net OPEB liability	3,594
Total noncurrent liabilities	983,594
TOTAL LIABILITIES	1,156,627
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	3,125
Deferred revenue	77,644
Deferred inflows related to OPEB	2,475
TOTAL DEFERRED INFLOWS OF RESOURCES	83,244
NET POSITION	
Net investment in capital assets	1,115,002
Restricted	63,486
Unrestricted	1,988,683
TOTAL NET POSITION	3,167,171
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 4,407,042

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	$ 181,204	$ 24,152	$ -	$ -	$ (157,052)
Public safety	101,241	-	-	-	(101,241)
Roads, bridges and highway equipment	833,097	-	42,260	-	(790,837)
Solid waste and recycling	112,676	412	-	-	(112,264)
Community service	9,914	4,025	-	-	(5,889)
Education	1,459,581	-	-	-	(1,459,581)
County tax	135,925	-	-	-	(135,925)
Other	65,819	-	-	-	(65,819)
Interest on long-term debt	15,183	-	-	-	(15,183)
Total government	$ 2,914,640	$ 28,589	$ 42,260	$ -	(2,843,791)

TOWN OF HARTFORD, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(2,843,791)
General revenues:	
Taxes:	
Property taxes	2,329,308
Excise taxes	297,251
Grants and contributions not restricted to specific programs	452,629
Miscellaneous	138,980
Total general revenues	3,218,168
Change in net position	374,377
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	2,871,283
ERROR CORRECTION	(78,489)
NET POSITION - JULY 1, AS RESTATED	2,792,794
NET POSITION - JUNE 30	$ 3,167,171

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	*Moved to Nonmajor Funds* Road Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,848,507	$ -	$ 9,550	$ 1,858,057
Investments	-	-	63,558	63,558
Accounts receivables (net of allowance for uncollectibles):				
Taxes	167,709	-	-	167,709
Liens	30,647	-	-	30,647
Due from other governments	33,292	-	-	33,292
Prepaid items	16,800	-	-	16,800
Due from other funds	8,886	-	258,736	267,622
TOTAL ASSETS	$ 2,105,841	$ -	$ 331,844	$ 2,437,685
LIABILITIES				
Accounts payable	$ 33,033	$ -	$ -	$ 33,033
Due to other funds	258,736	-	8,886	267,622
TOTAL LIABILITIES	291,769	-	8,886	300,655
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	3,125	-	-	3,125
Deferred revenue	-	-	77,644	77,644
Deferred tax revenue	145,607	-	-	145,607
TOTAL DEFERRED INFLOWS OF RESOURCES	148,732	-	77,644	226,376
FUND BALANCES				
Nonspendable	16,800	-	22,837	39,637
Restricted	-	-	23,849	23,849
Committed	130,000	-	1,767	131,767
Assigned	-	-	198,112	198,112
Unassigned (deficit)	1,518,540	-	(1,251)	1,517,289
TOTAL FUND BALANCES	1,665,340	-	245,314	1,910,654
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,105,841	$ -	$ 331,844	$ 2,437,685

See accompanying independent auditor’s report and notes to financial statements.

TOWN OF HARTFORD, MAINE

RECONCILIATON OF THE STATEMENT OF NET POSITION
TO THE GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

Total Fund Balances	$ 1,910,654
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	2,235,002
Other long term assets are not available to pay for current period expenditures therefore are deferred in the funds shown above:	
Taxes and liens receivable	145,607
Deferred outflows of resources related to pension are not financial resources and therefore are not reported in the funds	1,977
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(1,120,000)
Net OPEB liability	(3,594)
Deferred inflows of resources related to pension are not financial resources and therefore are not reported in the funds	(2,475)
Net position of governmental activities	$ 3,167,171

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	*Moved to Nonmajor Funds* Road Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	$ 2,313,338	$ -	$ -	$ 2,313,338
Excise taxes	297,251	-	-	297,251
Intergovernmental revenues	494,044	-	845	494,889
Charges for services	28,589	-	-	28,589
Miscellaneous revenues	85,849	-	53,131	138,980
TOTAL REVENUES	3,219,071	-	53,976	3,273,047
EXPENDITURES				
Current:				
General government	259,142	-	-	259,142
Public safety	101,241	-	-	101,241
Roads, bridges and highway equipment	696,037	-	-	696,037
Solid waste and recycling	112,676	-	-	112,676
Community service	9,914	-	-	9,914
Education	1,459,581	-	-	1,459,581
County tax	135,925	-	-	135,925
Other	12,285	-	53,534	65,819
Debt service:				
Principal	140,000		-	140,000
Interest	15,183		-	15,183
TOTAL EXPENDITURES	2,941,984	-	53,534	2,995,518
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	277,087	-	442	277,529
OTHER FINANCING SOURCES (USES)				
Transfers in	30	-	15,508	15,538
Transfers (out)	(15,508)	-	(30)	(15,538)
TOTAL OTHER FINANCING SOURCES (USES)	(15,478)	-	15,478	-
NET CHANGE IN FUND BALANCES	261,610	-	15,920	277,529
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	1,403,730	-	307,884	1,711,614
ERROR CORRECTION	-	-	(78,489)	(78,489)
FUND BALANCES - JULY 1, AS RESTATED	1,403,730	-	229,395	1,633,125
FUND BALANCES - JUNE 30	$ 1,665,340	$ -	$ 245,314	$ 1,910,654

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

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, 2024

Net change in fund balances - total governmental funds (Statement E)	$ 277,529
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	83,689
Depreciation expense	(142,650)
	(58,961)
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therfore are not reported in the funds:	
OPEB	1,413
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	15,970
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	140,000
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
OPEB	1,229
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Net OPEB liability	(2,803)
Change in net position of governmental activities (Statement B)	$ 374,377

See accompanying independent auditor’s report and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Hartford was incorporated under the laws of the State of Maine. The Town operates under the selectboard-treasurer form of government and provides the following services: general government, public safety, roads, bridges and highway equipment, solid waste and recycling, community service, education and other.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from the government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town’s net position resulting from the current year’s activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

a. 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.

Nonmajor Funds

b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town’s policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Hartford has no formal investment policy but instead follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be $0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were $33,292 for the year ended June 30, 2024.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	15 years
Equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of a bond payable and net OPEB liability.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds as needed unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times 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 Town currently has deferred outflows of resources related to OPEB, which arise only under the accrual basis of accounting that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows of resources related to OPEB also qualifies for reporting in this category. This item is only reported in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied October 24, 2023 on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due on December 1, 2023 and May 1, 2024. Interest on unpaid taxes commenced on December 2, 2023 and May 2, 2024 at 8% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to $23,866 for the year ended June 30, 2024.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2024, the Town's cash and cash equivalents amounting to $1,858,057 were comprised of bank deposits of $2,007,025. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. All of these bank deposits were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Savings accounts	$ 9,550
ICS/IntraFi account	1,997,475
	$ 2,007,025

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 fluctuations in interest rates. Certificates of deposit held with local financial institutions for $63,558 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2024, the Town's investments of $63,558 of certificates of deposit were all insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in cash management accounts and various insured certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	$ 8,886	$ 258,736
Nonmajor Special Revenue Funds	79,411	-
Nonmajor Capital Projects Funds	179,325	8,886
	$ 267,622	$ 267,622

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2024 consisted of the following:

	Transfers In	Tranfers Out
General Fund	$ 30	$ 15,508
Nonmajor Capital Projects Funds	15,508	30
	$ 15,538	$ 15,538

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Disposals	Balance, 6/30/24
Governmental activities				
Non-depreciated assets:				
Land	$ 135,910	$ 9,000	$ -	$ 144,910
	135,910	9,000	-	144,910
Depreciated assets:				
Buildings and improvements	408,348	74,689	-	483,037
Equipment and vehicles	62,920	-	-	62,920
Infrastructure	2,259,055	-	-	2,259,055
	2,730,323	74,689	-	2,805,012
Less: accumulated depreciation	(572,270)	(142,650)	-	(714,920)
	2,158,053	(67,961)	-	2,090,092
Net capital assets	$ 2,293,963	$ (58,961)	$ -	$ 2,235,002

Current year depreciation	
General government	$ 5,590
Roads, bridges and highway equipment	137,060
Total depreciation expense	$ 142,650

NOTE 6 - LONG -TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Due Within One Year
Bond Payable	$ 1,260,000	$ -	$ (140,000)	$ 1,120,000	$ 140,000

NOTE 6 - LONG -TERM DEBT (CONTINUED)

The following is a summary of the outstanding bond payable:

Town of Hartford Capital Improvement Loan, bearing fixed interest rates ranging from 0.6100% - 1.7800% per annum, due in annual installments of $140,000 plus interest through November 1, 2031.	$1,120,000

The following is a summary of outstanding bond payable principal and interest requirements for the following fiscal years ending June 30:

	Principal	Interest	Total Debt Service
2025	$ 140,000	$ 14,182	$ 154,182
2026	140,000	13,013	153,013
2027	140,000	11,627	151,627
2028	140,000	9,975	149,975
2029	140,000	8,071	148,071
2030-2034	420,000	10,871	430,871
	$ 1,120,000	$ 67,739	$ 1,187,739

All bonds payable and notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2024 is as follows:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Due Within One Year
Net OPEB Liability	$ 791	$ 2,803	$ -	$ 3,594	$ -

Please see Note 16 for detailed information on net OPEB liability.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investments in capital assets for the Town at June 30, 2024

Invested in capital assets	$ 2,949,922
Accumulated depreciation	(714,920)
Outstanding capital related debt	(1,120,000)
	$ 1,115,002

NOTE 9 - RESTRICTED NET POSITION

The Town had the following restricted net position at June 30, 2024:

General Fund - Prepaid Items	$ 16,800
Nonmajor Permanent Funds:	
Nonspendable - Principal:	
Laura Fogg Irish Trust	12,537
Evelyn Hutchinson Trust	2,000
Cemetery Trust	8,300
Nonmajor Permanent Funds:	
Laura Fogg Irish Trust	17,882
Evelyn Hutchinson Trust	927
Cemetery Trust	5,040
	$ 63,486

NOTE 10 - NONSPENDABLE FUND BALANCES

The Town had the following nonspendable fund balances at June 30, 2024:

General Fund	$ 16,800
Nonmajor Permanent Funds (Schedule H)	22,837
	$ 39,637

NOTE 11 - RESTRICTED FUND BALANCES

The Town had the following restricted fund balances at June 30, 2024:

Nonmajor Permanent Funds (Schedule H)	$ 23,849

NOTE 12 - COMMITTED FUND BALANCES

The Town had the following committed fund balances at June 30, 2024:

General Fund:	
Use of Fund Balance FY 2025 Budget	$ 30,000
Use of Fund Balance FY 2025 Paving	100,000
Nonmajor Special Revenue Funds (Schedule D)	1,767
	$ 131,767

NOTE 13 - ASSIGNED FUND BALANCES

The Town had the following assigned fund balances at June 30, 2024:

Nonmajor Capital Projects Funds (Schedule F)	$ 198,112

NOTE 14 - DEFICIT FUND BALANCES

The Town had the following deficit fund balances at June 30, 2024:

Nonmajor Capital Projects Fund:	
Capital Reserve	$ 1,251

NOTE 15 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. As of June 30, 2024, Oxford County did not have any debt. The Town's share of school debt was approximately as follows:

	Outstanding Debt	Town's Percentage	Total Share
RSU No. 10	$ 67,215,857	10.02%	$ 6,734,357

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of $2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2024, the following employees were covered by the benefit terms:

Active members	1
Retirees and spouses	-
Total	1

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

	Single Coverage	Family Coverage
POS C	$ 1,243	$ 2,788
Medicare-Eligible Retirees	$ 659	$ 1,319

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Town reported a liability of $3,594 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2024, the Town recognized OPEB expense of $161. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 893	$ 2,418
Changes of assumptions	1,084	57
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	$ 1,977	$ 2,475

$0 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2025	$ (690)
2026	(902)
2027	260
2028	279
2029	279
Thereafter	276

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2024. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

20-Bond GO Index. The rate of 3.26% per annum for June 30, 2024 was based upon a measurement date of December 28, 2023. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	2.26%	3.26%	4.26%
Total OPEB liability	$ 4,192	$ 3,594	$ 3,104
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 4,192	$ 3,594	$ 3,104
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	$ 2,985	$ 3,594	$ 4,359
Plan fiduciary net position	-	-	-
Net OPEB liability	$ 2,985	$ 3,594	$ 4,359
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2024, using the following methods and assumptions applied to all periods included in the measurement:

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2024, they are as follows:

Discount Rate - 3.26% per annum for year end 2024 reporting. 3.72% per annum for year end 2023 reporting.

Trend Assumptions*:*

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2024_1b was used for this valuation. The following assumptions were input into this model:

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Variable	Rate
Rate of Inflation	2.38%
Rate of Growth in Real Income/GDP per capital 2032+	1.40%
Extra Trend due to Taste/Technology 2031+	1.10%
Expected Health Share of GDP 2031	19.80%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2044

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2024 to 2027 were based on plan design, population weighting, renewal projections and market analysis. For years 2028 to 2032, these are interpolated from 2027 to 2033 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits - Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage*:*

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2024 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2024 was ($1,525).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 1196 Main Street, Hartford, Maine 04220.

NOTE 17 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2024.

The Town is a member of the Maine Municipal Association - Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is $400,000 per occurrence. A $2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a “claims made” form. A $2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a $4,000,000 annual aggregate limit. An annual sublimit of $100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a $5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association - Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of $1,000,000.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2024. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 18 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 19 - COMMITMENTS

The Town of Hartford, has entered into a contract for fire services with the Towns of Canton, Turner and Buckfield . The contract term for these services began July 1, 2022 and will end June 30, 2025 for fire suppression services.

The Town entered into a contract for sand with WA Lucas Enterprises LLC beginning July 1, 2024 and ending June 30, 2027.

The Town has also entered into a contract for trash and recycling services with Archies Inc. There are additional tipping fees within the contract. The contract term for these services is for three years beginning July 1, 2021 and ending June 30, 2026, with a renewal option of two years.

The annual contract costs for these services are as follows:

Year Ending June 30,	Plowing	Trash and Recycling	Fire and Rescue
2025	$ 352,590	$ 63,217	$ 106,930
2026	362,250	64,589	-
	$ 714,840	$ 127,806	$ 106,930

For the twelve months ended June 30, 2024, the Town paid $452,222 for plowing and sanding services and $112,676 for trash, tipping fees and recycling services. All future contract amounts are subject to annual appropriation by the Town of Hartford, Maine.

NOTE 20 - RELATED PARTY TRANSACTIONS

The Town's Selectboard entered into a contract with a company that provides miscellaneous public works services to the Town. The owner of the company is also employed by the Town as Road Commissioner. For the fiscal year ended June 30, 2024, payments made to the company were $464,760.

NOTE 21 - RESTATEMENTS

During fiscal year 2024, the Town determined an error correction for correcting ARPA revenue from fund balance to deferred revenue which resulted in an adjustment to and a restatement of beginning net position and fund net position, as follows:

	6/30/2023 As Previously Reported	Error Correction	6/30/2023 As Restated
Government-Wide			
Governmental Activities	$ 2,871,283	$ (78,489)	$ 2,792,794
Governmental Funds			
Major Fund:			
General Fund	$ 1,403,730	$ -	$ 1,403,730
Other Governmental Funds	307,884	(78,489)	229,395
Total Governmental Funds	$ 1,711,614	$ (78,489)	$ 1,633,125

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Changes in Net OPEB Liability - MMEHT
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT
- Schedule of Contributions - OPEB - MMEHT
- Notes to Required Supplementary Information

SCHEDULE 1

TOWN OF HARTFORD, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,403,730	$ 1,403,730	$ 1,403,730	$ -
Resources (Inflows):				
Taxes:				
Property taxes	2,323,224	2,323,224	2,313,338	(9,886)
Excise taxes	216,500	216,500	297,251	80,751
Intergovernmental revenues:				
State revenue sharing	241,674	241,674	266,707	25,033
Homestead exemption	120,952	120,952	151,972	31,020
Local road assistance	36,644	36,644	42,260	5,616
Tree growth reimbursement	25,988	25,988	26,817	829
Other	1,897	5,537	6,288	751
Charges for services	13,050	13,050	28,589	15,539
Interest income	3,000	3,000	72,260	69,260
Tax interest/lien costs	11,000	11,000	11,516	516
Miscellaneous revenues	-	-	2,073	2,073
Transfers from other funds	-	-	30	30
Amounts Available for Appropriation	4,397,659	4,401,299	4,622,831	221,532
Charges to Appropriations (Outflows):				
General government	280,951	280,951	259,142	21,809
Public safety	104,241	104,241	101,241	3,000
Roads, bridges and highway equipment	875,034	720,124	696,037	24,087
Solid waste and recycling	121,917	121,917	112,676	9,241
Community service	10,914	10,914	9,914	1,000
Education	1,459,581	1,459,581	1,459,581	-
County tax	135,925	135,925	135,925	-
Other	26,866	26,866	12,285	14,581
Debt service:				
Principal	-	140,000	140,000	-
Interest	-	15,183	15,183	-
Transfers to other funds	8,500	15,507	15,508	(1)
Total Charges to Appropriations	3,023,929	3,031,209	2,957,492	73,717
Budgetary Fund Balance, June 30	$ 1,373,730	$ 1,370,090	$ 1,665,340	$ 295,250
Utilization of unassigned fund balance	$ 30,000	$ 30,000	$ -	$ (30,000)

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT
FOR THE YEAR ENDED JUNE 30, 2024

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/23 (Reporting December 31, 2023)	$ 791	$ -	$ 791
Changes for the year:			
Service cost	794	-	794
Interest	59	-	59
Changes of benefits	-	-	-
Differences between expected and actual experience	922	-	922
Changes of assumptions	1,028	-	1,028
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Net changes	2,803	-	2,803
Balances at 1/1/24 (Reporting December 31, 2024)	$ 3,594	$ -	$ 3,594

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS - MMEHT
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost (BOY)	$ 794	$ 868	$ 1,309	$ 1,169	$ 883	$ 943	$ -
Interest (includes interest on service cost)	59	18	126	116	72	32	-
Changes of benefit terms	-	-	-	-	(60)	-	-
Differences between expected and actual experience	922	-	(6,048)	-	613	-	-
Changes of assumptions	1,028	(95)	-	276	661	(92)	-
Benefit payments, including refunds of member contributions	-	-	-	-	-	-	-
Net change in total OPEB liability	$ 2,803	$ 791	$ (4,613)	$ 1,561	$ 2,169	$ 883	$ -
Total OPEB liability - beginning	$ 791	$ -	$ 4,613	$ 3,052	$ 883	$ -	$ -
Total OPEB liability - ending	$ 3,594	$ 791	$ -	$ 4,613	$ 3,052	$ 883	$ -
Plan fiduciary net position							
Contributions - employer	-	-	-	-	-	-	-
Contributions - member	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB liability - ending	$ 3,594	$ 791	$ -	$ 4,613	$ 3,052	$ 883	$ -
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	$ 61,800	$ 50,000	$ 50,000	$ 27,300	$ 27,300	$ 27,300	$ 27,300
Net OPEB liability as a percentage of covered payroll	5.8%	1.6%	0.0%	16.9%	11.2%	3.2%	0.0%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - MMEHT
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
MMEHT:							
Employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Benefit payments	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 61,800	$ 50,000	$ 50,000	$ 27,300	$ 27,300	$ 27,300	$ 27,300
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

Changes of Assumptions

Maine Municipal Health Trust

There was a change in the discount rate from 3.72% to 3.26% per GASB 75 discount rate selection. Trends were updated since the last valuation.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF HARTFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General Government					
Administration	$ 280,951	$ -	$ 280,951	$ 259,142	$ 21,809
Subtotal General Government	280,951	-	280,951	259,142	21,809
Public Safety					
Public safety	104,241	-	104,241	101,241	3,000
Subtotal Public Safety	104,241	-	104,241	101,241	3,000
Roads, Bridges and Highway Equipment					
Summer roads	402,364	(154,910)	247,454	243,814	3,640
Winter roads	472,670	-	472,670	452,223	20,447
Subtotal Roads, Bridges and Highway Equipment	875,034	(154,910)	720,124	696,037	24,087
Solid Waste and Recycling					
Sanitation	121,917	-	121,917	112,676	9,241
Subtotal Solid Waste and Recycling	121,917	-	121,917	112,676	9,241

TOWN OF HARTFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Community Service					
Social services	9,914	-	9,914	9,914	-
General assistance	1,000	-	1,000	-	1,000
Subtotal Community Service	10,914	-	10,914	9,914	1,000
Education	1,459,581	-	1,459,581	1,459,581	-
County Tax	135,925	-	135,925	135,925	-
Debt Service					
Principal	-	140,000	140,000	140,000	-
Interest	-	15,183	15,183	15,183	-
Subtotal Debt Service	-	155,183	155,183	155,183	-
Other					
Contingency	3,000	-	3,000	-	3,000
Overlay	23,866	-	23,866	12,285	11,581
Subtotal Other	26,866	-	26,866	12,285	14,581
Transfers to Other Funds					
Special revenue funds	8,500	-	8,500	8,500	-
Capital projects funds	-	7,007	7,007	7,008	(1)
Subtotal Transfers to Other Funds	8,500	7,007	15,507	15,508	(1)
TOTAL DEPARTMENTAL OPERATIONS	$ 3,023,929	$ 7,280	$ 3,031,209	$ 2,957,492	$ 73,717

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE B

TOWN OF HARTFORD, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 9,550	$ 9,550
Investments	-	26,422	37,136	63,558
Due from other funds	79,411	179,325	-	258,736
TOTAL ASSETS	$ 79,411	$ 205,747	$ 46,686	$ 331,844
LIABILITIES				
Due to other funds	$ -	$ 8,886	$ -	$ 8,886
TOTAL LIABILITIES	-	8,886	-	8,886
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	77,644	-	-	77,644
TOTAL DEFERRED INFLOWS OF RESOURCES	77,644	-	-	77,644
FUND BALANCES				
Nonspendable	-	-	22,837	22,837
Restricted	-	-	23,849	23,849
Committed	1,767	-	-	1,767
Assigned	-	198,112	-	198,112
Unassigned (deficit)	-	(1,251)	-	(1,251)
TOTAL FUND BALANCES	1,767	196,861	46,686	245,314
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 79,411	$ 205,747	$ 46,686	$ 331,844

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE C

TOWN OF HARTFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	$ 845	$ -	$ -	$ 845
Investment income, net of unrealized gains/(losses)	-	1,267	1,714	2,981
Other	50,000	150	-	50,150
TOTAL REVENUES	50,845	1,417	1,714	53,976
EXPENDITURES				
Other	51,360	2,174	-	53,534
TOTAL EXPENDITURES	51,360	2,174	-	53,534
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(515)	(757)	1,714	442
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,508	-	15,508
Transfers (out)	-	(30)	-	(30)
TOTAL OTHER FINANCING SOURCES (USES)	-	15,478	-	15,478
NET CHANGE IN FUND BALANCES	(515)	14,721	1,714	15,920
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	80,771	182,141	44,972	307,884
ERROR CORRECTION	(78,489)	-	-	(78,489)
FUND BALANCES - JULY 1, AS RESTATED	2,282	182,141	44,972	229,395
FUND BALANCES - JUNE 30	$ 1,767	$ 196,861	$ 46,686	$ 245,314

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF HARTFORD, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Goodwill Supper	CEBE Grant	ARPA Fund	Total
ASSETS				
Due from other funds	$ 1,767	$ -	$ 77,644	$ 79,411
TOTAL ASSETS	$ 1,767	$ -	$ 77,644	$ 79,411
LIABILITIES				
Due to other funds	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	77,644	77,644
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	77,644	77,644
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	1,767	-	-	1,767
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	1,767	-	-	1,767
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,767	$ -	$ 77,644	$ 79,411

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Goodwill Supper	CEBE Grant	ARPA Fund	Total
REVENUES				
Intergovernmental revenue	$ -	$ -	$ 845	$ 845
Other	-	50,000	-	50,000
TOTAL REVENUES	-	50,000	845	50,845
EXPENDITURES				
Other	515	50,000	845	51,360
TOTAL EXPENDITURES	515	50,000	845	51,360
NET CHANGE IN FUND BALANCES	(515)	-	-	(515)
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	2,282	-	78,489	80,771
ERROR CORRECTION	-	-	(78,489)	(78,489)
FUND BALANCES - JULY 1, AS RESTATED	2,282	-	-	2,282
FUND BALANCES - JUNE 30	$ 1,767	$ -	$ -	$ 1,767

See accompanying independent auditor's report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF HARTFORD, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	Sand/Salt Reserve	Equipment Reserve	Capital Reserve	Town Office Improvements	Animal Control	Legal Fees	Broadband Grant
ASSETS							
Investments	$ -	$ 18,787	$ 7,635	$ -	$ -	$ -	$ -
Due from other funds	-	11,999	-	48,231	10,187	38,250	4,000
TOTAL ASSETS	$ -	$ 30,786	$ 7,635	$ 48,231	$ 10,187	$ 38,250	$ 4,000
LIABILITIES							
Due to other funds	$ -	$ -	$ 8,886	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	8,886	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	30,786	-	48,231	10,187	38,250	4,000
Unassigned	-	-	(1,251)	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	30,786	(1,251)	48,231	10,187	38,250	4,000
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ -	$ 30,786	$ 7,635	$ 48,231	$ 10,187	$ 38,250	$ 4,000

TOWN OF HARTFORD, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	GA Reserve	Veteran's Memorial	Revaluation Reserve	*Moved from Major Fund* Road Project Fund	Cemetery Reserve	Summer Reserve	Total
ASSETS							
Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,422
Due from other funds	1,500	3,786	36,050	7,008	948	17,367	179,325
TOTAL ASSETS	$ 1,500	$ 3,786	$ 36,050	$ 7,008	$ 948	$ 17,367	$ 205,747
LIABILITIES							
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,886
TOTAL LIABILITIES	-	-	-	-	-	-	8,886
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	1,500	3,786	36,050	7,008	948	17,367	198,112
Unassigned	-	-	-	-	-	-	(1,251)
TOTAL FUND BALANCES (DEFICITS)	1,500	3,786	36,050	7,008	948	17,367	196,861
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 1,500	$ 3,786	$ 36,050	$ 7,008	$ 948	$ 17,367	$ 205,747

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE G

TOWN OF HARTFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Sand/Salt Reserve	Equipment Reserve	Capital Reserve	Town Office Improvements	Animal Control	Legal Fees	Broadband Grant
REVENUES							
Investment income, net of unrealized gains/(losses)	$ -	$ 863	$ 404	$ -	$ -	$ -	$ -
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	863	404	-	-	-	-
EXPENDITURES							
Other	-	-	405	1,769	-	-	-
TOTAL EXPENDITURES	-	-	405	1,769	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	863	(1)	(1,769)	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	(30)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(30)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(30)	863	(1)	(1,769)	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	30	29,923	(1,250)	50,000	10,187	38,250	4,000
FUND BALANCES (DEFICITS) - JUNE 30	$ -	$ 30,786	$ (1,251)	$ 48,231	$ 10,187	$ 38,250	$ 4,000

TOWN OF HARTFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GA Reserve	Veteran's Memorial	Revaluation Reserve	*Moved from Major Fund* Road Project Fund	Cemetery Reserve	Summer Reserve	Total
REVENUES							
Investment income, net of unrealized gains/(losses)	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,267
Other	-	-	-	-	150	-	150
TOTAL REVENUES	-	-	-	-	150	-	1,417
EXPENDITURES							
Other	-	-	-	-	-	-	2,174
TOTAL EXPENDITURES	-	-	-	-	-	-	2,174
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	150	-	(757)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	3,500	5,000	7,008	-	-	15,508
Transfers (out)	-	-	-	-	-	-	(30)
TOTAL OTHER FINANCING SOURCES (USES)	-	3,500	5,000	7,008	-	-	15,478
NET CHANGE IN FUND BALANCES (DEFICITS)	-	3,500	5,000	7,008	150	-	14,721
FUND BALANCES (DEFICITS) - JULY 1	1,500	286	31,050	-	798	17,367	182,141
FUND BALANCES (DEFICITS) - JUNE 30	$ 1,500	$ 3,786	$ 36,050	$ 7,008	$ 948	$ 17,367	$ 196,861

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Hartford, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries.

SCHEDULE H

TOWN OF HARTFORD, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2024

	Laura Fogg Irish Trust	Evelyn Hutchinson Trust Fund	Cemetery Trust Fund	Total
ASSETS				
Cash and cash equivalents	$ 3,583	$ 927	$ 5,040	$ 9,550
Investments	26,836	2,000	8,300	37,136
TOTAL ASSETS	$ 30,419	$ 2,927	$ 13,340	$ 46,686
LIABILITIES				
Due to other funds	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	12,537	2,000	8,300	22,837
Restricted	17,882	927	5,040	23,849
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	30,419	2,927	13,340	46,686
TOTAL LIABILITIES AND FUND BALANCES	$ 30,419	$ 2,927	$ 13,340	$ 46,686

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE I

TOWN OF HARTFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Laura Fogg Irish Trust	Evelyn Hutchinson Trust Fund	Cemetery Trust Fund	Total
REVENUES				
Investment income, net of unrealized gains/(losses)	$ 1,308	$ 3	$ 403	$ 1,714
TOTAL REVENUES	1,308	3	403	1,714
EXPENDITURES				
Other	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCES	1,308	3	403	1,714
FUND BALANCES - JULY 1	29,111	2,924	12,937	44,972
FUND BALANCES - JUNE 30	$ 30,419	$ 2,927	$ 13,340	$ 46,686

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF HARTFORD, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2024

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General Government	$ 127,910	$ 242,979	$ 33,120	$ -	$ 404,009
Roads, Bridges and Highway Equipment	17,000	240,058	29,800	2,259,055	2,545,913
Total General Capital Assets	144,910	483,037	62,920	2,259,055	2,949,922
Less: Accumulated Depreciation	-	(263,888)	(57,159)	(393,873)	(714,920)
Net General Capital Assets	$ 144,910	$ 219,149	$ 5,761	$ 1,865,182	$ 2,235,002

See accompanying independent auditor's report and notes to financial statements.

TOWN OF HARTFORD, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2024

	General Capital Assets 7/1/23	Additions	Deletions	General Capital Assets 6/30/24
General Government	$ 320,320	$ 83,689	$ -	$ 404,009
Roads, Bridges and Highway Equipment	2,545,913	-	-	2,545,913
Total General Capital Assets	2,866,233	83,689	-	2,949,922
Less: Accumulated Depreciation	(572,270)	(142,650)	-	(714,920)
Net General Capital Assets	$ 2,293,963	$ (58,961)	$ -	$ 2,235,002

See accompanying independent auditor's report and notes to financial statements.

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Selectboard
Town of Hartford
Hartford, Maine

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Hartford, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Hartford, Maine's basic financial statements and have issued our report thereon dated January 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hartford, Maine's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hartford, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Hartford, Maine's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected, on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Hartford, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Hartford, Maine in a separate letter dated January 21, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
January 21, 2025