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March 29, 2015

Harwood Union School District #19  
Att: Michelle Baker, Bus. Mgr.  
340 Mad river Pk., Ste. 7  
Waitsfield, VT 05673

Dear Michelle:

I have electronically forwarded the final financial statements for Harwood Union School District #19 as of and for the year ended June 30, 2014. In addition I will be mailing you 12 bound copies. We have also sent a pdf copy to the AOE on your behalf.

If you are thinking of putting our audit report into your Town Report, auditing standards provides you with three options:

- You may include the entire audit report from page one through the last page;
- You may include pages 1 through Schedule 1;
- You can put a statement in that you were audited and that the audit is available at \_\_\_\_\_ and omit our audit report completely.

If you have any questions or need assistance, please do not hesitate to call us.

Sincerely,

*Angolano & Company*

Angolano & Company

Enclosures

Harwood Union School District #19  
Financial Statements  
For The Year Ended June 30, 2014

Harwood Union School District #19  
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For The Year Ended June 30, 2014

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## INDEPENDENT AUDITOR'S REPORT

To the School Board  
Harwood Union School District #19, Vermont

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of Harwood Union School District #19, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the Harwood Union School District #19, Vermont, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pensions and other post-employment benefit information on pages 6, 50-75, and 43-45 and 33-34 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Harwood Union School District #19, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 March 18, 2015, on our consideration of the Harwood Union School District #19, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Harwood Union School District #19, Vermont's internal control over financial reporting and compliance.

### ***Angolano & Company***

Angolano & Company  
Shelburne, Vermont  
Firm Registration Number 92-0000141

March 18, 2015

HARWOOD UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2014

**Introduction**

The discussion and analysis of The Harwood Union High School District's ("the District") financial performance provides a narrative introduction and overview of the school District's financial activities for the fiscal year ending June 30, 2014 (FY 14). The District is organized under the guidance of the Board of School Directors to provide public education to the member districts of Duxbury, Fayston, Moretown, Waitsfield, Warren and Waterbury. The Districts of Roxbury, Granville, Hancock and Buels Gore pay tuition to the District for those students who attend Harwood Union High School.

**Financial Highlights**

- Government-wide assets totaled \$7,743,018 and government-wide liabilities totaled \$2,044,048.
- Long-term debt (more than one year) totaled \$925,620 at year end, a decrease of \$455,708.
- The District's general fund actual revenues were \$12,933,759, while the budgeted revenues were \$12,776,208, an increase of \$157,551 or 0.9%.
- The District's general fund actual expenditures were \$12,813,116 while the budgeted expenditures were \$12,869,260 an overage of \$56,144 or 0.4%.
- Special Revenue Funds totaling -\$14,305 are held in the District's accounts for various Federal, State and Private Grants.
- The Capital Project Fund represents expenses incurred that will be funded over the long term on various projects including the Wood Chip Plant and Water System Improvements and the Maintenance Reserve Fund. The fund balance at June 30, 2014 is \$114,189.
- The Enterprise Fund represents the food program and had an ending retained earnings balance of \$106,503.
- Agency Funds totaling \$63,719 are held in the District's accounts for various student activities and projects.
- Expendable Trust Funds totaling \$14,550 are held in the District's accounts for student scholarships.
- Nonexpendable Trust Funds totaling \$89,087 are held in the District's accounts for student scholarships.

**Overview of the Financial Statements**

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



Government-Wide Financial Statements – The first two statements are government-wide financial statements that report information about the District as a whole using accrual accounting methods similar to those used by private sector companies.

The Statement of Net Assets presents information on all of the District assets and liabilities with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and inter-governmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include programs and services such as instruction, support services, and building operation and maintenance. The business-type activities of the District include the Food Service Program.

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories – governmental funds, proprietary funds and fiduciary funds.

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

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

The District maintains four (4) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Special Revenue, Capital Project and Debt Service. Individual fund data for the Proprietary and Fiduciary Funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 7-13.

Proprietary Funds – The District maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its Food Service Program (hot lunch and breakfast) operation. The basic proprietary fund financial statements can be found on pages 14-15 of this report.

Fiduciary Funds – Fiduciary Funds are those for which the District serves as a trustee for the benefit of others, such as scholarship and student activities funds. The District is responsible for ensuring that assets in these funds are used for their intended purposes and cannot use these assets to finance the general operations of the District.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-49.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information including Budget to Actual Reports for the General Fund, Fiduciary, Agency and Trust Fund and a Report on Compliance and Internal Control.

### **Government-Wide Financial Analysis**

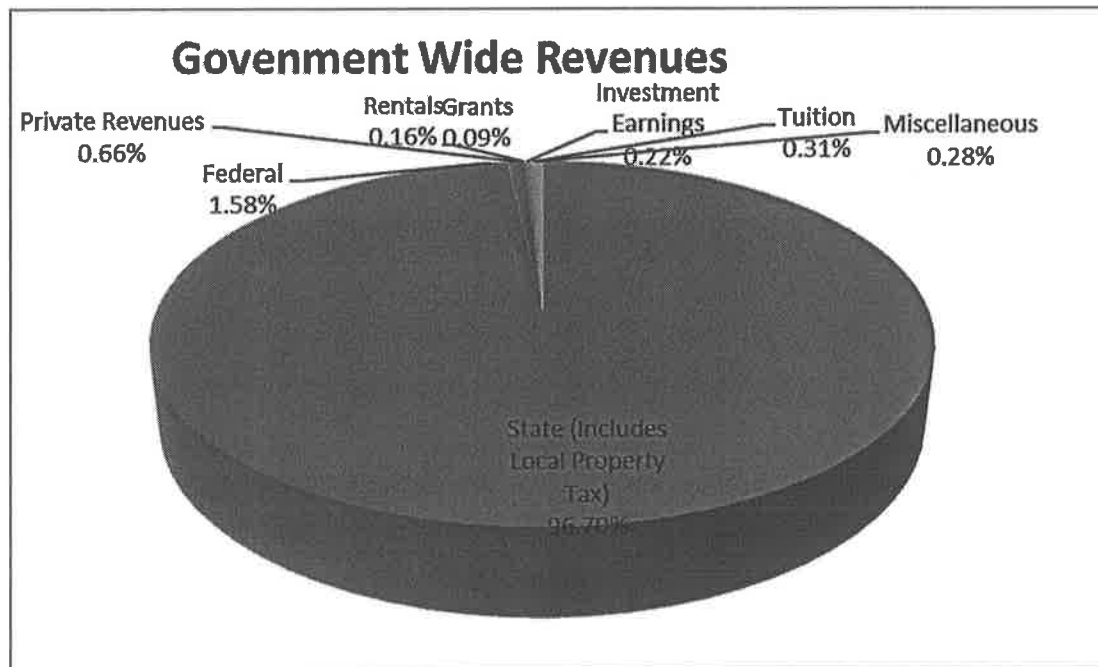
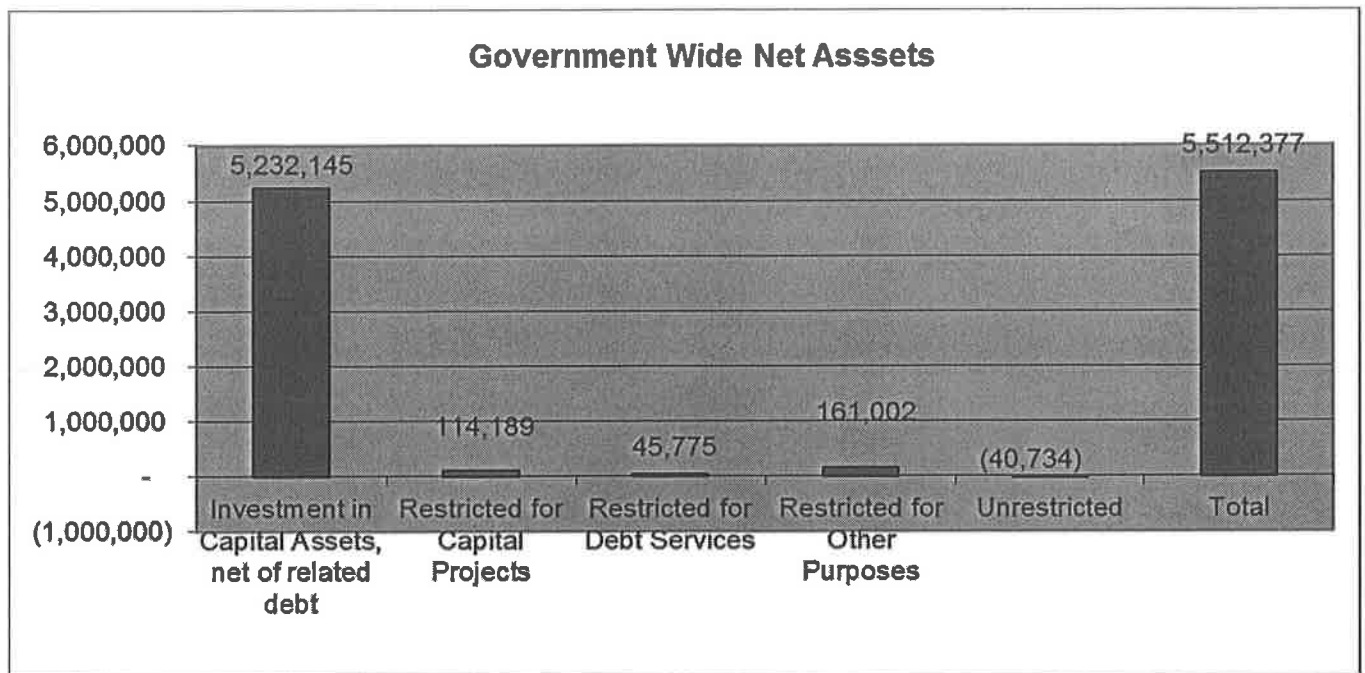
Our analysis of the District's major funds begins on Table 1. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District's Board of Directors establish many other funds to help them control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants, and other money.

Amounts reported for governmental activities in this statement of net assets differ from the summary of financial operations because: capital (non-current) assets used in governmental activities are not financial resources and therefore, are deferred in the funds; non-current liabilities – consisting of bonds payable (early retirees) – are not due and payable in the current period and therefore are not reported in the funds. Inter-fund receivables and payables are reported in the fund statements, but not included in the amounts reported for governmental activities.

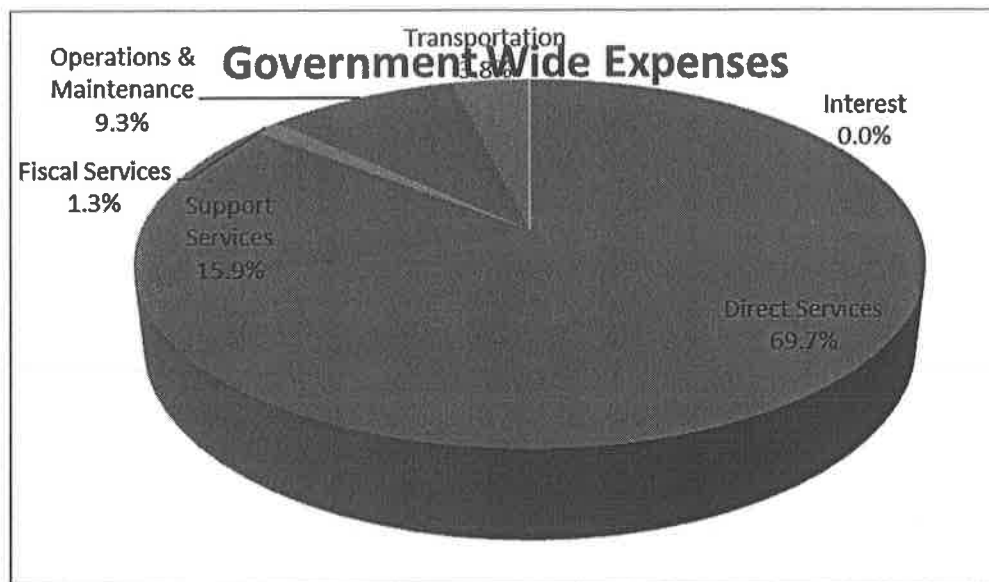
TABLE I

**Harwood Union High School**  
**Statement of Net Assets and Fund Balance Reconciliation**  
**June 30, 2014**

	Balance Sheet Governmental Fund Based	Governmental Activities Government-Wide	Difference
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	525,220	525,220	-
Investments	45,775	45,775	-
Prepaid Expenses	41,243	41,243	-
Due from Business Type Activities	15,187	15,187	-
Accounts Receivable:			
State	383,515	383,515	-
Supervisory Union	107,626	107,626	-
Other LEA's			-
Other	20,036	20,036	-
<b>Total Current Assets</b>	<b>1,138,602</b>	<b>1,138,602</b>	<b>-</b>
<b>Non-current Assets:</b>			
<b>Capital Assets:</b>			
Building & Equipment, net of Accum. Depr.	-	6,604,416	(6,604,416)
<b>Total Non-current Assets</b>	<b>-</b>	<b>6,604,416</b>	<b>(6,604,416)</b>
<b>TOTAL ASSETS</b>	<b>1,138,602</b>	<b>7,743,018</b>	<b>(6,604,416)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable - State	63,519	63,519	-
Accounts Payable - Other	108,357	108,357	-
Accrued Expenses	55,643	55,643	-
Retirement Incentive Payable	-	82,192	(82,192)
Note Payable	362,066	362,066	-
Capital Leases	-	191,730	(191,730)
Current Portion of Long-Term Obligations	-	254,921	(254,921)
<b>Total Current Liabilities</b>	<b>589,585</b>	<b>1,118,428</b>	<b>(528,843)</b>
<b>Non-current Liabilities:</b>			
Bonds Payable	-	925,620	(925,620)
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>925,620</b>	<b>(925,620)</b>
Deferred Inflow-Unearned Revenue	186,593	186,593	-
<b>TOTAL LIABILITIES</b>	<b>776,178</b>	<b>2,230,641</b>	<b>(1,454,463)</b>
<b>NET ASSETS</b>			
Investment in Capital Assets, net of related Debt	-	5,232,145	(5,232,145)
Unspendable	89,097	-	89,097
Restricted for Capital Projects	114,189	114,189	-
Restricted for Debt Services		45,775	(45,775)
Restricted for Other Purposes		161,002	(161,002)
Committed	117,680	-	117,680
Unrestricted	41,458	(40,734)	82,192
<b>TOTAL NET ASSETS</b>	<b>362,424</b>	<b>5,512,377</b>	<b>(5,149,953)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>6d 1,138,602</b>	<b>7,743,018</b>	<b>(6,604,416)</b>



Government Wide Revenues consist of state revenues (including property taxes) of \$12,409,568, Federal revenues of \$202,432, private revenues of \$84,942, grants of \$10,987, rentals of \$20,381 investment earnings of \$28,675, tuition of \$39,612 and miscellaneous of \$35,913.



*Governmental Activities:*

Governmental Activities revenues totaled \$12,800,510 and expenses totaled \$12,931,725 resulting in a decrease in net assets of \$131,215.

*Business Type Activities:*

Business Type Activities realized a decrease in net assets of \$7,629.

**Fund Financial Analysis**

*Governmental Fund Types:*

Fund balances in the Governmental Fund types decreased from \$441,662 to \$362,424 a decrease of \$79,238. This decrease was reflected in the General Fund by a decrease of \$47,357, an increase of \$16,869 in the Special Revenue Funds, a decrease of \$60,701 in the Capital Projects Funds, an increase of \$11,284 in Other Governmental Funds and an increase of \$667 in Permanent Funds.

	Summary of Financial Operations and Fund Balance 6/30/2014	Summary of Financial Operations and Fund Balance 6/30/2013	Summary of Financial Operations and Fund Balance 6/30/2012	Summary of Financial Operations and Fund Balance 6/30/2011	Summary of Financial Operations and Fund Balance 6/30/2010
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	525,220	556,383	985,694	924,384	839,955
Investments	45,775	34,491	23,857	11,287	-
Prepaid Expenses	41,243	84,406	59,126	5,634	13,419
Accounts Receivable:					
State	383,515	767,322	969,057	1,215,316	1,192,908
Supervisory Union	107,626	100,647	96,838	47,193	58,818
Other LEA's	-	225	-	389	-
Other	20,036	13,892	23,465	13,486	19,746
Due from Business-Type Activities	15,187	11,808	659	-	-
<b>Total Current Assets</b>	<b>1,138,602</b>	<b>1,569,174</b>	<b>2,158,696</b>	<b>2,217,689</b>	<b>2,124,846</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Cash Overdraft	-	-	-	-	106,889
Accounts Payable - State	63,519	91,863	28,680	-	172,878
Accounts Payable - Supervisory Union	108,357	-	-	15,808	-
Accounts Payable - Other LEA's	55,643	-	-	11,300	-
Accounts Payable - Other	-	81,619	67,049	199,466	258,085
Accrued Expenses	-	25,380	172,775	13,064	22,494
Deferred Revenue	186,593	204,518	192,865	185,456	106,301
Due to Other Funds	-	-	-	4,367	15,238
Note Payable	362,066	724,132	941,409	1,184,162	1,184,162
<b>Total Current Liabilities</b>	<b>776,178</b>	<b>1,127,512</b>	<b>1,402,578</b>	<b>1,613,623</b>	<b>1,866,047</b>
<b>NET ASSETS</b>					
Investment in Capital Assets, net of related Debt	-	-	-	69,529	-
Unspendable	89,097	-	-	-	-
Restricted for Capital Projects	114,189	174,890	-	11,287	-
Restricted for Debt	-	34,491	23,857	-	-
Restricted for Other Purposes	-	352,436	34,583	312,075	159,445
Committed	117,680	-	371,484	-	-
Unrestricted	41,458	(120,155)	326,194	211,175	99,354
<b>TOTAL NET ASSETS</b>	<b>362,424</b>	<b>441,662</b>	<b>756,118</b>	<b>604,066</b>	<b>258,799</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,138,602</b>	<b>1,569,174</b>	<b>2,158,696</b>	<b>2,217,689</b>	<b>2,124,846</b>

*Proprietary Fund Type:*

Food service programs are offered to the students for hot lunch and breakfast. This program recognized a net operating loss of \$7,629 during the past year and had a retained earnings balance of \$114,132 as of June 30, 2014.

*Fiduciary Fund Types:*

Agency funds of \$63,719 were being held at the end of the year for student activities and projects.

Expendable Trust Funds for scholarships were being held with a fund balance of \$14,550 at year end.

Nonexpendable Trust Funds for scholarships were being held with a fund balance of \$89,097 at year end, as compared to \$88,430 the prior year.

### Capital Assets

As required under GASB34 the District is reporting its' capital assets as part of the financial statements. The District has researched and documented the historical costs of the various assets owned by the District and applied appropriate charges against the cost to record depreciation. Capital assets with a cost of \$5,000 or more are capitalized and depreciated.

Table VI summarizes the state of the District's capital assets.

			TABLE VI
<b>Harwood Union High School</b>			
<b>Capital Assets</b>			
<b>June 30, 2014</b>			
	Cost	Accumulated Depreciation	Net Value
<b>Governmental Activities:</b>			
Land Improvements	319,582	294,252	25,330
Buildings	2,510,412	2,319,801	190,611
Building Improvements	\$ 7,138,254	\$ 2,653,457	4,484,797
Infrastructure	\$ 1,700,074	\$ 191,592	1,508,482
Furniture and Equipment	729,492	391,315	338,177
Vehicles	95,165	38,146	57,019
Total	\$ 12,492,979	\$ 5,888,563	\$ 6,604,416
<b>Business Type Activities:</b>			
Furniture and Equipment	202,756	108,562	94,194
Total	\$ 202,756	\$ 108,562	\$ 94,194

### Long-Term Debt

The District has one category of long-term debt, defined as debt due and payable beyond one year. At June 30, 2014, the District had \$1,180,541 in outstanding principal and interest. Bond principal and interest are being paid from the General Fund.

In addition, the district has a note payable associated with funds due from the state for the wood chip plant in the amount of \$362,066. This annual note has been renewed six times and the original amount was \$1,184,162; the state has paid \$822,096 at June 30, 2014. The state has issued notice of plans to payoff this note is September 2014.

### *Current Issues*

- Harwood facilities are aging and it is reasonable to anticipate an increasing need for capital improvements in the coming years.
- Harwood is experiencing declining student enrollment which is projected to continue and Harwood is also experiencing a decline in tuition students.
- Act 153/156 requires transportation, special education, compensatory and remedial services to be provided by the Supervisory Union. It is anticipated special education teachers will be employed by the Supervisory Union, not the Harwood Union School District, in FY2017, or upon the conclusion of teacher contract negotiations. The financial effects on Harwood Union associated with this legislation are unknown at this time.
- The Legislature is evaluating the Act 60/68 education funding formula and school governance. How any future legislation may affect Harwood Union is unknown at this time; however it appears change is on the horizon.

### *Contact for Further Information*

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Michelle J. Baker, Business Manager, Washington West Supervisory Union, 340 Mad River Park – Suite 7, Waitsfield, Vermont 05673 or at (802) 496-2272 ext. 117.



Harwood Union School District  
District-Wide Statement of Net Position  
June 30, 2014

EXHIBIT I

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 525,220		\$ 525,220
Investments	45,775		45,775
Due From Other Funds	15,187	\$ (8,531)	6,656
Accounts Receivable - State	383,515		383,515
Accounts Receivable - Supervisory Union	107,626		107,626
Accounts Receivable - Other LEAs		23,389	23,389
Accounts Receivable - Other	20,036		20,036
Prepaid Expenses	41,243		41,243
Inventory		3,665	3,665
Capital Assets, net	<u>6,604,416</u>	<u>94,194</u>	<u>6,698,610</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 7,743,018</b></u>	<u><b>\$ 112,717</b></u>	<u><b>\$ 7,855,735</b></u>
<b>LIABILITIES</b>			
Accounts Payable - State	\$ 63,519		\$ 63,519
Accounts Payable - Other	108,357	\$ 2,128	110,485
Accrued Expenses	55,643		55,643
Capital Leases Payable	191,730		191,730
Retirement Incentive Payable	82,192		82,192
Note Payable	362,066		362,066
Long-Term Liabilities:			
Due Within 1 Year	254,921		254,921
Due in More Than 1 Year	<u>925,620</u>	<u>-</u>	<u>925,620</u>
TOTAL LIABILITIES	<u>2,044,048</u>	<u>2,128</u>	<u>2,046,176</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned Revenues	<u>186,593</u>	<u>4,086</u>	<u>190,679</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>186,593</u>	<u>4,086</u>	<u>190,679</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,232,145	94,194	5,326,339
Restricted For:			
Capital Projects	114,189		114,189
Debt Services	45,775		45,775
Other Purposes	161,002		161,002
Unrestricted (Deficit)	<u>(40,734)</u>	<u>12,309</u>	<u>(28,425)</u>
TOTAL NET POSITION	<u>5,512,377</u>	<u>106,503</u>	<u>5,618,880</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><b>\$ 7,743,018</b></u>	<u><b>\$ 112,717</b></u>	<u><b>\$ 7,855,735</b></u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
District-Wide Statement of Activities  
For The Year Ended June 30, 2014

EXHIBIT II

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Direct Services	\$ 9,670,449		\$ 703,532		\$ (8,966,917)		\$ (8,966,917)
Support Services:							
Student Services	961,160		87,603		(873,557)		(873,557)
Instructional Staff Services	366,896				(366,896)		(366,896)
General Administrative Services	320,127				(320,127)		(320,127)
Area Administrative Services	556,974		783		(556,191)		(556,191)
Fiscal Services	177,511				(177,511)		(177,511)
Building Operations and Maintenance	1,289,581				(1,289,581)		(1,289,581)
Transportation	532,100		151,164		(380,936)		(380,936)
Interest on Long-Term Debt	9	-	-	-	(9)		(9)
Total Governmental Activities	<u>13,874,807</u>	<u>\$ -</u>	<u>943,082</u>	<u>\$ -</u>	<u>(12,931,725)</u>		<u>(12,931,725)</u>
<b>Business-Type Activities:</b>							
Food Service	579,740	540,111	-	-		\$ (39,629)	(39,629)
Total Business-Type Activities	<u>579,740</u>	<u>540,111</u>	<u>-</u>	<u>-</u>		<u>(39,629)</u>	<u>(39,629)</u>
<b>General Revenues:</b>							
Tuition					39,612		39,612
State Revenues not Restricted to Specific Programs					12,409,568		12,409,568
Federal Revenues not Restricted to Specific Programs					202,432		202,432
Grants and Contributions not Restricted to Specific Programs					10,987		10,987
Private Revenues not Restricted to Specific Programs					84,942		84,942
Investment Earnings					28,675		28,675
Rentals					20,381		20,381
Miscellaneous					35,913		35,913
Transfers					(32,000)	32,000	-
Total General Revenues					<u>12,800,510</u>	<u>32,000</u>	<u>12,832,510</u>
<b>Change in Net Position</b>					(131,215)	(7,629)	(138,844)
<b>Net Position - Beginning of Year</b>					5,643,592	114,132	5,757,724
<b>Net Position - Ending of Year</b>					<u>\$ 5,512,377</u>	<u>\$ 106,503</u>	<u>\$ 5,618,880</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combined Balance Sheet  
All Fund Types - Fund Base  
June 30, 2014

EXHIBIT III

	Governmental Fund Types					Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects	Other Governmental Fund	Permanent Funds	Enterprise Fund	Agency Funds	Private Purpose Trust Funds	
<b>ASSETS:</b>									
<b>Current Assets:</b>									
Cash	\$ 335,346	\$ 279	\$ 107,153		\$ 82,442		\$ 63,719	\$ 21,206	\$ 610,145
Investments				\$ 45,775					45,775
Due From Other Funds		243,131	7,036		6,694			14,190	271,051
Accounts Receivable - State	11,598	9,851	362,066						383,515
Accounts Receivable - Supervisory Union	86,191	21,435				\$ 21,624			129,250
Accounts Receivable - Other LEAs						1,765			1,765
Accounts Receivable - Other	18,201	1,835							20,036
Prepaid Expenses	39,713	1,530							41,243
Inventories	-	-	-	-	-	3,665	-	-	3,665
<b>Total Current Assets</b>	<b>491,049</b>	<b>278,061</b>	<b>476,255</b>	<b>45,775</b>	<b>89,136</b>	<b>27,054</b>	<b>63,719</b>	<b>35,396</b>	<b>1,506,445</b>
<b>Other Assets:</b>									
Fixed Assets - net	-	-	-	-	-	94,194	-	-	94,194
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,194</b>	<b>-</b>	<b>-</b>	<b>94,194</b>
<b>TOTAL ASSETS</b>	<b>\$ 491,049</b>	<b>\$ 278,061</b>	<b>\$ 476,255</b>	<b>\$ 45,775</b>	<b>\$ 89,136</b>	<b>\$ 121,248</b>	<b>\$ 63,719</b>	<b>\$ 35,396</b>	<b>\$ 1,600,639</b>
<b>LIABILITIES AND FUND EQUITIES:</b>									
<b>Liabilities:</b>									
Due to Other Funds	\$ 180,740	\$ 60,895			\$ 39	\$ 8,531		\$ 20,846	\$ 271,051
Accounts Payable - State	63,519								63,519
Accounts Payable - Other	61,879	46,478				2,128			110,485
Accrued Expenses	55,643								55,643
Deferred Revenue	1,600	184,993				4,086			190,679
Loan Payable			\$ 362,066						362,066
Amount Held for Agency Funds	-	-	-	-	-	-	\$ 63,719	-	63,719
<b>Total Liabilities</b>	<b>363,381</b>	<b>292,366</b>	<b>362,066</b>	<b>\$ -</b>	<b>39</b>	<b>14,745</b>	<b>63,719</b>	<b>20,846</b>	<b>1,117,162</b>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combined Balance Sheet  
All Fund Types - Fund Base  
June 30, 2014

EXHIBIT III

	Governmental Fund Types					Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects	Other Governmental Fund	Permanent Funds	Enterprise Fund	Agency Funds	Private Purpose Trust Funds	
Fund Equity:									
Fund Balances:									
Unassigned	\$ 127,668	\$ (86,210)							\$ 41,458
Committed			\$ 114,189						114,189
Restricted		71,905		\$ 45,775				\$ 14,550	132,230
Spendable									-
Unspendable					\$ 89,097				89,097
Retained Earnings	-	-	-	-	-	\$ 106,503	-	-	106,503
Total Fund Equities	<u>127,668</u>	<u>(14,305)</u>	<u>114,189</u>	<u>45,775</u>	<u>89,097</u>	<u>106,503</u>	<u>\$ -</u>	<u>14,550</u>	<u>483,477</u>
TOTAL LIABILITIES AND FUND EQUITIES	<u>\$ 491,049</u>	<u>\$ 278,061</u>	<u>\$ 476,255</u>	<u>\$ 45,775</u>	<u>\$ 89,136</u>	<u>\$ 121,248</u>	<u>\$ 63,719</u>	<u>\$ 35,396</u>	<u>\$ 1,600,639</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District #19  
Reconciliation of the Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2014

Fund Balances – total governmental funds	\$ 362,424
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Amounts reported for governmental activities in the Statement of  
Net Position is different because:

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

Governmental capital assets	12,492,979
Less accumulated depreciation	(5,888,563)

Bonds payable and contractual obligations have not been  
included in the governmental fund financial statements.

Bonds Payable	(934,000)
Notes Payable	(246,541)
Capital Lease Obligations	(191,730)

Accrued liabilities have not been reflected in the governmental  
fund financial statements:

Retirement Incentive Payable	<u>(82,192)</u>
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Net Position of Governmental Activities	<u>\$ 5,512,377</u>
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Harwood Union School District  
Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances  
All Governmental Fund Types - Fund Base  
For The Year Ended June 30, 2014

EXHIBIT IV

	General Fund	Special Revenue Fund	Capital Projects	Other Governmental Funds	Permanent Funds	Totals (Memorandum Only)
<b>REVENUES:</b>						
Tuition	\$ 39,612					\$ 39,612
Investment Income	27,730		\$ 58	\$ 328	\$ 255	28,371
Unrealized Gain (Loss) on Investments				304		304
Lease Income	20,381					20,381
Donations		\$ 60,298			412	60,710
Co-Curricular Income	27,363					27,363
Sale of Fixed Assets	8,500	50				8,550
Private/Local/Other	43,948	321,058				365,006
State	12,563,793	547,982				13,111,775
Federal	202,432	-	-	-	-	202,432
<b>TOTAL REVENUES</b>	<b>12,933,759</b>	<b>929,388</b>	<b>58</b>	<b>632</b>	<b>667</b>	<b>13,864,504</b>
<b>EXPENDITURES:</b>						
Direct Services	8,681,029	703,669				9,384,698
Support Services:						
Students	871,497	87,603				959,100
Instructional Staff	364,847					364,847
General Administration	320,127					320,127
Area Administration	540,273	783				541,056
Fiscal Services	177,072			348		177,420
Operation & Maintenance of Building	965,322	120,464	185,759			1,271,545
Transportation	527,420					527,420
Debt Services	365,529	-	-	-	-	365,529
<b>TOTAL EXPENDITURES</b>	<b>12,813,116</b>	<b>912,519</b>	<b>185,759</b>	<b>348</b>	<b>-</b>	<b>13,911,742</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>120,643</b>	<b>16,869</b>	<b>(185,701)</b>	<b>284</b>	<b>667</b>	<b>(47,238)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In			125,000	11,000		136,000
Transfers Out	(168,000)	-	-	-	-	(168,000)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(47,357)</b>	<b>16,869</b>	<b>(60,701)</b>	<b>11,284</b>	<b>667</b>	<b>(79,238)</b>
<b>FUND BALANCE, JULY 1, 2013</b>	<b>175,025</b>	<b>(31,174)</b>	<b>174,890</b>	<b>34,491</b>	<b>88,430</b>	<b>441,662</b>
<b>FUND BALANCE, JUNE 30, 2014</b>	<b>\$ 127,668</b>	<b>\$ (14,305)</b>	<b>\$ 114,189</b>	<b>\$ 45,775</b>	<b>\$ 89,097</b>	<b>\$ 362,424</b>

The accompanying notes are an integral part of these financial statements

Harwood Union School District #19  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For The Year Ended June 30, 2014

Net Changes in fund Balances – total governmental funds \$ (79,238)

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

Governmental funds report capital outlays as expenditures. However,  
in the Statement of Activities, the cost of those assets is  
depreciated over their estimated useful lives:

Expenditures for capital assets	214,618
Less current year depreciation	(312,876)

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

Capital lease proceeds	(140,086)
Note proceeds	(96,271)
Repayment of bonds	250,000
Repayment of notes	47,057
Repayment of capital lease obligation	18,356

Current year payments on liabilities for the voluntary exit program  
(early retirement, etc.) are reported as expenditures in  
Governmental fund financial statements and as a reduction  
in debt in the government-wide financial statements. 27,395

Current year granting of voluntary exit programs (early retirements,  
etc.) are not reported as expenditures in governmental fund  
financial statements and are reported as an expense and debt  
in the government-wide financial statements. (60,170)

Change in Net Position of Governmental Funds \$(131,215)

Harwood Union School District  
Statement of Revenues, Expenditures  
and Changes in Retained Earnings  
Proprietary Fund Type - Enterprise Fund  
Food Program  
For The Year Ended June 30, 2014

EXHIBIT V

Operating Revenues:		
Sales	\$ 401,756	
Miscellaneous	<u>8,358</u>	
Total Operating Revenues		\$ 410,114
Operating Expenses:		
Salaries and Benefits	343,931	
Repairs and Maintenance	3,408	
Travel and Consultant	899	
Utilities	8,610	
Food and Supplies	213,062	
Equipment	2,030	
Depreciation	<u>7,800</u>	
Total Operating Expenses		<u>579,740</u>
Operating Income (Loss)		(169,626)
Non-Operating Revenue:		
State Sources:		
Restricted Grants:		
State Match	3,923	
Child Nutrition Breakfast	543	
Child Nutrition Other	618	
Reduced Lunch Initiative	2,582	
Federal Sources:		
Restricted Grants:		
School Breakfast Program	14,779	
School Lunch Program	85,210	
Commodities	<u>22,342</u>	
Total Non-Operating Revenue		<u>129,997</u>
Income (Loss) Before Transfers		(39,629)
Operating Transfers In (Out)		<u>32,000</u>
Net Income (Loss)		(7,629)
Retained Earnings, July 1, 2013		<u>114,132</u>
Retained Earnings, June 30, 2014		<u>\$ 106,503</u>

The accompanying notes are an integral part of these financial statements



Harwood Union School District  
Statement of Cash Flows  
Proprietary Fund Type - Enterprise Fund  
Food Program  
For The Year Ended June 30, 2014

EXHIBIT VI

Cash Flows From Operating Activities:		
Received From Customers/Grantors	\$ 410,434	
Payments To Employees and Fringe Benefits	(343,931)	
Payments To Vendors and Supplies	<u>(226,276)</u>	
Net Cash Used By Operating Activities		\$ (159,773)
Cash Flows From Noncapital Financing Activities:		
State Aid Received	127,146	
Support From (To) Other Funds	<u>32,627</u>	
Net Cash Used By Noncapital Financing Activities		159,773
Cash Flows From Capital and Related Financing Activities:		
None		-
Cash Flows From Investing Activities:		
None		<u>-</u>
Net Increase (Decrease) in Cash		-
Cash, July 1, 2013		<u>-</u>
Cash, June 30, 2014		<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Used By Operating Activities:		
Cash Provided From Operating Activities:		
Operating Income (Loss)		\$ (169,626)
Adjustments to Reconcile Net Income to Cash Provided (Used) By Operating Activities:		
Depreciation	\$ 7,800	
(Increase) Decrease in Accounts Receivable - Other LEAs	320	
Increase (Decrease) in Accounts Payable - Other	<u>1,733</u>	
Total Adjustments		<u>9,853</u>
Net Cash Provided (Used) By Operating Activities		<u>\$ (159,773)</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Fiduciary Fund Type - Private Purpose Trust Funds  
For The Year Ended June 30, 2014

EXHIBIT VII  
(page 1 of 2)

	Burnham Fund	Waitsfield Telecom	Hall Award	Eunice B. Farr	Fielder Memorial	Jason Lemery Award	W. Parker Scholarship	Subtotals
REVENUES:								
Investment Income				\$ 1		\$ 1	\$ 2	\$ 4
Donations	<u>-</u>	<u>-</u>	<u>\$ 500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>500</u>	<u>1</u>	<u>\$ -</u>	<u>1</u>	<u>2</u>	<u>504</u>
EXPENDITURES:								
Awards	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
TOTAL EXPENDITURES	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(8)	500	1	-	1	2	496
FUND BALANCES, JULY 1, 2013	<u>360</u>	<u>8</u>	<u>28</u>	<u>933</u>	<u>51</u>	<u>1,374</u>	<u>2,140</u>	<u>4,894</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 528</u>	<u>\$ 934</u>	<u>\$ 51</u>	<u>\$ 1,375</u>	<u>\$ 2,142</u>	<u>\$ 5,390</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Fiduciary Fund Type - Private Purpose Trust Funds  
For The Year Ended June 30, 2014

EXHIBIT VII  
(page 2 of 2)

	Robert Reidy	Robert Koster	Hunter Wright Award	Fred LaRock Scholarship	Miscellaneous Scholarships	Subtotals	Totals
REVENUES:							
Investment Income		\$ 1	\$ 3	\$ 2		\$ 6	\$ 10
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>\$ 4,100</u>	<u>4,108</u>	<u>4,608</u>
TOTAL REVENUES	<u>\$ -</u>	<u>1</u>	<u>3</u>	<u>10</u>	<u>4,100</u>	<u>4,114</u>	<u>4,618</u>
EXPENDITURES:							
Awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1	3	10	4,100	4,114	4,610
FUND BALANCES, JULY 1, 2013	<u>6</u>	<u>1,265</u>	<u>2,311</u>	<u>1,464</u>	<u>-</u>	<u>5,046</u>	<u>9,940</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 6</u>	<u>\$ 1,266</u>	<u>\$ 2,314</u>	<u>\$ 1,474</u>	<u>\$ 4,100</u>	<u>\$ 9,160</u>	<u>\$ 14,550</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District #19  
Notes to Financial Statements  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Harwood Union School District #19 ("Union School District") is organized as a public educational district under the applicable laws and regulations of the State of Vermont. It is governed by a Board of School Directors elected by registered voters of the District to provide public education to the residents of member School Districts. Except where noted, the accounting policies conform to generally accepted accounting principles, as applicable to governmental units.

The Union School District financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Union School District are discussed below. Union School District also complies with the requirements of the Vermont Department of Education's Handbook for Financial Accounting of Vermont School Systems (The Handbook).

**Reporting Entity:**

The reporting entity for the Union School District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity. The financial reporting entity consists of (1) organizations for which the standalone government is financially accountable and (2) the standalone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the Union School District comprise the standalone government.

The school board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, Union School District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14. There are no component units included within the reporting entity.

**Basic Financial Statements - District-wide:**

The Union School District's basic financial statements include both District-wide (reporting Union School District as a whole) and fund financial statements (reporting Union School District's major funds). Both the District-wide and fund financial statements categorized primary activities as either governmental or business type.

In the District-wide Statement of Net Position reports all of the non-fiduciary activities of Union School District. Both the governmental and business-type activities are presented on a

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The District-wide Statement of Activity demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include fees paid by recipients or goods or services provided by a function, and grants that are restricted to a particular function. General State Support and other revenues not identified with a function are presented as general revenues.

This District-wide focus is more on the sustainability of the Union School District as an entity and the change in the Union School District's net position resulting from the current year's activities.

**Basic Financial Statements – Fund Financial Statements:**

The financial transactions of the Union School District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Union School District reports major governmental funds as follows:

**Governmental Fund Types:**

- General Fund – The general fund is the Union School District's primary operating fund and is always classified as a major fund which accounts for typical general government revenues and a wide variety of activities that benefit the Union School District's as a whole. It accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – The special revenue funds focus on revenues that are restricted or committed to expenditures for specific purposes (other than major capital projects or expendable trusts). The Union School District accounts for resources restricted to, or committed for, specific purposes by the Union School District or a grantor in a special revenue fund. Most federal, some State financial assistance and voter committed funds are accounted for in a Special Revenue

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund and sometimes unused balances must be returned to the grantor or the voters at the close of specified project periods.

- Capital Project Fund – The capital projects funds are required when the acquisition or construction of capital assets is financed with general obligation debt. Capital project funds are permitted to be used for accounting and reporting whenever the Union School District has financial resources that are restricted, committed, or assigned to expenditures for capital outlays for general capital assets, including purchasing or constructing any type of general capital asset.
- Other Governmental Funds – The Union School District accounts for resources not considered part of any other fund that is that is restricted or committed for specific purposes by the Union School District or a grantor in another governmental fund. Some of the financial assistance accounted for in this fund that is unused must be returned to the grantor or the voters at the close of a specific project period.
- Permanent Fund – The permanent fund is used to report resources that are legally held in trust. All resources of the fund, including any earnings or invested resources, may be used to support the organization.

Proprietary Fund Types:

Proprietary Fund – The Proprietary Funds consist of Enterprise Funds and Internal Service Funds. Revenues generally come from fees for services. They use the economic resources measurement focus and full accrual basis of accounting.

Fiduciary Funds, (Not included in District-wide Statements):

Fiduciary Funds are used to report resources held for individuals, private organizations or other governments. The Union School District reports the following fiduciary funds:

- Agency funds are custodial in nature and do not involve measurements of results of operations.
- Private Purpose Trust Funds account for assets where both principal and interest may be expended. These are accounted for in essentially the same manner as Governmental Fund Types, using the same measurement focus and basis of accounting.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation:**

Basis of accounting refers to the point at which revenues or expenditures/expenses are

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both District-wide and business-type activity statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred regardless of when related cash flows take place. Grant revenues are recognized when eligibility requirements are satisfied. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recorded when a liability is incurred except for early retirement, and compensated absences, which are recognized to the extent they have matured. When both restricted and unrestricted resources are available for use, restricted resources are used first.

Other Accounting Policies:

Cash and Cash Equivalents:

For purposes of the statement of cash flows for proprietary and similar fund-types, the Union School District considers highly liquid investments to be cash equivalents if they have a maturity of twelve months or less when purchased.

Interfund Receivables and Payables:

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All other outstanding balances between funds are also reported as "due to/from other funds". As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements.

Transfers:

Advances between funds that are not expected to be repaid are accounted for as transfers.

Deposits and Investments:

Resources from each fund are pooled for deposit and investment purposes. A separate

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

accounting is maintained for each fund. Deposits and Investments are stated at fair value and are managed in accordance with any legal constraints.

Accounts Receivable:

All receivables are reported net of estimated uncollectible amounts. The accounts receivable balances at year end are from governmental entities, except in the proprietary funds which may have some receivables from individuals, and no allowance for doubtful accounts is considered necessary.

Inventory:

Inventories consist of expendable items held for consumption. They are valued at cost on a first-in, first-out method.

Prepaid Items:

Certain payments to vendors reflect costs applicable to future periods. In the fund based financial statements, the cost of prepaid items is recorded as expenditures when the payments are made. In the District-wide financial statements and the proprietary funds, these items are recorded as prepaid items.

Deferred Inflows of Resources:

The Union School District recognizes differences between the receipt of funds and the recognition of revenues through the use of deferred revenue accounts. These deferred revenue accounts represent funds that will be recognized as revenues in some future period when the conditions have been met.

Capital Assets:

Capital assets, which include land, construction in progress, buildings, improvements, furniture, equipment, infrastructure, and vehicles are reported in the applicable governmental activities column in the governmental wide financial statements. Capital assets are defined by the Union School District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets, except for land and construction in progress are depreciated using the straight line method over the estimated useful lives with a full year of depreciation taken in the year acquired and none taken in the year of disposal. Land and construction in progress are not depreciated.



Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Long-term Obligations:

In the District-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. The face amount of obligations issued is reported as other financing sources.

Budgetary Data:

The Union School District is required by state law to adopt a budget for the General Fund. The budget is prepared on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP"). Annual appropriations lapse at the end of each fiscal year with the exception of restricted programs indicated as a fund balance restricted or committed. The following procedures are used to establish a budget:

- The School Board with assistance from the Supervisory Union and the Union School District's Administration drafts a budget. The operating budget includes proposed expenditures by line item and the means of financing them.
- The budget is adopted by the School Board for presentation to the voters as a warning or article in the annual report.
- The voters vote on the total expense amount and not the individual line items at the Union School District's annual meeting or subsequent special meetings.

The Union School District is required by state law to adopt a budget for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP"). The operating budget is prepared by the Superintendent and the Business Manager of the Washington West Supervisory Union and approved by the Harwood Union School District #19 Board at a properly warned meeting.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and should be recorded as a reservation of fund balance at year end. For budgetary purposes, appropriations lapse at fiscal year-end. The Union School District has elected to treat its encumbrances as liabilities for budgetary control purposes.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Net Resources and Fund Balance:

District-wide Financial Statements:

When the Union School District incurs an expense for which it may use either restricted or unrestricted net assets, it generally uses restricted net assets first. Net assets on the Statement of Net Assets include the following:

Net Investment in Capital Assets, net of Related Debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted For Other Purposes – It consist of assets that are restricted by the Union School District's creditors, by the state enabling legislation, by grantors and by other contributors.

Restricted For Capital Projects – The component of net assets that reports the amount of revenue from bond proceeds, grants, and special assessments in excess of expenditures. These funds are restricted for the construction or acquisition of capital assets.

Unrestricted – All other net assets that do not meet the definition of "Restricted For Other Purposes" or "Net Investment in Capital Assets, net of Related Debt".

Fund Based Financial Statements:

In the fund financial statements, governmental funds report fund balances as unassigned, assigned, restricted, committed, spendable, or non-spendable fund balance.

Unassigned Fund Balance – That portion of the general fund, fund balance that contains all spendable amounts not contained in the other classifications. It is used in other funds only to report a deficit.

Assigned Fund Balance – Includes amounts intended to be used by the government for specific purposes, as determined by the Board, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Fund Balance – Includes amounts constrained to specific purposes stipulated by constitution, external resource providers (grantors and contributors), or through enabling legislation.

Committed Fund Balance – Includes amounts constrained for the specific purposes determined by a formal action of the government's highest level of decision-making authority, generally the voters.

Spendable Fund Balance – The portion of the permanent fund balance that is available to be spent on the designated purpose of the fund.

Non-spendable Fund Balance – The portion of the permanent fund balance that has to be maintained, and cannot be spent, or an asset such as inventory or prepaid that are not expected to be converted to cash.

Function and Object Codes:

Function and object codes refer to the account code structure prescribed by the Vermont Department of Education. The Vermont Department of Education requires Union School District to use these codes in order to insure accuracy in building and maintaining a statewide database for policy development and funding plans.

Memorandum Only Columns:

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position, results of operations, or cash flows in accordance with GAAP. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS**

Cash and cash equivalent deposits with financial institutions at June 30th amounted to \$610,145. As major revenues are received during the year bank deposits may temporarily exceed insured limits.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investments. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS  
(CONTINUED)**

The Union School District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Union School District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. FDIC insures all accounts held by the same financial institution up to a combined total of \$250,000. There are some special provisions which increase this limit.

Concentration of Credit Risk

The policy of the Union School District contains no limitations on the amount that can be on deposit in any one financial institution.

The cash deposits held at financial institutions and cash on hand can be categorized according to four levels of risk.

These four levels of risk are as follows:

- |            |  |
|------------|--|
| Category 1 | Repurchase Agreements - Deposits which are invested in government securities held by the Union School District or by its agent in the Union School District's name.    |
| Category 2 | Collateralized Accounts - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Bank's name. |
| Category 3 | Letter of Credit - Private commercial insurance protection or letter of credit issued by the financial institution to cover funds in excess of FDIC limits.            |
| Category 4 | Deposits which are not collateralized or insured. (includes cash on hand)  |

The Union School District uses repurchase agreements to protect deposits not otherwise insured by the FDIC and/or SIPC.

Balances held in each area are as follows:

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS  
(CONTINUED)**

	Carrying Amount	Bank Balance
- Insured (FDIC) and/or (SIPC)	\$409,604	\$ 421,024
- Category 1	161,557	869,723
- Category 2	0	0
- Category 3	38,984	31,234
- Category 4	<u>0</u>	<u>0</u>
Total deposits	<u>\$610,145</u>	<u>\$1,321,981</u>

The difference between the book balance and bank balance is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amount of uninsured and not collateralized cash could have been much higher than at year end.

Repurchase agreements of \$869,723 are securities held by the bank's trust department or agent in the Union School District's name. Securities consist of municipal bonds, U.S. Government obligations and U.S. Government Agency Bonds.

The School District also holds a letter of credit to cover uninsured deposits. The letter of credit is drawn on the Federal Home Loan Bank of Boston.

**NOTE 3 – INVESTMENTS**

Concentration of Credit Risk

The investment policy of the Union School District contains no limitations on the amount that can be invested in any one issuer.

Custodial Credit Risk

The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Union School District would not be able to recover the value of its investment of collateral securities that are in possession of another party.

The Union School District invests its assets in various entities and/or debt instruments as described below. As noted some are insured by the SIPC (Securities Investor Protections Corporation). If the broker-dealer fails, the SIPC provides protection for customer accounts by

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 3 – INVESTMENTS (CONTINUED)**

returning securities registered in the name of the investor, distributing all remaining customer assets on a pro rata basis, and providing SIPC funds for all remaining claims of each customer up to a maximum of \$500,000, including up to \$100,000 on claims for cash.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Investments of the balance sheets of the Union School District are stated at cost plus applicable accrued interest. Market values include applicable accrued interest. The investments consist of:

	Cost	Market Value
Securities held by Union School District registered to Union School District uninsured by SIPC	\$ 0	\$ 0
Insured (SIPC) and registered held by dealer/broker in Union School District's name (Book Entry)		
U. S. Government Notes & Bonds	25,077	25,892
Certificates of Deposits	19,838	19,838
Money Market <sup>45</sup>	45	
Uninsured, registered held by dealer/broker in Union School District's name (Book Entry)	0	0
Insured (SIPC) unregistered held by dealer/broker	0	0
Uninsured, unregistered held by dealer/broker	<u>0</u>	<u>0</u>
TOTAL	<u>\$44,960</u>	<u>\$45,775</u>

**NOTE 4 - INTERFUND RECEIVABLES**

In compliance with GASB 1300.109 Union School District does not maintain separate bank accounts for each fund, unless it is required by law, or grant agreement. The composition of amounts due to and from other funds as of June 30, 2014, is as follows:

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 4 - INTERFUND RECEIVABLES (CONTINUED)**

Fund Financial Statements:		
Receiveable Fund	Payable Fund	Amount
Special Revenue Fund:		
Child Care Grant	General Fund	\$ 2,935
Medicaid	General Fund	165,850
Care and Custody	General Fund	7,793
Center Health & Living	General Fund	760
NEA Learn/Leadership Grant	General Fund	669
Air Quality Grant	General Fund	2,000
VPA Student Leadership	General Fund	941
Next Step – VT Student	General Fund	169
Co-Curr Sport Camps	General Fund	272
SAT Cont. Ed. Course	General Fund	3,202
Rowland Grant	General Fund	2,513
Music	General Fund	1,325
Athletic Fund Raiser	General Fund	5,464
Rwanda Fund	General Fund	4,556
Tech Ed Tool Sale	General Fund	525
Tadejewski Estate	General Fund	496
Rowland Grant 2	General Fund	29,160
Mexico Program	General Fund	7,500
Jaieson Memorial	General Fund	1,115
Great Expectations	General Fund	100
Hall of Fame Co-Curr	General Fund	<u>5,786</u>
Total Special Revenue Fund		<u>\$243,131</u>
Capital Project Fund:		
Property Acquisition	General Fund	\$ 2,698
Renovation Fund	General Fund	608
Maintenance Reserve	General Fund	1,124
Wood Chip Project	General Fund	1,759
Construction Bond FY2011	General Fund	<u>847</u>
Total Capital Project Fund		<u>\$ 7,036</u>
Enterprise Funds:		
General Fund	Food Program	<u>\$ 8,531</u>
Special Revenue Fund:		
General Fund	VT State Gear Up	\$ 1,835
General Fund	China Program	19,082
General Fund	Tobacco Use	4,857

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 4 - INTERFUND RECEIVABLES (CONTINUED)**

Fund Financial Statements:		
Receivable Fund	Payable Fund	Amount
	Special Revenue Fund (continued):	
General Fund	Musical	\$ 1,437
General Fund	Water Source Development	<u>33,684</u>
Total Special Revenue Fund		<u>\$ 60,895</u>
Permanent Funds:	Private Purpose Trust Funds:	
Joshua Douglass Memorial	Burnham Fund	\$ 5,220
Richard Wein Memorial	Burnham Fund	208
Harwood Facility	Burnham Fund	468
Kathy Mackay Award	Burnham Fund	209
Willis Merusi Trust	Burnham Fund	388
James Izor Memorial	Burnham Fund	5
Rebekah Scholarship	Burnham Fund	<u>196</u>
Total Permanent Fund		<u>\$ 6,694</u>
Private Purpose Trust Funds:	Private Purpose Trust Funds:	
Eunice Farr	Burnham Fund	\$ 935
Miscellaneous Scholarships	Burnham Fund	4,100
Hall Ward	Burnham Fund	528
Robert Koster	Burnham Fund	1,266
B. Fielder Memorial	Burnham Fund	51
Robert Reidy	Burnham Fund	5
W. Parker	Burnham Fund	2,142
Jason Lemery	Burnham Fund	1,375
Hunter Wright Award	Burnham Fund	2,314
Fred LaRock Scholarship	Burnham Fund	<u>1,474</u>
Total Private Purpose Trust Fund		<u>\$ 14,190</u>
	Permanent Fund:	
Burnham Fund	Warren Howland	<u>\$ 39</u>
Government -Wide Financial Statements:		
Receivable Fund	Payable Fund	Amount
Governmental Type	Business Type	<u>\$ 8,531</u>
Governmental Type	Private Purpose Trust	<u>\$ 6,654</u>



Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 5 – CAPITAL ASSETS**

Capital activity for the Union School District for the year ended June 30, 2014, was as follows:

	<u>Primary Government</u>			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets being depreciated:				
Land Improvements	\$ 319,582	\$ 0	\$ 0	\$ 319,582
Buildings	2,510,412	0	0	2,510,412
Building Improvements	7,138,254	0	0	7,138,254
Infrastructure	1,700,074	0	0	1,700,074
Furniture and Equipment	580,039	149,453	0	729,492
Vehicles	<u>43,821</u>	<u>65,165</u>	<u>13,821</u>	<u>95,165</u>
Total other capital assets at historical costs	<u>12,292,182</u>	<u>214,618</u>	<u>13,821</u>	<u>12,492,979</u>
Less accumulated depreciation:				
Land Improvements	278,273	15,979	0	294,252
Buildings	2,269,593	50,208	0	2,319,801
Building Improvements	2,509,716	143,741	0	2,653,457
Infrastructure	157,591	34,001	0	191,592
Furniture and Equipment	330,514	60,801	0	391,315
Vehicles	<u>43,821</u>	<u>8,146</u>	<u>13,821</u>	<u>38,146</u>
Total accum. Depr.	<u>5,589,508</u>	<u>312,876</u>	<u>13,821</u>	<u>5,888,563</u>
Governmental activities Capital Assets, Net	<u>\$ 6,702,674</u>	<u>\$ (98,258)</u>	<u>\$ 0</u>	<u>\$ 6,604,416</u>
Business -type activities:				
Furniture and Equipment	\$ 202,756	\$ 0	\$ 0	\$ 202,756
Less accum. Depr.	<u>100,762</u>	<u>7,800</u>	<u>0</u>	<u>108,562</u>
Business -type activities Capital Assets, Net	<u>\$ 101,994</u>	<u>\$ (7,800)</u>	<u>\$ 0</u>	<u>\$ 94,194</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Direct Services	\$221,687
Support Services:	
Students	1,581
Instructional Staff	2,049

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

General Administration	\$ 0
Area Administration	13,453
Fiscal Services	91
Operation and Maintenance of Plant	69,335
Transportation	4,680
Other Support Services	<u>0</u>
Total governmental activities depreciation expense	<u>\$312,876</u>

**NOTE 6 – SHORT-TERM DEBT**

Short-term debt activity consisted of the following for the year ended June 30, 2014:

	Balance July 1, 2013	Borrowings	Retiremen ts	Balance June 30, 2014
Revenue Anticipation Note, issued July 1, 2013. Interest at 2.3 %, due June 30, 2014.	\$ <u>0</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	\$ <u>0</u>

**NOTE 7 - DEFERRED REVENUE**

The deferred revenues reported at year end are summarized as following:

Federal funds	\$ 0
State funds	169
Other funds	<u>190,510</u>
Total deferred revenues	<u>\$190,679</u>

**NOTE 8 - SICK LEAVE**

It is the Union District's policy to permit employees to accumulate earned but unused sick pay benefits. Such leave benefits do not vest under the Union District's policy, accordingly benefits must be used during employment. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 8 - SICK LEAVE (CONTINUED)**

Teaching staff shall earn 20 sick days per year, and may accumulate a maximum of 90 days. Teachers who already had in excess of 90 days as of July 1<sup>st</sup>, 2005, shall be entitled to a maximum of 150 days.

Full-year non-teaching staff shall be entitled to twelve (12) paid sick days per year, and may accumulate a maximum of 90 days. Partial-year non-teaching staff shall be entitled to ten (10) paid sick days per year, and may accumulated a maximum of 90 days. Employees who were employed on July 1, 2006, and who had in excess of 90 days on June 30, 2010, shall retain those days up to a maximum of 150 days.

**NOTE 9 – OPEB AND TERMINATION BENEFITS**

The Governmental Accounting Standards Board (GASB) issued Statement #45 requiring the entire liability for Other Post-Employment Benefits (post-employment health care benefits) to be accrued. The Union School District does not offer any OPEB plans and has no liability under GASB #45.

Voluntary termination benefits are governed by GASB Statement #47 and are recognized to the extent they become payable in the current year. The Union School District offers:

Any teacher, or his/her beneficiary upon death of the teacher, who retires from the Union School District after at least 20 years of continuous employment, shall be paid up to a maximum of 45 days of his/her accumulated sick days at their daily per diem rate of compensation being received at the time of retirement. Any such payment shall be received before the end of the fiscal year in which the teacher retires. Because such pay is made before the end of the fiscal year, no such contingent liability need be calculated. As of June 30, 2014, five (5) new employees retired and took this incentive for a total actual liability of \$90,253.

From time to time the School Board may desire to offer an early retirement incentive to teachers. The decision to offer such an incentive is at the Board's discretion on an annual basis. An incentive was offered by the Board for FY '14 to any teacher who worked at least twenty (20) years in the District. Any teacher who wished to take the incentive needed to notify the Supervisory Union by December 20, 2013. Nineteen (19) teachers qualified, of which five (5) people elected to take. In addition to being paid for up to 45 sick days (payment received in FY14) at the employee's FY14 per diem rate, the employee was to receive an additional thirty (30) days per diem severance amount to be paid in the 2 years following retirement. Besides the five (5) new retiring employees, there are still four (4) other employees still receiving a

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 9 – OPEB AND TERMINATION BENEFITS (CONTINUED)**

similar incentive that was offered in FY 13. The total future liability to the Union School District for these retirement incentives is as follows;

For the year ended June 30, 2015	\$52,107
2016	<u>30,085</u>
Total	<u>\$82,192</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

The Union School District issues general obligation bonds and notes to finance the acquisition and construction of major capital facilities, renovations, and equipment purchases. General obligation bonds are direct obligations and pledge the full faith and credit of the issuing entity. These bonds are generally issued as 5 to 20-year serial bonds with equal amounts of principal maturing each year.

The following is a summary of general obligation bonds & notes:

	Balance July 1, 2013	Borrowings	Retirements	Balance June 30, 2014
<b>BONDS:</b>				
Vermont Municipal Bond Bank, Bond Payable, interest at 5.992% interest paid semi-annually, principle of \$250,000 due on December 1 <sup>st</sup> of each year until 2014, then \$245,000 due on December 1 <sup>st</sup> of each year until 2016; originally borrowed \$4,985,000 on July 21, 1996, for an addition.	\$ 985,000	\$ 0	\$250,000	\$ 735,000

Merchants Bank Qualified School Construction Bond, interest paid annually into a Bond Sinking Fund, interest rate of 1% annually on the Fund's balance paid into the Fund. The District will make 17 Sinking Fund deposits, the first 16 of \$11,000 from March 1, 2011, until March 1,

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)**

	Balance July 1, 2013	Borrowings	Retirements	Balance June 30, 2014
2027; such deposits to be used to pay the \$199,000 principle of the Bond due at maturity.	<u>\$ 199,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 199,000</u>
TOTAL BONDS	<u>\$1,184,000</u>	<u>\$ 0</u>	<u>\$250,000</u>	<u>\$ 934,000</u>

NOTES:

<p>Merchants Bank, Expense Note Payable, Interest at 1.85%, interest and principle of \$3,785 due annually on February 15, 2015 and 2016; originally borrowed \$7,570 on January 29, 2014, for an automobile</p>	<p>\$ 0      \$ 7,359      \$ 0      \$ 7,359</p>
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<p>Merchants Bank, Capital Improvement Note Payable, interest at 1.49%, interest paid annually, principal of \$40,961.48 due on September 26, 2013, at which time it may be refinanced. This Note is part of a woodchip project that goes back to 2006, where the Town voted to borrow a portion, and the State of Vermont is expected to reimburse a larger portion held as a liability in a special revenue fund.</p>	<p>40,961      0      40,961      0</p>
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Vermont Environmental Protection Agency Drinking Water State Revolving Fund Note Payable (Engineering Phase), interest at 1.00% and administration fee at 2.00% paid annually, total principal & interest of \$3,256.60 paid annually starting in November 2012 until November 2031; originally approved to borrow \$80,750 on December 2, 2009. \$25,000 debt

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)**

	Balance July 1, 2013	Borrowings	Retirements	Balance June 30, 2014
forgiveness from the State of Vermont is expected.	\$ 46,647	\$ 0	\$ 1,857	\$ 44,790
Vermont Environmental Protection Agency Drinking Water State Revolving Balance Fund Note Payable (Construction Phase), interest at 1.00% and administration fee at 2.00% paid annually, principal & interest of \$4,169.22 due on September 1st of each year from 2012 until 2031; originally approved to borrow \$101,029 in January 2010, increased to \$144,250 on December 14, 2011. Of this amount, \$82,222.50 was forgiven under ARRA loan subsidy.	59,719	0	2,378	57,341
Vermont Environmental Protection Agency Drinking Water State Revolving Balance Fund Note Payable (Construction Phase), interest at 1.00% and administration fee at 2.00% paid annually, principal ranging from \$1,861 to \$3,263 due on September 1st of each year from 2013 until 2032; originally approved to borrow \$50,000 on July 6th 2011 for a water tank removal project. \$25,000 State of Vermont forgiveness expected, but not approved yet.	50,000	0	1,861	48,139
Vermont Environmental Protection Agency Drinking Water State Revolving Balance Fund Note Payable, interest free; originally approved to borrow \$28,430 in December 2012,				

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)**

	Balance July 1, 2013	Borrowings	Retirements	Balance June 30, 2014
amended to \$48,560 on April 25, 2013, and amended again on December 4, 2013, to \$106,613 for the planning phase of water well drilling and pump testing project. Some State of Vermont forgiveness expected, but not approved yet. This loan is expected to be rolled into the construction phase loan of the project noted just below to bring the total loan to \$323,469. The interest rate of the combined loan is unknown at this time.	\$ 0	\$88,912	\$ 0	\$ 88,912
Vermont Environmental Protection Agency Drinking Water State Revolving Balance Fund Note Payable, interest rate and repayment terms unknown at this point; approved to borrow up to \$323,469 for the construction phase of water well drilling and pump testing project. Of this \$323,469, \$88,912 is the planning phase loan noted above being rolled into the loan and \$213,856 the construction phase piece. The loan was approved on June 2, 2014; however, at the time of the audit, no official contract was in place and no funds had been drawn down yet as of June 30, 2014	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL NOTES	<u>\$ 197,327</u>	<u>\$96,271</u>	<u>\$ 47,057</u>	<u>\$ 246,541</u>
Total Bonds and Notes	<u>\$1,381,327</u>	<u>\$96,271</u>	<u>\$297,057</u>	<u>\$1,180,541</u>

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 10 - LONG-TERM OBLIGATIONS (CONTINUED)**

The annual debt service requirement to maturity for general obligation bonds and notes including interest are as follows:

	Principal	Interest	Total
During the year ended June 30, 2015	\$ 254,921	\$ 29,390	\$ 284,311
2016	255,183	14,473	269,656
2017	251,661	(468)	251,193
2018	24,643	6,116	30,759
2019	24,849	5,916	30,765
Thereafter	<u>369,284</u>	<u>46,270</u>	<u>415,554</u>
Totals	<u>\$1,180,541</u>	<u>\$101,696</u>	<u>\$1,282,238</u>

	Balance July 1, 2013	Increases	Retirements	Balance June 30, 2014
OTHER LONG-TERM OBLIGATIONS:				
Obligations Under Capital Lease	<u>\$70,000</u>	<u>\$140,086</u>	<u>\$18,356</u>	<u>\$191,730</u>
OPEB and Termination Benefits	<u>\$49,417</u>	<u>\$ 60,170</u>	<u>\$27,395</u>	<u>\$ 82,192</u>

**NOTE 11 - CAPITAL LEASES**

On June 24, 2013, the Harwood Union School District #19 entered into a non-cancellable lease agreement with Gorham Leasing Group for the lease of an upgraded phone system. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$74,120, to be paid in yearly installments of \$18,530 over 4 years with a buyout at the end of \$1.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2015	\$18,530
2016	18,530
2017	18,530
Thereafter	<u>0</u>
Total minimum lease payments	55,590
Less amount representing interest	<u>3,946</u>
Present value of minimum lease payments	<u>\$51,644</u>



Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 11 - CAPITAL LEASES (CONTINUED)**

Interest rate on the capitalized lease is approximately 3.771 percent.

On July 31, 2013, the Harwood Union School District #19 entered into a non-cancellable lease agreement with Top Floor Computer Solutions & HP Financial Services, Inc. for the lease of learning labs, computers and related accessories. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$106,222.44, to be paid in yearly installments of \$26,555.61 over 4 years with a buyout at the end of \$1.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2015	\$26,556
2016	26,556
2017	26,555
Thereafter	<u>0</u>
Total minimum lease payments	79,667
Less amount representing interest	<u>6,209</u>
Present value of minimum lease payments	<u>\$73,458</u>

Interest rate on the capitalized lease is approximately 4.17 percent.

On July 1, 2013, the Harwood Union School District #19 entered into a non-cancellable lease agreement with GE Capital Inc. for the lease of learnings labs, Apple computers and related accessories. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$46,591, to be paid in yearly installments of \$15,530 over 3 years with a buyout at the end of \$1.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2015	\$15,530
2016	15,531
Thereafter	<u>0</u>
Total minimum lease payments	31,061

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 11 - CAPITAL LEASES (CONTINUED)**

Less amount representing interest	<u>\$ 3,032</u>
Present value of minimum lease payments	<u>\$28,029</u>

Interest rate on the capitalized lease is approximately 7.13 percent.

In December 2013, the Harwood Union School District #19 entered into a non-cancellable lease agreement with Ford Motor Credit, Inc. for the lease of a truck. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$57,707, to be paid in yearly installments of \$14,427 over 4 years with a buyout at the end of \$1.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2015	\$14,427
2016	14,427
2017	14,427
Thereafter	<u>0</u>
Total minimum lease payments	43,281
Less amount representing interest	<u>4,682</u>
Present value of minimum lease payments	<u>\$38,599</u>

Interest rate on the capitalized lease is approximately 5.95 percent.

**NOTE 12 – RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES (Fund Financial Statements)**

Restricted, committed and assigned fund balances represent amounts that must be used for specific purposes within that fund and cannot be spent otherwise without prior approval of funding source. A more detailed explanation is provided in Note 1. Reservations at year end are for the following:

Special Revenue Funds:	
Child Care Grant	\$ 2,935
Air Quality Grant	2,000
Care & Custody	3,405

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 12 – RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES (Fund Financial Statements) (CONTINUED)**

Special Revenue Funds (continued):

Tadejewski Estate	\$ 496
Tobacco Use	1,415
SAT Cont. Ed Course	3,202
Center for Health & Learning	760
VPA Standard Leadership Project	941
NEA/Learn Leadership Grant	669
Music	1,325
Athletic Fund Raiser	5,464
Tech Ed Tool Sale	525
Hall of Fame Co-Curr	5,786
Co-Curr Sport Camps	272
Rowland Grant	29,160
Mexico Program	7,500
Jamieson Memorial	1,115
Great Expectation Grant	100
Rwanda Fund	<u>4,835</u>
Total	<u>\$ 71,905</u>

Capital Projects Fund:

Property Acquisition	\$ 2,698
Renovation Fund	608
Maintenance Reserve	108,277
Wood Chip Project	1,759
Construction Bond FY2012	<u>847</u>
Total	<u>\$114,189</u>

Other Governmental Fund:

Bond Sinking Fund	<u>\$ 45,775</u>
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Permanent Fund:

Awards and Scholarships	<u>\$ 89,097</u>
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Private Purpose Trust Funds:

Awards and Scholarships	<u>\$ 14,550</u>
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Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 13 – NET RESOURCES RESTRICTED (District-wide Financial Statements)**

Restricted net resource balances represent amounts that must be used for specific purposes and cannot be spent otherwise without prior approval of the funding source. Restrictions at year end are for the following:

Net Resources Restricted For Capital Projects:

Property Acquisition	\$ 2,698
Renovation Fund	608
Maintenance Reserve	108,277
Wood Chip Project	1,759
Construction Bond FY2012	<u>847</u>
Total	<u>\$114,189</u>

Net Resources Restricted For Debt Service:

Bond Sinking Fund	<u>\$ 45,775</u>
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Net Resources Restricted For Other Purposes:

Awards and Scholarships	\$ 89,097
Child Care Grant	2,935
Air Quality Grant	2,000
Care & Custody	3,405
Tadejewski Estate	496
Tobacco Use	1,415
SAT Cont. Ed Course	3,202
Center for Health & Learning	760
VPA Standard Leadership Project	941
NEA/Learn Leadership Grant	669
Music	1,325
Athletic Fund Raiser	5,464
Tech Ed Tool Sale	525
Hall of Fame Co-Curr	5,786
Co-Curr Sport Camps	272
Rowland Grant	29,160
Mexico Program	7,500
Jamieson Memorial	1,115
Great Expectation Grant	100
Rwanda Fund	<u>4,835</u>
Total	<u>\$161,002</u>

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 14 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS**

The Union School District transfers funds to cover expenditures made in one fund for which the revenues are in another fund, or at the request of the voters. The following transfers were made during the year.

Funds of \$11,000 were transferred from the General Fund to the Other Governmental Fund – Bond Sinking Fund as required by bond covenant.

Funds of \$125,000 were transferred from the General Fund to the Capital Project Fund – Maintenance Reserve as per article passed by voters.

Funds of \$32,000 were transferred from the General Fund to the Enterprise Fund – Food Program for the purpose of subsidizing operations.

**NOTE 15 - PENSIONS**

**VERMONT TEACHERS' RETIREMENT SYSTEM**

All of the teachers employed by Union School District participate in the Vermont Teachers' Retirement System ("TRS"), a statewide multiple-employer public employee retirement system covering all teachers in local school districts within the State of Vermont. The Vermont State statutes provide the authority under which benefit provisions and the State's obligation to contribute are established. The State Legislature has sole authority to amend benefit provisions.

Required contributions to the system are made by the State of Vermont based upon a valuation report prepared by the System's actuary. TRS is a cost sharing public employee retirement system with one exception: all risks and costs are not shared by the Union School District but are the liability of the State of Vermont. TRS is funded through state and employee contributions and the Union School District has no legal obligation for paying benefits. The Vermont State Teachers Retirement System estimates the contributions on behalf of the Union School District's employees included in the teacher's retirement plan as required by Government Accounting Standards Board (GASB) Statement 24 to be 8.45% or approximately \$446,950.

Vesting occurs upon reaching five years of creditable service. Normal retirement requires the employee to be either 62 years of age or have 30 years of service. A member may receive a reduced benefit at age 55 with 10 or more years of service. A member that has 10 or more years of service and leaves teaching before age 55 is entitled to a vested retirement benefit payable at age 62 or a reduced amount at age 55.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 15 – PENSIONS (CONTINUED)**

**VERMONT TEACHERS' RETIREMENT SYSTEM (CONTINUED)**

Contributions by the employees are 5% of gross earnings and are withheld pre income tax by the Union School District. Such withholdings totaled \$264,710 during the year and were paid by the Union School District to the State of Vermont. The Union School District has no other liability under the plan. The Union School District's total payroll for all employees during the year was \$7,011,230, with \$5,289,344 of such amount related to employees covered by the retirement plan.

Additional information and ten-year historical trend information can be obtained from the separately issued Vermont State Teachers' Retirement System Comprehensive Annual Financial Report.

**VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan)**

Employees other than Teachers are eligible to participate in the Vermont Municipal Employees' Retirement System ("VMERS") providing they work a minimum of 30 hours per week for the school year employee or a minimum of 24 hours per week for a calendar year employee. There are three levels of contributions and benefits in the System called Group A, Group B, Group C and Group D. The Union School District participates in Groups A & B. Normal retirement for Group A members is age 65 and the completion of 5 years of creditable service, or age 55 and completion of 35 years of creditable service. Normal retirement for Group B members is age 62 and the completion of 5 years of creditable service, or age 55 and completion of 30 years of creditable service. Normal retirement for Group C and D members is age 55 and the completion of 5 years of creditable service. A member may receive reduced benefits at age 55 if they have 5 years of service and have made contributions for at least 2.5 years.

The System is an actuarial reserve, joint-contributory program. The State Legislature has sole authority to amend benefit provisions. Both the members and the Union School District make contributions to the fund according to the following schedule:

	Group A	Group B	Group C	Group D
Employees' Contributions (% of gross wages)	2.500%	4.625%	9.500%	11.125%
The School District's contributions (% of gross wages)	4.000%	5.125%	6.750%	9.625%

There is a municipal defined contribution plan option with a 5% withholding and a 5.125% match.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 15 – PENSIONS (CONTINUED)**

**VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan) (CONTINUED)**

Employee contributions are withheld pre income tax by the Union School District and are remitted to the State of Vermont. Such withholdings totaled \$48,239 during the year. The Union School District contributed \$53,455 during the year. The Union School District's total payroll for all employees during the year was \$7,011,230, with \$1,043,016 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System. The plan had 41 members at June 30, 2014.

Additional information and ten-year historical trend information can be obtained from the separately issued Vermont State Municipal Retirement System Comprehensive Annual Financial Report.

**NOTE 16 - RISK MANAGEMENT**

The Union School District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, students and guests; as well as natural disasters. Union School District uses risk sharing pools and carries commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Union School District.

In addition, Harwood Union School District #19 as a member of Vermont School Boards Association (Association), participates in that entity's public entity risk pools. The Association has set up two insurance trusts; Vermont School Board Insurance Trust, Inc. (VSBIT) for Workers Compensation, Multi-Line Intermunicipal School Program, and Unemployment Compensation Program, and the Vermont Education Health Initiative (VEHI) for Medical Benefits. VSBIT and VEHI are nonprofit corporations formed to provide insurance and risk management programs for Vermont school districts and are owned by the participating districts. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association. The School District does not participate in the Worker's Compensation or Multi-Line Programs through VSBIT. They obtain this coverage through other outside carriers.

To provide insurance coverage, VEHI has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 16 - RISK MANAGEMENT (CONTINUED)**

used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and to provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

To provide worker's compensation coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs and workers compensation coverage. Contributions are based upon formulas applied to payroll expense. At the end of the coverage period, the members will be assessed or refunded any difference between estimated contributions and actual expenses.

Multi-Line Intermunicipal School Program provides coverage for Property; Inland Marine and Boiler & Machinery; Crime; Commercial General Liability; Automobile/Garagekeepers; and Educators legal Liability. Annual contributions are based upon appropriate rates applicable to each Member; such rates are set based on recommendations of a qualified actuary, plus a proportionate share of all operational and administrative cost including excess reinsurance premiums incurred by the trust. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

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



Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 17 - OPERATING LEASES**

On May 15, 2013, Harwood Union School District #19 entered into a lease agreement with Leaf Corporation & Office Systems of Vermont for the lease of 5 copiers. The total amount due is \$42,603, to be paid in annual installments of \$14,201 over 3 years, with an optional maintenance agreement of \$8,580 per year. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2015	\$14,201
2016	14,201
Thereafter	<u>0</u>
Total	<u>\$28,402</u>

Total lease payments made this year under a previous lease were \$22,781.

**NOTE 18 - LESSOR CONTRACT**

In December 2012, the Union School District # 19 renewed a lease agreement with First Student for the lease of a Bus Barn through June 30, 2015. The total income from this lease is \$20,000 per year to be paid in monthly installments of \$1,666.67. The following is a schedule of future income to be received under this lease:

During the year ended June 30, 2015	<u>\$20,000</u>
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**NOTE 19 - SUBSEQUENT EVENTS**

On July 1, 2014, the Union School District took out a Revenue Anticipation Note with the Peoples United Bank for \$1,300,000 at 1.24% interest. Any outstanding principal and interest are due at maturity on June 30, 2015.

**NOTE 20 - COMMITMENTS**

In June 2014, the Harwood Union School District entered into an agreement with Gillespie Fuels Inc. to pre-buy 5,000 gallons of fuel for FY 14-15 at \$3.30 per gallon. The total minimum cost to the Union District for the fiscal year-ending June 30, 2015, shall be \$16,500. Any unused account balance at June 30, 2015, will be refunded to the Union High School.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 20 – COMMITMENTS (CONTINUED)**

On June 9, 2014, the Harwood Union School District entered into contracts with Dale E. Percy, Inc. and Spafford & Sons Water Wells of Jericho, Inc. in the amounts of \$103,992 and \$53,973, respectively, for a water project. The Union School District also contracted with Otter Creek Engineering, Inc. in April 2014 & again in May 2014 for a total amount of \$100,625 for the same water project. The water project will commence in the summer of 2014, with a projected total cost of \$323,469 as of the date of the audit, 08/19/14.

The Union School District participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Union School District has not complied with the rules and regulations governing the grants, refunds of any money recovered may be required and the collectibility of any related receivable at June 30, 2014, may be impaired. It is the opinion of the Union School District, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

The Union School District is responsible for the withholding and paying over of certain payroll taxes and related items. At June 30, 2014, the Union School District showed a liability for any taxes due and unpaid. These taxes are subject to audit by the State and federal government. It is the opinion of the Union School District, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing these or other taxes.

**NOTE 21 - RELATED PARTY**

As defined by GASB No. 14, paragraph 71, the Union School District is a participant in and has an ongoing financial responsibility to the Washington West Supervisory Union. The Union School District's board is responsible for appointing one member to the board of Washington West Supervisory Union. The Washington West Supervisory Union assesses the Union School District annually for a share of the net projected expenses in excess of revenues, plus a share of other budgetary provisions. The Washington West Supervisory Union also provides the busing for the District, the cost of which is billed by the busing company directly to the School District based on an agreement with the Washington West Supervisory Union. The Washington West Supervisory Union collects the food program reimbursement from the State and passes it through to the Union School District. Separate financial statements on the Washington West Supervisory Union are available from the Washington West Supervisory Union.

Harwood Union School District #19  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 21 - RELATED PARTY (CONTINUED)**

The Harwood Union School District provides services to the following school and school districts:

Duxbury School District	Fayston School District
Moretown School District	Waitsfield School District
Warren School District	Waterbury School District

Each District has an ongoing financial responsibility to the Union School District as defined in GASB No. 14 paragraph 71.

**NOTE 22 - CONTINGENCY**

Annually, before November 1st, the Commissioner of the Vermont Department of Education notifies each school of its net cost per elementary and/or secondary pupil for the previous school year. If the School District received tuition students from other Vermont School Districts it must determine whether it overcharged the sending District. If it did, it must provide the overcharged District with a credit against current tuition or refund the overcharged amount.

The Union School District received State construction aid in the past for various projects. In the event that the school building was to be sold, this construction aid might have to be repaid out of the proceeds. The amount of State construction aid received since July 1970 is not available but can be calculated by the State of Vermont in the event that a repayment is sought.

Harwood Union School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Tuition:				
Other LEAs		\$ 38,400	\$ 39,612	\$ 1,212
Investment Income		50,000	27,730	(22,270)
Lease Income		20,439	20,381	(58)
Co-Curricular Reimbursement		-	13,097	13,097
Sporting Fees		-	14,266	14,266
Sale of Equipment		-	1,000	1,000
Sale of Vehicle		-	7,500	7,500
Private/Local:				
E-Rate Reimbursement		-	16,724	16,724
Burnham Trust		4,500	7,747	3,247
Medicaid IEP		19,477	19,477	-
State:				
Education Spending Grant		10,799,130	10,622,714	(176,416)
Technical Education		-	176,416	176,416
Technical Education - Unenrolled Students		-	5,254	5,254
Transportation Aid		151,368	151,164	(204)
Mainstream Block Grant		258,116	258,116	-
SPED Expenditures Reimbursement		1,108,725	1,106,032	(2,693)
Extraordinary Reimbursement		107,527	206,283	98,756
Extraordinary Reimbursement - Prior Year		-	(35,333)	(35,333)
Driver Education		5,000	4,704	(296)
Vocational Transportation		35,269	40,591	5,322
High School Completion Grant		-	27,852	27,852
Federal:				
School Wide Program		27,257	62,331	35,074
IDEA-B		<u>151,000</u>	<u>140,101</u>	<u>(10,899)</u>
TOTAL REVENUES		<u>12,776,208</u>	<u>12,933,759</u>	<u>157,551</u>

EXPENDITURES:

Middle School:

Regular Instruction 1100:

Salaries	110	54,617	49,686	4,931
Tutor Salaries	112	1,467	-	1,467
Aide Salaries	115	3,430	1,970	1,460
Retirement/Sick Leave Salaries	116	5,479	3,224	2,255
Temporary Salaries	120	16,375	8,897	7,478

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Insurance	210	\$ 11,344	\$ 8,566	\$ 2,778
Social Security	220	4,553	4,775	(222)
Life Insurance	230	311	226	85
Retirement	240	172	101	71
Workers Compensation	250	428	461	(33)
Unemployment Insurance	260	160	-	160
Professional Development	270	15,000	15,333	(333)
Dental Insurance	280	450	261	189
Professional & Technical Services	330	1,500	1,375	125
Supplies	610	<u>6,343</u>	<u>4,624</u>	<u>1,719</u>
Subtotal		<u>121,629</u>	<u>99,499</u>	<u>22,130</u>
Art Program 1102:				
Salaries	110	27,850	32,582	(4,732)
Health Insurance	210	3,904	3,829	75
Social Security	220	2,131	2,434	(303)
Life Insurance	230	183	102	81
Workers Compensation	250	242	158	84
Unemployment Insurance	260	130	-	130
Dental Insurance	280	231	230	1
Equipment Repair	430	2,246	549	1,697
Supplies	610	2,926	2,518	408
Books and Periodicals	640	939	415	524
Audio Visual Materials	650	494	151	343
Equipment	730	<u>1,506</u>	<u>1,360</u>	<u>146</u>
Subtotal		<u>42,782</u>	<u>44,328</u>	<u>(1,546)</u>
Business Program 1103:				
Dental Insurance	280	-	8	(8)
Supplies	610	<u>600</u>	<u>-</u>	<u>600</u>
Subtotal		<u>600</u>	<u>8</u>	<u>592</u>
English Program 1105:				
Salaries	110	114,450	115,285	(835)
Health Insurance	210	31,794	31,204	590
Social Security	220	8,755	8,419	336
Life Insurance	230	603	430	173
Workers Compensation	250	996	649	347
Unemployment Insurance	260	130	-	130
Dental Insurance	280	1,125	1,078	47
Equipment Repair	430	635	450	185

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Supplies	610	\$ 895	\$ 1,785	\$ (890)
Books and Periodicals	640	<u>4,405</u>	<u>1,365</u>	<u>3,040</u>
Subtotal		<u>163,788</u>	<u>160,665</u>	<u>3,123</u>
Foreign Language Program 1106:				
Salaries	110	65,229	71,141	(5,912)
Health Insurance	210	16,501	16,195	306
Social Security	220	4,990	5,188	(198)
Life Insurance	230	390	245	145
Workers Compensation	250	567	370	197
Unemployment Insurance	260	194	-	194
Dental Insurance	280	557	525	32
Supplies	610	1,194	1,194	-
Books and Periodicals	640	<u>151</u>	<u>141</u>	<u>10</u>
Subtotal		<u>89,773</u>	<u>94,999</u>	<u>(5,226)</u>
Physical Education Program 1108:				
Salaries	110	23,419	23,419	-
Health Insurance	210	3,461	1,696	1,765
Social Security	220	1,792	1,756	36
Life Insurance	230	181	90	91
Workers Compensation	250	204	133	71
Unemployment Insurance	260	32	-	32
Dental Insurance	280	281	295	(14)
Equipment Repair	430	325	-	325
Supplies	610	335	335	-
Equipment	730	<u>1,865</u>	<u>199</u>	<u>1,666</u>
Subtotal		<u>31,895</u>	<u>27,923</u>	<u>3,972</u>
Family & Consumer Science Program 1109:				
Salaries	110	36,376	37,766	(1,390)
Health Insurance	210	9,652	7,254	2,398
Social Security	220	2,783	2,750	33
Life Insurance	230	222	128	94
Workers Compensation	250	316	206	110
Unemployment Insurance	260	21	-	21
Dental Insurance	280	298	273	25
Equipment Repair	430	690	495	195
Supplies	610	1,427	1,354	73
Books and Periodicals	640	136	99	37
Audio Visual Materials	650	957	858	99

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ 669	\$ 150	\$ 519
Subtotal		<u>53,547</u>	<u>51,333</u>	<u>2,214</u>
Industrial Arts Program 1110:				
Salaries	110	28,141	16,245	11,896
Health Insurance	210	6,792	3,333	3,459
Social Security	220	2,153	1,146	1,007
Life Insurance	230	161	41	120
Workers Compensation	250	245	159	86
Unemployment Insurance	260	19	-	19
Dental Insurance	280	281	162	119
Equipment Repair	430	273	-	273
Supplies	610	2,893	986	1,907
Equipment	730	<u>906</u>	<u>-</u>	<u>906</u>
Subtotal		<u>41,864</u>	<u>22,072</u>	<u>19,792</u>
Math Program 1111:				
Salaries	110	134,251	136,140	(1,889)
Health Insurance	210	20,506	20,114	392
Social Security	220	10,270	10,166	104
Life Insurance	230	691	492	199
Workers Compensation	250	1,153	761	392
Unemployment Insurance	260	130	-	130
Dental Insurance	280	1,125	1,078	47
Supplies	610	1,800	1,118	682
Books and Periodicals	640	<u>3,954</u>	<u>14,566</u>	<u>(10,612)</u>
Subtotal		<u>173,880</u>	<u>184,435</u>	<u>(10,555)</u>
Music Program 1112:				
Salaries	110	47,949	43,808	4,141
Health Insurance	210	15,115	13,279	1,836
Social Security	220	3,668	3,028	640
Life Insurance	230	280	168	112
Workers Compensation	250	417	272	145
Unemployment Insurance	260	130	-	130
Dental Insurance	280	467	494	(27)
Equipment Repair	430	326	326	-
Supplies	610	3,028	3,167	(139)
Books and Periodicals	640	130	59	71
Audio Visual Materials	650	160	-	160

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ 2,200	\$ 2,740	\$ (540)
Subtotal		<u>73,870</u>	<u>67,341</u>	<u>6,529</u>
Science Program 1113:				
Salaries	110	115,197	115,197	-
Health Insurance	210	18,210	19,033	(823)
Social Security	220	8,813	8,551	262
Life Insurance	230	608	432	176
Workers Compensation	250	1,002	653	349
Unemployment Insurance	260	130	-	130
Dental Insurance	280	665	539	126
Equipment Repair	430	600	-	600
Supplies	610	2,200	1,686	514
Books and Periodicals	640	2,000	-	2,000
Audio Visual Materials	650	618	-	618
Equipment	730	<u>1,100</u>	<u>-</u>	<u>1,100</u>
Subtotal		<u>151,143</u>	<u>146,091</u>	<u>5,052</u>
Social Studies Program 1115:				
Salaries	110	134,252	133,416	836
Health Insurance	210	36,421	31,204	5,217
Social Security	220	10,270	9,306	964
Life Insurance	230	691	492	199
Workers Compensation	250	1,153	761	392
Unemployment Insurance	260	130	-	130
Dental Insurance	280	1,125	901	224
Supplies	610	2,480	2,344	136
Books and Periodicals	640	-	38	(38)
Audio Visual Materials	650	<u>439</u>	<u>-</u>	<u>439</u>
Subtotal		<u>186,961</u>	<u>178,462</u>	<u>8,499</u>
Alternative Programs 1150:				
Salaries	110	55,336	55,336	-
Health Insurance	210	15,897	17,872	(1,975)
Social Security	220	4,233	3,629	604
Life Insurance	230	318	209	109
Workers Compensation	250	481	314	167
Unemployment Insurance	260	130	-	130
Dental Insurance	280	563	539	24
Transportation	519	1,300	877	423
Supplies	610	853	858	(5)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Books and Periodicals	640	\$ 300	\$ -	\$ 300
Audio Visual Materials	650	97	-	97
Equipment	730	<u>600</u>	<u>514</u>	<u>86</u>
Subtotal		<u>80,108</u>	<u>80,148</u>	<u>(40)</u>
Special Education 1200:				
Salaries	110	132,959	147,770	(14,811)
Secretary Salaries	111	7,531	6,215	1,316
Aide Salaries	115	96,814	57,127	39,687
Temporary Salaries	120	-	2,940	(2,940)
Health Insurance	210	76,310	68,264	8,046
Social Security	220	18,153	15,663	2,490
Life Insurance	230	1,170	814	356
Retirement	240	5,218	3,247	1,971
Workers Compensation	250	1,415	1,345	70
Unemployment Insurance	260	203	-	203
Workshops	270	6,516	3,907	2,609
Dental Insurance	280	3,296	2,012	1,284
Equipment Repair	430	100	-	100
Advertising	540	300	-	300
Tuition	561	73,751	79,138	(5,387)
Travel	580	400	-	400
Supplies	610	2,990	1,333	1,657
Equipment	730	<u>1,010</u>	<u>-</u>	<u>1,010</u>
Subtotal		<u>428,136</u>	<u>389,775</u>	<u>38,361</u>
Co-Curricular Programs 1400:				
Salaries	110	23,311	23,439	(128)
Coaching Salaries	116	25,352	35,187	(9,835)
Health Insurance	210	3,642	4,811	(1,169)
Social Security	220	3,723	4,140	(417)
Life Insurance	230	302	102	200
Retirement	240	1,166	1,201	(35)
Workers Compensation	250	145	276	(131)
Unemployment Insurance	260	92	-	92
Dental Insurance	280	205	233	(28)
Officials	320	4,700	1,383	3,317
Transportation	519	6,300	6,297	3
Supplies	610	400	50	350
Uniforms	629	-	(20)	20

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	739	\$ 295	\$ 295	\$ -
Non-Athletics Activity	933	1,113	-	1,113
Non-Athletics Administration	935	500	-	500
Partners Club	936	300	-	300
Subtotal		<u>71,546</u>	<u>77,394</u>	<u>(5,848)</u>
Guidance 2120:				
Support Staff Salaries	115	7,367	7,468	(101)
Health Insurance	210	2,810	2,486	324
Social Security	220	564	559	5
Life Insurance	230	34	29	5
Retirement	240	149	383	(234)
Workers Compensation	250	6	42	(36)
Unemployment Insurance	260	1	-	1
Dental Insurance	280	92	116	(24)
Equipment Repair	430	250	-	250
Field Trips	510	450	-	450
Supplies	610	500	38	462
Books and Periodicals	640	500	196	304
Subtotal		<u>12,723</u>	<u>11,317</u>	<u>1,406</u>
Health Services 2130:				
Salaries	110	18,621	16,429	2,192
Assistant Salaries	115	-	238	(238)
Health Insurance	210	2,717	2,666	51
Social Security	220	1,042	1,240	(198)
Life Insurance	230	88	50	38
Workers Compensation	250	119	106	13
Unemployment Insurance	260	65	-	65
Professional Development	270	181	-	181
Dental Insurance	280	113	117	(4)
Equipment Repair	430	47	-	47
Supplies	610	245	257	(12)
Books and Periodicals	640	45	-	45
Subtotal		<u>23,283</u>	<u>21,103</u>	<u>2,180</u>
Student Assistance Counseling 2140:				
Salaries	116	16,194	16,194	-
Social Security	220	646	1,239	(593)
Subtotal		<u>16,840</u>	<u>17,433</u>	<u>(593)</u>

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SPED Student Assistance Counseling 2140:				
Student Assistance Counselor	330	\$ 15,000	\$ -	\$ 15,000
Subtotal		<u>15,000</u>	<u>-</u>	<u>15,000</u>
Speech Language Pathologist 2150:				
Salaries	110	19,453	19,703	(250)
Health Insurance	210	3,396	3,333	63
Social Security	220	1,488	1,416	72
Life Insurance	230	119	72	47
Workers Compensation	250	169	110	59
Unemployment Insurance	260	65	-	65
Dental Insurance	280	141	135	6
Subtotal		<u>24,831</u>	<u>24,769</u>	<u>62</u>
Occupational Therapy Services 2160:				
Contract Services	330	-	1,980	(1,980)
Subtotal		<u>-</u>	<u>1,980</u>	<u>(1,980)</u>
Physical Therapy Services 2190:				
Contract Services	330	8,000	-	8,000
Subtotal		<u>8,000</u>	<u>-</u>	<u>8,000</u>
Media Center 2220:				
Salaries	110	9,368	9,430	(62)
Aide Salaries	115	2,928	2,598	330
Temporary Salaries	120	147	-	147
Health Insurance	210	6,485	3,752	2,733
Social Security	220	941	875	66
Life Insurance	230	82	53	29
Retirement	240	157	133	24
Workers Compensation	250	84	71	13
Unemployment Insurance	260	65	-	65
Professional Development	270	181	-	181
Dental Insurance	280	205	117	88
Equipment Repair	430	106	-	106
Supplies	610	296	56	240
Books and Periodicals	640	4,487	3,879	608
Audio Visual Materials	650	438	-	438
Equipment	730	1,613	1,509	104
Subtotal		<u>27,583</u>	<u>22,473</u>	<u>5,110</u>

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Audio Visual & Technology 2223:				
Salaries	116	\$ 11,385	\$ 9,000	\$ 2,385
Network Coordinator Salaries	117	7,535	8,092	(557)
Assistant Salaries	118	4,047	3,715	332
Health Insurance	210	10,001	9,528	473
Social Security	220	1,757	1,453	304
Life Insurance	230	105	79	26
Retirement	240	1,219	1,067	152
Workers Compensation	250	20	130	(110)
Unemployment Insurance	260	2	-	2
Dental Insurance	280	276	232	44
Tech Contracted Services	300	2,396	1,223	1,173
Website Services	330	-	367	(367)
Lease	440	8,541	8,541	-
Supplies	610	4,540	1,126	3,414
Equipment	730	1,960	980	980
Subtotal		<u>53,784</u>	<u>45,533</u>	<u>8,251</u>
Board of Education 2310:				
Salaries	110	1,577	613	964
Social Security	220	172	45	127
Retirement	240	-	15	(15)
Unemployment Insurance	260	2,065	3,269	(1,204)
Board Expenses	310	700	683	17
Contract Services	330	250	237	13
Legal Services	360	2,660	306	2,354
Insurance	523	2,200	2,818	(618)
Advertising	540	380	256	124
Printing	550	990	-	990
Travel	580	96	20	76
Elections	590	191	-	191
Supplies	610	350	226	124
VSBA Dues	810	478	499	(21)
Subtotal		<u>12,109</u>	<u>8,987</u>	<u>3,122</u>
Board Treasurer 2313:				
Salaries	110	78	60	18
Travel	580	58	60	(2)
Subtotal		<u>136</u>	<u>120</u>	<u>16</u>

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Board Auditor 2317:				
Salaries	110	\$ 36	\$ -	\$ 36
Subtotal		<u>36</u>	<u>-</u>	<u>36</u>
Supervisory Union 2321:				
Assessment	331	<u>59,609</u>	<u>59,608</u>	<u>1</u>
Subtotal		<u>59,609</u>	<u>59,608</u>	<u>1</u>
Administration 2400:				
Salaries	110	46,734	43,257	3,477
Support Staff Salaries	111	29,751	29,541	210
Health Insurance	210	27,018	24,655	2,363
Social Security	220	5,851	5,317	534
Life Insurance	230	932	363	569
Retirement	240	1,488	1,483	5
Workers Compensation	250	433	433	-
Unemployment Insurance	260	221	-	221
Professional Development	270	2,172	-	2,172
Dental Insurance	280	741	825	(84)
Climate	340	4,500	1,159	3,341
Equipment Repair	430	2,114	-	2,114
Postage	531	2,538	3,016	(478)
Printing	550	1,254	1,254	-
Travel	580	1,500	15	1,485
Supplies	610	5,500	3,711	1,789
Equipment	730	2,102	-	2,102
Copier Lease	739	6,950	4,477	2,473
VSBA Dues	810	<u>1,881</u>	<u>683</u>	<u>1,198</u>
Subtotal		<u>143,680</u>	<u>120,189</u>	<u>23,491</u>
Business Manager 2521:				
Assessment	331	<u>10,454</u>	<u>10,454</u>	<u>-</u>
Subtotal		<u>10,454</u>	<u>10,454</u>	<u>-</u>
Fiscal Services 2525:				
Assessment	331	<u>21,685</u>	<u>21,685</u>	<u>-</u>
Subtotal		<u>21,685</u>	<u>21,685</u>	<u>-</u>
Board Audit 2526:				
Audit Services	370	<u>1,496</u>	<u>1,660</u>	<u>(164)</u>
Subtotal		<u>1,496</u>	<u>1,660</u>	<u>(164)</u>

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Short-Term Interest 2527:				
Arbitrage Interest	830	<u>\$ 5,000</u>	<u>\$ 4,537</u>	<u>\$ 463</u>
Subtotal		<u>5,000</u>	<u>4,537</u>	<u>463</u>
Buildings/Grounds Maintenance 2600:				
Salaries	110	52,709	51,055	1,654
Summer Salaries	116	2,899	1,350	1,549
Overtime Salaries	130	2,000	1,041	959
Health Insurance	210	16,086	13,155	2,931
Social Security	220	3,529	4,095	(566)
Life Insurance	230	191	220	(29)
Retirement	240	2,257	2,723	(466)
Workers Compensation	250	40	299	(259)
Unemployment Insurance	260	151	-	151
Dental Insurance	280	529	800	(271)
Contract Services - Maintenance	300	14,300	11,305	2,995
Trash Removal	421	3,056	1,931	1,125
Compost	421	-	94	(94)
Snow Removal	422	3,480	2,447	1,033
Equipment Repair	430	11,385	22,107	(10,722)
Repair Materials	431	9,680	8,837	843
Bus Barn Maintenance	433	220	2,005	(1,785)
Equipment Lease	440	4,900	3,801	1,099
Truck Lease	441	3,000	2,885	115
Long-Term Maintenance	445	2,310	-	2,310
Property Insurance	521	7,589	7,744	(155)
Telephone	530	9,680	7,764	1,916
Supplies	610	5,623	8,510	(2,887)
Electricity	622	30,800	22,897	7,903
Oil	624	8,800	4,452	4,348
Woodchips	625	11,880	8,919	2,961
Equipment	730	<u>3,321</u>	<u>2,491</u>	<u>830</u>
Subtotal		<u>210,415</u>	<u>192,927</u>	<u>17,488</u>
Special Education Transportation 2700:				
Contract Services	519	<u>5,000</u>	<u>7,105</u>	<u>(2,105)</u>
Subtotal		<u>5,000</u>	<u>7,105</u>	<u>(2,105)</u>

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation 2710:				
Contract Services	519	\$ 83,785	\$ 82,736	\$ 1,049
Subtotal		<u>83,785</u>	<u>82,736</u>	<u>1,049</u>
Debt Services 5100:				
Interest Charges	830	13,551	13,861	(310)
Principal Retirement	910	<u>59,039</u>	<u>59,225</u>	<u>(186)</u>
Subtotal		<u>72,590</u>	<u>73,086</u>	<u>(496)</u>
Total Middle School		<u>2,519,561</u>	<u>2,352,175</u>	<u>167,386</u>
High School:				
Regular Instruction 1100:				
Salaries	110	28,510	58,599	(30,089)
Tutor Salaries	112	6,050	11,572	(5,522)
Aide Salaries	115	85,833	3,508	82,325
Cafeteria Monitor Salaries	115	6,930	1,907	5,023
Bus Monitor Salaries	115	-	1,695	(1,695)
Retirement/Sick Leave Salaries	116	21,916	24,172	(2,256)
Temporary Salaries	120	53,932	46,320	7,612
Health Insurance	210	51,729	4,544	47,185
Social Security	220	13,493	11,568	1,925
Life Insurance	230	349	(80)	429
Retirement	240	4,486	413	4,073
Workers Compensation	250	70	1,645	(1,575)
Unemployment Insurance	260	112	-	112
Professional Development	270	55,000	109,638	(54,638)
Dental Insurance	280	1,380	(113)	1,493
Professional Services	330	9,500	35,497	(25,997)
Related Services	333	1,000	403	597
Equipment Repair	430	564	-	564
Transportation	519	-	10,150	(10,150)
Tuition - In-State	565	13,875	23,220	(9,345)
Supplies	610	<u>20,637</u>	<u>19,532</u>	<u>1,105</u>
Subtotal		<u>375,366</u>	<u>364,190</u>	<u>11,176</u>
Drivers Education 1100:				
Salaries	110	67,612	67,612	-
Health Insurance	210	18,210	17,872	338
Social Security	220	5,172	4,907	265

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Life Insurance	230	\$ 350	\$ 250	\$ 100
Workers Compensation	250	588	383	205
Unemployment Insurance	260	65	-	65
Professional Development	270	919	210	709
Dental Insurance	280	563	539	24
Contract Services	330	16,200	12,600	3,600
Equipment Repair	430	1,350	987	363
Supplies	610	500	56	444
Gas/Oil	626	1,000	1,019	(19)
Books and Periodicals	640	800	746	54
Vehicle	739	5,000	4,967	33
Subtotal		<u>118,329</u>	<u>112,148</u>	<u>6,181</u>
High School Completion 1100:				
Tuition	569	-	26,382	(26,382)
Subtotal		<u>-</u>	<u>26,382</u>	<u>(26,382)</u>
Art Program 1102:				
Salaries	110	168,600	182,795	(14,195)
Health Insurance	210	34,813	34,157	656
Social Security	220	12,898	13,488	(590)
Life Insurance	230	876	617	259
Workers Compensation	250	1,447	955	492
Unemployment Insurance	260	194	-	194
Dental Insurance	280	1,457	1,292	165
Equipment Repair	430	7,275	6,244	1,031
Supplies	610	27,558	26,516	1,042
Books and Periodicals	640	1,156	987	169
Audio Visual Materials	650	500	235	265
Equipment	730	901	641	260
Subtotal		<u>257,675</u>	<u>267,927</u>	<u>(10,252)</u>
Business Program 1103:				
Supplies	610	2,700	460	2,240
Books and Periodicals	640	250	-	250
Subtotal		<u>2,950</u>	<u>460</u>	<u>2,490</u>
English Program 1105:				
Salaries	110	343,717	380,765	(37,048)
Health Insurance	210	86,556	78,070	8,486
Social Security	220	24,646	25,020	(374)

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Life Insurance	230	\$ 1,812	\$ 1,297	\$ 515
Workers Compensation	250	2,982	1,948	1,034
Unemployment Insurance	260	421	-	421
Dental Insurance	280	3,094	2,756	338
Equipment Repair	430	1,000	-	1,000
Supplies	610	4,529	3,717	812
Books and Periodicals	640	12,959	13,100	(141)
Equipment	730	827	399	428
Subtotal		<u>482,543</u>	<u>507,072</u>	<u>(24,529)</u>
Foreign Language Program 1106:				
Salaries	110	332,404	344,408	(12,004)
Health Insurance	210	69,924	68,624	1,300
Social Security	220	25,429	24,823	606
Life Insurance	230	1,732	1,220	512
Workers Compensation	250	2,861	1,884	977
Unemployment Insurance	260	389	-	389
Dental Insurance	280	2,819	2,264	555
Supplies	610	2,055	8,750	(6,695)
Books and Periodicals	640	1,400	1,878	(478)
Audio Visual Materials	650	1,000	297	703
Equipment	730	500	376	124
Subtotal		<u>440,513</u>	<u>454,524</u>	<u>(14,011)</u>
Physical Education Program 1108:				
Salaries	110	141,036	129,272	11,764
Health Insurance	210	21,659	12,833	8,826
Social Security	220	10,789	9,711	1,078
Life Insurance	230	745	483	262
Workers Compensation	250	1,207	799	408
Unemployment Insurance	260	146	-	146
Dental Insurance	280	1,311	1,347	(36)
Equipment Repair	430	625	261	364
Supplies	610	2,080	3,558	(1,478)
Books and Periodicals	640	-	(10)	10
Equipment	730	7,720	6,013	1,707
Subtotal		<u>187,318</u>	<u>164,267</u>	<u>23,051</u>
Family & Consumer Science Program 1109:				
Salaries	110	103,142	101,751	1,391
Health Insurance	210	17,739	17,400	339

The accompanying notes are an integral part of these financial statements

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Social Security	220	\$ 7,890	\$ 7,468	\$ 422
Life Insurance	230	536	347	189
Workers Compensation	250	881	584	297
Unemployment Insurance	260	92	-	92
Dental Insurance	280	827	778	49
Equipment Repair	430	2,785	850	1,935
Supplies	610	8,839	5,165	3,674
Books and Periodicals	640	2,269	721	1,548
Audio Visual Materials	650	1,357	953	404
Equipment	730	<u>2,756</u>	<u>250</u>	<u>2,506</u>
Subtotal		<u>149,113</u>	<u>136,267</u>	<u>12,846</u>
Industrial Arts Program 1110:				
Salaries	110	98,568	124,900	(26,332)
Health Insurance	210	6,792	9,999	(3,207)
Social Security	220	7,540	9,333	(1,793)
Life Insurance	230	516	418	98
Workers Compensation	250	837	559	278
Unemployment Insurance	260	78	-	78
Dental Insurance	280	844	916	(72)
Equipment Repair	430	273	-	273
Supplies	610	9,893	8,114	1,779
Books and Periodicals	640	617	-	617
Equipment	730	<u>2,744</u>	<u>4,290</u>	<u>(1,546)</u>
Subtotal		<u>128,702</u>	<u>158,529</u>	<u>(29,827)</u>
Math Program 1111:				
Salaries	110	417,491	395,722	21,769
Health Insurance	210	106,932	95,548	11,384
Social Security	220	31,938	28,897	3,041
Life Insurance	230	2,186	1,493	693
Workers Compensation	250	3,594	2,366	1,228
Unemployment Insurance	260	454	-	454
Dental Insurance	280	3,938	3,403	535
Supplies	610	2,700	2,784	(84)
Books and Periodicals	640	<u>5,890</u>	<u>4,225</u>	<u>1,665</u>
Subtotal		<u>575,123</u>	<u>534,438</u>	<u>40,685</u>
Music Program 1112:				
Salaries	110	121,735	120,611	1,124
Health Insurance	210	36,421	34,785	1,636

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Social Security	220	\$ 9,313	\$ 8,810	\$ 503
Life Insurance	230	645	438	207
Workers Compensation	250	1,035	724	311
Unemployment Insurance	260	194	-	194
Dental Insurance	280	1,125	970	155
Equipment Repair	430	3,377	2,560	817
Supplies	610	7,609	8,258	(649)
Books and Periodicals	640	886	886	-
Audio Visual Materials	650	730	693	37
Equipment	730	<u>2,279</u>	<u>2,603</u>	<u>(324)</u>
Subtotal		<u>185,349</u>	<u>181,338</u>	<u>4,011</u>
Science Program 1113:				
Salaries	110	400,578	397,445	3,133
Long-Term Substitute Salaries	120	-	26,542	(26,542)
Health Insurance	210	82,322	84,491	(2,169)
Social Security	220	30,644	31,069	(425)
Life Insurance	230	2,074	1,526	548
Workers Compensation	250	3,442	2,270	1,172
Unemployment Insurance	260	454	-	454
Dental Insurance	280	3,938	3,564	374
Equipment Repair	430	1,800	199	1,601
Supplies	610	12,196	10,848	1,348
Books and Periodicals	640	3,204	2,725	479
Audio Visual Materials	650	1,000	410	590
Equipment	730	<u>2,100</u>	<u>-</u>	<u>2,100</u>
Subtotal		<u>543,752</u>	<u>561,089</u>	<u>(17,337)</u>
Social Studies Program 1115:				
Salaries	110	366,744	386,171	(19,427)
Health Insurance	210	85,260	83,670	1,590
Social Security	220	28,056	27,886	170
Life Insurance	230	1,938	1,377	561
Workers Compensation	250	3,191	2,078	1,113
Unemployment Insurance	260	424	-	424
Dental Insurance	280	3,094	3,129	(35)
Contract Services	331	2,593	794	1,799
Supplies	610	2,377	3,200	(823)
Books and Periodicals	640	2,144	2,556	(412)
Audio Visual Materials	650	275	-	275

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ 250	\$ -	\$ 250
Subtotal		<u>496,346</u>	<u>510,861</u>	<u>(14,515)</u>
HUB Program 1150:				
Salaries	110	55,336	57,063	(1,727)
Health Insurance	210	15,897	17,872	(1,975)
Social Security	220	4,233	4,477	(244)
Life Insurance	230	319	209	110
Workers Compensation	250	481	314	167
Unemployment Insurance	260	130	-	130
Dental Insurance	290	610	539	71
Transportation	519	1,067	1,125	(58)
Supplies	610	1,066	1,080	(14)
Books and Periodicals	640	400	-	400
Audio Visual Materials	650	515	-	515
Equipment	730	<u>600</u>	<u>514</u>	<u>86</u>
Subtotal		<u>80,654</u>	<u>83,193</u>	<u>(2,539)</u>
Community Learning Center 1151:				
Salaries	110	116,769	111,635	5,134
Cleaning Salaries	113	-	2,727	(2,727)
Long-Term Substitute Salaries	120	-	10,413	(10,413)
Health Insurance	210	36,421	35,744	677
Social Security	220	8,933	10,017	(1,084)
Life Insurance	230	598	430	168
Retirement	240	-	140	(140)
Workers Compensation	250	996	662	334
Unemployment Insurance	260	130	-	130
Dental Insurance	280	1,125	1,078	47
Contract Services	330	4,202	13,385	(9,183)
Field Trips	510	28	101	(73)
Insurance	521	775	775	-
Telephone	530	-	600	(600)
Supplies	610	1,403	1,398	5
Electricity	622	1,709	3,100	(1,391)
Energy - Oil	624	600	643	(43)
Books and Periodicals	640	300	-	300
Audio Visual Materials	650	215	-	215
Equipment	730	<u>3,321</u>	<u>3,782</u>	<u>(461)</u>
Subtotal		<u>177,525</u>	<u>196,630</u>	<u>(19,105)</u>

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Special Education 1200:				
Salaries	110	\$ 651,448	\$ 647,888	\$ 3,560
Secretary Salaries	111	27,296	26,258	1,038
Tutor Salaries	112	17,675	26,634	(8,959)
Aide Salaries	115	268,163	265,828	2,335
Temporary Salaries	120	5,575	1,206	4,369
Health Insurance	210	293,224	291,362	1,862
Social Security	220	72,750	71,705	1,045
Life Insurance	230	4,608	3,566	1,042
Retirement	240	13,814	14,780	(966)
Workers Compensation	250	5,909	5,497	412
Unemployment Insurance	260	785	-	785
Workshops	270	10,860	18,515	(7,655)
Dental Insurance	280	10,628	8,265	2,363
Equipment Repair	430	2,900	-	2,900
Advertising	540	600	-	600
Tuition - In-State	565	514,053	576,810	(62,757)
Travel	580	400	1,779	(1,379)
Supplies	610	8,071	7,850	221
Equipment	730	10,429	8,565	1,864
Copier Lease	739	-	4,477	(4,477)
Subtotal		<u>1,919,188</u>	<u>1,980,985</u>	<u>(61,797)</u>
School-Wide Program 1270:				
Salaries	110	-	18,686	(18,686)
Social Security	220	-	1,429	(1,429)
Life Insurance	230	-	72	(72)
Vision Insurance	280	-	42	(42)
Professional Services	330	-	15,102	(15,102)
Subtotal		<u>-</u>	<u>35,331</u>	<u>(35,331)</u>
School-Wide Program Math Lab 1280:				
Salaries	110	-	20,333	(20,333)
Health Insurance	210	-	4,845	(4,845)
Social Security	220	-	1,555	(1,555)
Life Insurance	230	-	80	(80)
Vision Insurance	280	-	187	(187)
Subtotal		<u>-</u>	<u>27,000</u>	<u>(27,000)</u>
Vocational 1300:				
Salaries	110	52,503	54,230	(1,727)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Temporary Salaries	120	\$ 280	\$ -	\$ 280
Social Security	220	4,016	4,146	(130)
Life Insurance	230	277	199	78
Workers Compensation	250	457	299	158
Unemployment Insurance	260	65	-	65
Professional Development	270	773	-	773
Dental Insurance	280	563	539	24
Equipment Repair	430	265	-	265
Transportation	519	43,154	49,999	(6,845)
Tuition	569	265,441	239,496	25,945
Travel	580	1,000	626	374
Supplies	610	630	336	294
Books and Periodicals	640	300	-	300
Audio Visual Materials	650	600	-	600
Subtotal		<u>370,324</u>	<u>349,870</u>	<u>20,454</u>
Co-Curricular Programs 1400:				
Salaries	110	93,244	92,835	409
Coaching Salaries	116	119,154	123,368	(4,214)
Long-Term Substitute Salaries	120	-	7,400	(7,400)
Health Insurance	210	20,106	19,244	862
Social Security	220	16,248	16,616	(368)
Life Insurance	230	629	387	242
Retirement	240	4,662	4,974	(312)
Workers Compensation	250	581	1,204	(623)
Unemployment Insurance	260	96	-	96
Professional Development	270	-	155	(155)
Dental Insurance	280	788	844	(56)
Officials	320	29,540	30,711	(1,171)
Professional Services	350	3,900	-	3,900
Repairs and Maintenance	430	500	-	500
Facility Rental	440	22,200	26,851	(4,651)
Transportation	519	45,820	38,294	7,526
Supplies	610	6,000	2,808	3,192
Uniforms	629	-	1,411	(1,411)
Equipment	730	-	4,729	(4,729)
Training Room Equipment	731	3,500	1,585	1,915
Intramurals Equipment	732	1,500	590	910
Dues and Fees	810	6,263	15,580	(9,317)
Athletics Security	810	-	4,559	(4,559)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Musical	929	\$ 500	\$ 490	\$ 10
Music Festival	930	410	470	(60)
Musical - Fall Play	931	500	500	-
Music Non-Athletics	934	4,761	4,537	224
Non-Athletics	935	1,630	1,686	(56)
Partners Club	936	4,506	2,227	2,279
Subtotal		<u>387,038</u>	<u>404,055</u>	<u>(17,017)</u>
Student Support Services 2100:				
Salaries	116	-	31,761	(31,761)
Health Insurance	210	-	7,589	(7,589)
Social Security	220	-	2,333	(2,333)
Life Insurance	230	-	77	(77)
Retirement	240	-	1,628	(1,628)
Dental Insurance	280	-	73	(73)
Subtotal		<u>-</u>	<u>43,461</u>	<u>(43,461)</u>
Guidance Program 2120:				
Salaries	110	200,247	197,807	2,440
Extra Days Salaries	110	8,118	-	8,118
Support Staff Salaries	115	29,468	29,523	(55)
Health Insurance	210	49,959	49,713	246
Social Security	220	18,194	16,836	1,358
Life Insurance	230	1,156	814	342
Retirement	240	1,473	1,542	(69)
Workers Compensation	250	1,748	1,348	400
Unemployment Insurance	260	225	-	225
Workshops	270	2,000	(27)	2,027
Dental Insurance	280	2,056	2,038	18
Equipment Repair	430	500	-	500
Field Trips	510	1,150	857	293
Supplies	610	2,962	2,341	621
Books and Periodicals	640	1,738	639	1,099
Equipment	730	750	90	660
Copier Lease	739	6,000	4,477	1,523
Subtotal		<u>327,744</u>	<u>307,998</u>	<u>19,746</u>
Health Services 2130:				
Salaries	110	74,486	65,782	8,704
Assistant Salaries	115	-	816	(816)
Health Insurance	210	16,300	10,665	5,635

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Social Security	220	\$ 5,698	\$ 4,954	\$ 744
Life Insurance	230	405	202	203
Workers Compensation	250	648	422	226
Unemployment Insurance	260	130	-	130
Professional Development	270	1,639	-	1,639
Dental Insurance	280	675	422	253
Equipment Repair	430	174	-	174
Supplies	610	1,427	1,309	118
Books and Periodicals	640	209	-	209
Subtotal		<u>101,791</u>	<u>84,572</u>	<u>17,219</u>
Student Assistance Counseling 2140:				
Salaries	116	16,194	16,194	-
Social Security	220	647	1,239	(592)
Subtotal		<u>16,841</u>	<u>17,433</u>	<u>(592)</u>
SPED Psych Services/ Counseling 2140:				
Contract Services	330	162,000	126,649	35,351
Equipment	739	-	7,363	(7,363)
Subtotal		<u>162,000</u>	<u>134,012</u>	<u>27,988</u>
Home School Coordinator 2150:				
Salaries	110	14,542	15,014	(472)
Health Insurance	210	3,396	3,333	63
Social Security	220	1,112	1,105	7
Life Insurance	230	94	-	94
Workers Compensation	250	127	82	45
Unemployment Insurance	260	65	-	65
Dental Insurance	280	141	26	115
Subtotal		<u>19,477</u>	<u>19,560</u>	<u>(83)</u>
Speech Language Pathologist 2150:				
Salaries	110	59,358	59,108	250
Health Insurance	210	10,188	9,999	189
Social Security	220	4,541	4,246	295
Life Insurance	230	306	216	90
Workers Compensation	250	508	336	172
Unemployment Insurance	260	65	-	65
Dental Insurance	280	422	404	18
Subtotal		<u>75,388</u>	<u>74,309</u>	<u>1,079</u>

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
IDEA-B Speech Language Pathologist 2150:				
Salaries	110	\$ -	\$ 21,530	\$ (21,530)
Social Security	220	-	1,647	(1,647)
Contract Services	330	-	16,065	(16,065)
Subtotal		<u>-</u>	<u>39,242</u>	<u>(39,242)</u>
Occupational Therapy Services 2160:				
Contract Services	330	<u>8,000</u>	<u>23,221</u>	<u>(15,221)</u>
Subtotal		<u>8,000</u>	<u>23,221</u>	<u>(15,221)</u>
Physical Therapy Services 2190:				
Contract Services	330	<u>21,500</u>	<u>51,087</u>	<u>(29,587)</u>
Subtotal		<u>21,500</u>	<u>51,087</u>	<u>(29,587)</u>
Media Center 2220:				
Salaries	110	38,483	37,788	695
Aide Salaries	115	9,371	10,387	(1,016)
Temporary Salaries	120	666	-	666
Health Insurance	210	25,938	15,008	10,930
Social Security	220	3,661	3,506	155
Life Insurance	230	245	195	50
Retirement	240	469	532	(63)
Workers Compensation	250	334	275	59
Unemployment Insurance	260	95	-	95
Professional Development	270	819	-	819
Dental Insurance	280	818	422	396
Equipment Repair	430	394	-	394
Supplies	610	1,104	43	1,061
Books and Periodicals	640	19,003	18,199	804
Audio Visual Materials	650	1,969	-	1,969
Equipment	730	<u>5,932</u>	<u>6,036</u>	<u>(104)</u>
Subtotal		<u>109,301</u>	<u>92,391</u>	<u>16,910</u>
Audio Visual & Technology 2223:				
Salaries	116	45,540	36,000	9,540
Network Coordinator Salaries	117	30,139	31,908	(1,769)
Assistant Salaries	118	16,189	16,500	(311)
Health Insurance	210	40,004	38,113	1,891
Social Security	220	7,028	5,906	1,122
Life Insurance	230	395	308	87
Retirement	240	4,593	4,291	302

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 80	\$ 521	\$ (441)
Unemployment Insurance	260	93	-	93
Dental Insurance	280	1,104	881	223
Tech Contracted Services	300	9,584	13,484	(3,900)
Website Services	330	-	1,467	(1,467)
Lease Expense	440	44,209	37,610	6,599
Supplies	610	9,973	5,297	4,676
Equipment	730	15,027	12,164	2,863
Subtotal		<u>223,958</u>	<u>204,450</u>	<u>19,508</u>
Board of Education 2310:				
Salaries	110	6,669	539	6,130
Social Security	220	737	33	704
Retirement	240	-	75	(75)
Unemployment Insurance	260	9,000	13,074	(4,074)
Reimbursments	310	2,800	2,775	25
Contract Services	330	1,090	948	142
Arbitration Services	350	-	225	(225)
Legal Services	360	11,340	2,311	9,029
Insurance	523	10,400	14,692	(4,292)
Advertising	540	1,620	1,398	222
Printing	550	3,510	-	3,510
Travel	580	404	138	266
Elections	590	809	-	809
Supplies	610	1,800	1,363	437
VSBA Dues	810	2,022	2,022	-
Subtotal		<u>52,201</u>	<u>39,593</u>	<u>12,608</u>
Board Treasurer 2313:				
Salaries	110	322	240	82
Travel	580	242	240	2
Subtotal		<u>564</u>	<u>480</u>	<u>84</u>
Board Auditor 2317:				
Salaries	110	144	-	144
Subtotal		<u>144</u>	<u>-</u>	<u>144</u>
Supervisory Union 2321:				
Assessment	331	211,339	211,339	-
Subtotal		<u>211,339</u>	<u>211,339</u>	<u>-</u>

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Administration 2400:				
Salaries	110	\$ 186,456	\$ 170,767	\$ 15,689
Support Staff Salaries	111	85,950	93,000	(7,050)
Health Insurance	210	69,767	54,181	15,586
Social Security	220	20,840	19,263	1,577
Life Insurance	230	2,043	1,379	664
Retirement	240	4,225	4,711	(486)
Workers Compensation	250	1,696	1,544	152
Unemployment Insurance	260	264	-	264
Professional Development	270	1,076	2,620	(1,544)
Dental Insurance	280	1,990	2,135	(145)
Climate	340	5,061	6,733	(1,672)
Postage	531	8,362	11,090	(2,728)
Printing	550	5,209	7,324	(2,115)
Travel	580	1,000	677	323
Supplies	610	14,779	17,692	(2,913)
Equipment	730	6,746	6,746	-
Copier Lease	739	13,214	9,350	3,864
VSBA Dues	810	7,100	7,303	(203)
Mexico Trip Refund	901	-	3,569	(3,569)
Subtotal		<u>435,778</u>	<u>420,084</u>	<u>15,694</u>
Business Manager 2521:				
Assessment	331	<u>37,064</u>	<u>37,064</u>	<u>-</u>
Subtotal		<u>37,064</u>	<u>37,064</u>	<u>-</u>
Fiscal Services 2525:				
Assessment	331	<u>76,884</u>	<u>76,884</u>	<u>-</u>
Subtotal		<u>76,884</u>	<u>76,884</u>	<u>-</u>
Board Audit 2526:				
Audit Services	370	<u>5,304</u>	<u>6,640</u>	<u>(1,336)</u>
Subtotal		<u>5,304</u>	<u>6,640</u>	<u>(1,336)</u>
Short-Term Interest 2527:				
Arbitrage Interest	830	<u>18,000</u>	<u>18,148</u>	<u>(148)</u>
Subtotal		<u>18,000</u>	<u>18,148</u>	<u>(148)</u>
Buildings/Grounds Maintenance 2600:				
Salaries	110	212,753	201,348	11,405
Summer Salaries	116	12,000	5,858	6,142
Overtime Salaries	130	8,000	7,494	506

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Insurance	210	\$ 60,023	\$ 52,621	\$ 7,402
Social Security	220	17,805	15,506	2,299
Life Insurance	230	915	862	53
Retirement	240	11,637	10,732	905
Workers Compensation	250	203	1,196	(993)
Unemployment Insurance	260	249	-	249
Dental Insurance	280	2,943	2,881	62
Contract Services - Maintenance	300	50,700	45,219	5,481
Trash Removal	421	10,834	7,724	3,110
Compost	421	-	390	(390)
Snow Removal	422	12,340	1,797	10,543
Truck/Tractor Maintenance	422	-	8,013	(8,013)
Equipment Repair	430	40,365	88,821	(48,456)
Repair Materials	431	34,320	33,736	584
Bus Barn Maintenance	433	780	8,020	(7,240)
Equipment Lease	440	19,600	15,205	4,395
Truck Lease	441	12,000	11,541	459
Long-Term Maintenance	445	8,190	-	8,190
Property Insurance	521	26,905	30,977	(4,072)
Telephone	530	34,320	24,209	10,111
Supplies	610	19,937	35,782	(15,845)
Graduation	620	7,000	7,933	(933)
Electricity	622	109,200	91,081	18,119
Oil	624	31,200	17,809	13,391
Woodchips	625	42,120	35,676	6,444
Equipment	730	11,774	9,964	1,810
Subtotal		<u>798,113</u>	<u>772,395</u>	<u>25,718</u>
Special Education Transportation 2700:				
Contract Services	519	<u>145,000</u>	<u>106,149</u>	<u>38,851</u>
Subtotal		<u>145,000</u>	<u>106,149</u>	<u>38,851</u>
Transportation 2710:				
Contract Services	519	<u>335,142</u>	<u>331,430</u>	<u>3,712</u>
Subtotal		<u>335,142</u>	<u>331,430</u>	<u>3,712</u>
Debt Services 5100:				
Interest Charges	830	54,201	55,442	(1,241)
Principal Retirement	910	<u>236,157</u>	<u>237,001</u>	<u>(844)</u>
Subtotal		<u>290,358</u>	<u>292,443</u>	<u>(2,085)</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Total High School		<u>\$ 10,349,699</u>	<u>\$ 10,460,941</u>	<u>\$ (111,242)</u>
TOTAL EXPENDITURES		<u>12,869,260</u>	<u>12,813,116</u>	<u>56,144</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(93,052)	120,643	213,695
OTHER FINANCING SOURCES (USES):				
Transfer To Capital Project Fund		(125,000)	(125,000)	-
Transfer To Other Governmental Fund		(11,000)	(11,000)	-
Transfer To Enterprise Fund		<u>(10,000)</u>	<u>(32,000)</u>	<u>(22,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(239,052)	(47,357)	191,695
FUND BALANCE, JULY 1, 2013		<u>239,051</u>	<u>175,025</u>	<u>(64,026)</u>
FUND BALANCE, JUNE 30, 2014		<u>\$ (1)</u>	<u>\$ 127,668</u>	<u>\$ 127,669</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2014

Schedule 2  
(page 1 of 4)

	Child Care Grant	Care & Custody	Medicaid	Vermont State Gear-Up	China Program	Air Quality	Tobacco Use	Subtotals
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Cash								\$ -
Due From Other Funds	\$ 2,935	\$ 7,793	\$ 165,850			\$ 2,000		178,578
Accounts Receivable - State		9,851						9,851
Accounts Receivable - Supervisory Union			14,943				\$ 6,492	21,435
Accounts Receivable - Other				\$ 1,835				1,835
Prepaid Expenses	-	-	1,530	-	-	-	-	1,530
Total Current Assets	<u>2,935</u>	<u>17,644</u>	<u>182,323</u>	<u>1,835</u>	<u>\$ -</u>	<u>2,000</u>	<u>6,492</u>	<u>213,229</u>
<b>TOTAL ASSETS</b>	<b>\$ 2,935</b>	<b>\$ 17,644</b>	<b>\$ 182,323</b>	<b>\$ 1,835</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 6,492</b>	<b>\$ 213,229</b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Due To Other Funds				\$ 1,835	\$ 19,082		\$ 4,857	\$ 25,774
Accounts Payable - Other		\$ 14,239	\$ 12				220	14,471
Deferred Revenue	-	-	182,311	-	-	-	-	182,311
Total Liabilities	<u>\$ -</u>	<u>14,239</u>	<u>182,323</u>	<u>1,835</u>	<u>19,082</u>	<u>\$ -</u>	<u>5,077</u>	<u>222,556</u>
<b>Fund Balances:</b>								
Unassigned					(19,082)			(19,082)
Restricted	<u>2,935</u>	<u>3,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>1,415</u>	<u>9,755</u>
Total Fund Balances	<u>2,935</u>	<u>3,405</u>	<u>-</u>	<u>-</u>	<u>(19,082)</u>	<u>2,000</u>	<u>1,415</u>	<u>(9,327)</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 2,935</b>	<b>\$ 17,644</b>	<b>\$ 182,323</b>	<b>\$ 1,835</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 6,492</b>	<b>\$ 213,229</b>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2014

Schedule 2  
(page 2 of 4)

	Next Step - Vermont Student	Central Health & Learning	VPA Student Leadership Project	Co-Curricular Sport Camps	Music	SAT Continuing Education	Rowland Grant	Subtotals
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Cash								\$ -
Due From Other Funds	\$ 169	\$ 760	\$ 941	\$ 272	\$ 1,325	\$ 3,202	\$ 2,513	9,182
Accounts Receivable - State								-
Accounts Receivable - Supervisory Union								-
Accounts Receivable - Other								-
Prepaid Expenses	-	-	-	-	-	-	-	-
Total Current Assets	<u>169</u>	<u>760</u>	<u>941</u>	<u>272</u>	<u>1,325</u>	<u>3,202</u>	<u>2,513</u>	<u>9,182</u>
<b>TOTAL ASSETS</b>	<u>\$ 169</u>	<u>\$ 760</u>	<u>\$ 941</u>	<u>\$ 272</u>	<u>\$ 1,325</u>	<u>\$ 3,202</u>	<u>\$ 2,513</u>	<u>\$ 9,182</u>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Due To Other Funds								\$ -
Accounts Payable - Other								-
Deferred Revenue	\$ 169	-	-	-	-	-	\$ 2,513	2,682
Total Liabilities	<u>169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,513</u>	<u>2,682</u>
<b>Fund Balances:</b>								
Unassigned								-
Restricted	-	760	941	272	1,325	3,202	-	6,500
Total Fund Balances	<u>-</u>	<u>760</u>	<u>941</u>	<u>272</u>	<u>1,325</u>	<u>3,202</u>	<u>-</u>	<u>6,500</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 169</u>	<u>\$ 760</u>	<u>\$ 941</u>	<u>\$ 272</u>	<u>\$ 1,325</u>	<u>\$ 3,202</u>	<u>\$ 2,513</u>	<u>\$ 9,182</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2014

Schedule 2  
(page 3 of 4)

	Athletic Fundraiser	Rwanda Fund	Musical	NEA/Learn Leadership Grant	Tech Ed Tool Sale	Tadejewski Estate	Water Source Development	Subtotals
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Cash		\$ 279						\$ 279
Due From Other Funds	\$ 5,464	4,556		\$ 669	\$ 525	\$ 496		11,710
Accounts Receivable - State								-
Accounts Receivable - Supervisory Union								-
Accounts Receivable - Other								-
Prepaid Expenses	-	-	-	-	-	-	-	-
Total Current Assets	<u>5,464</u>	<u>4,835</u>	<u>\$ -</u>	<u>669</u>	<u>525</u>	<u>496</u>	<u>\$ -</u>	<u>11,989</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,464</u></b>	<b><u>\$ 4,835</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 669</u></b>	<b><u>\$ 525</u></b>	<b><u>\$ 496</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 11,989</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Due To Other Funds			\$ 1,437				\$ 33,684	\$ 35,121
Accounts Payable - Other							32,007	32,007
Deferred Revenue	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>1,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>65,691</u>	<u>67,128</u>
<b>Fund Balances:</b>								
Unassigned			(1,437)				(65,691)	(67,128)
Restricted	<u>5,464</u>	<u>4,835</u>	<u>-</u>	<u>669</u>	<u>525</u>	<u>496</u>	<u>-</u>	<u>11,989</u>
Total Fund Balances	<u>5,464</u>	<u>4,835</u>	<u>(1,437)</u>	<u>669</u>	<u>525</u>	<u>496</u>	<u>(65,691)</u>	<u>(55,139)</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 5,464</u></b>	<b><u>\$ 4,835</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 669</u></b>	<b><u>\$ 525</u></b>	<b><u>\$ 496</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 11,989</u></b>

The accompanying notes are an integral part of these financial statements



Harwood Union School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2014

Schedule 2  
(page 4 of 4)

	Hall of Fame Co-Curricular	Rowland Grant	Mexico Program	Jamieson Memorial	Great Expectations	Subtotals	Totals
<b>ASSETS:</b>							
<b>Current Assets:</b>							
Cash						\$ -	\$ 279
Due From Other Funds	\$ 5,786	\$ 29,160	\$ 7,500	\$ 1,115	\$ 100	43,661	243,131
Accounts Receivable - State						-	9,851
Accounts Receivable - Supervisory Union						-	21,435
Accounts Receivable - Other						-	1,835
Prepaid Expenses	-	-	-	-	-	-	1,530
Total Current Assets	<u>5,786</u>	<u>29,160</u>	<u>7,500</u>	<u>1,115</u>	<u>100</u>	<u>43,661</u>	<u>278,061</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,786</u></b>	<b><u>\$ 29,160</u></b>	<b><u>\$ 7,500</u></b>	<b><u>\$ 1,115</u></b>	<b><u>\$ 100</u></b>	<b><u>\$ 43,661</u></b>	<b><u>\$ 278,061</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Due To Other Funds						\$ -	\$ 60,895
Accounts Payable - Other						-	46,478
Deferred Revenue	-	-	-	-	-	-	184,993
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>292,366</u>
<b>Fund Balances:</b>							
Unassigned						-	(86,210)
Restricted	<u>5,786</u>	<u>29,160</u>	<u>7,500</u>	<u>1,115</u>	<u>100</u>	<u>43,661</u>	<u>71,905</u>
Total Fund Balances	<u>5,786</u>	<u>29,160</u>	<u>7,500</u>	<u>1,115</u>	<u>100</u>	<u>43,661</u>	<u>(14,305)</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 5,786</u></b>	<b><u>\$ 29,160</u></b>	<b><u>\$ 7,500</u></b>	<b><u>\$ 1,115</u></b>	<b><u>\$ 100</u></b>	<b><u>\$ 43,661</u></b>	<b><u>\$ 278,061</u></b>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2014

Schedule 3  
(page 1 of 4)

	Child Care Grant	Care & Custody	Medicaid	Vermont State Gear-Up	China Program	High School Transportation	Air Quality	Tobacco Use	Subtotals
REVENUES:									
Donations									\$ -
Sale of Fixed Assets									-
Private/Local/Other			\$ 75,788	\$ 4,461				\$ 11,815	92,064
State	-	\$ 452,380	-	-	-	\$ 2,500	-	-	454,880
TOTAL REVENUES	\$ -	452,380	75,788	4,461	\$ -	2,500	\$ -	11,815	546,944
EXPENDITURES:									
Direct Services		450,737		3,678		2,500			456,915
Support Services:									
Students			75,788					11,815	87,603
Area Administration				783					783
Operation and Maintenance of Building	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	450,737	75,788	4,461	-	2,500	-	11,815	545,301
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,643	-	-	-	-	-	-	1,643
FUND BALANCES, JULY 1, 2013	2,935	1,762	-	-	(19,082)	-	2,000	1,415	(10,970)
FUND BALANCES, JUNE 30, 2014	\$ 2,935	\$ 3,405	\$ -	\$ -	\$ (19,082)	\$ -	\$ 2,000	\$ 1,415	\$ (9,327)

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2014

Schedule 3  
(page 2 of 4)

	Central Health & Learning	VPA Student Leadership Project	Co-Curricular Sport Camps	Speak Out	Music	SAT Continuing Education	Rowland Grant	Athletic Fundraiser	Subtotals
REVENUES:									
Donations								\$ 10,180	\$ 10,180
Sale of Fixed Assets									-
Private/Local/Other			\$ 6,320		\$ 6,663	\$ 12,669	\$ 1,212		26,864
State	-	-	-	\$ 1,690	-	-	-	-	1,690
TOTAL REVENUES	\$ -	\$ -	6,320	1,690	6,663	12,669	1,212	10,180	38,734
EXPENDITURES:									
Direct Services			4,369	2,866	6,891	12,956	1,212	5,802	34,096
Support Services:									
Students									-
Area Administration									-
Operation and Maintenance of Building	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	4,369	2,866	6,891	12,956	1,212	5,802	34,096
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	1,951	(1,176)	(228)	(287)	-	4,378	4,638
FUND BALANCES, JULY 1, 2013	760	941	(1,679)	1,176	1,553	3,489	-	1,086	7,326
FUND BALANCES, JUNE 30, 2014	\$ 760	\$ 941	\$ 272	\$ -	\$ 1,325	\$ 3,202	\$ -	\$ 5,464	\$ 11,964

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2014

Schedule 3  
(page 3 of 4)

	Rwanda Fund	Musical	NEA/Learn Leadership Grant	Tech Ed Tool Sale	Tadejewski Estate	Water Source Development	Hall of Fame Co-Curricular	Tarrant - Middle School	Subtotals
REVENUES:									
Donations	\$ 44,460				\$ 2,000		\$ 2,543		\$ 49,003
Sale of Fixed Assets				\$ 50					50
Private/Local/Other	28,192	\$ 275						\$ 47,701	76,168
State	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 88,912</u>	<u>-</u>	<u>-</u>	<u>88,912</u>
TOTAL REVENUES	<u>72,652</u>	<u>275</u>	<u>\$ -</u>	<u>50</u>	<u>2,000</u>	<u>88,912</u>	<u>2,543</u>	<u>47,701</u>	<u>214,133</u>
EXPENDITURES:									
Direct Services	68,066	484			1,504		3,201	47,701	120,956
Support Services:									
Students									-
Area Administration									-
Operation and Maintenance of Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,464</u>	<u>-</u>	<u>-</u>	<u>120,464</u>
TOTAL EXPENDITURES	<u>68,066</u>	<u>484</u>	<u>-</u>	<u>-</u>	<u>1,504</u>	<u>120,464</u>	<u>3,201</u>	<u>47,701</u>	<u>241,420</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,586	(209)	-	50	496	(31,552)	(658)	-	(27,287)
FUND BALANCES, JULY 1, 2013	<u>249</u>	<u>(1,228)</u>	<u>669</u>	<u>475</u>	<u>-</u>	<u>(34,139)</u>	<u>6,444</u>	<u>-</u>	<u>(27,530)</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 4,835</u>	<u>\$ (1,437)</u>	<u>\$ 669</u>	<u>\$ 525</u>	<u>\$ 496</u>	<u>\$ (65,691)</u>	<u>\$ 5,786</u>	<u>\$ -</u>	<u>\$ (54,817)</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2014

Schedule 3  
(page 4 of 4)

	Rowland Grant	Mexico Program	Jamieson Memorial	Great Expectations	Transformation Grant	Subtotals	Totals
REVENUES:							
Donations			\$ 1,115			\$ 1,115	\$ 60,298
Sale of Fixed Assets						-	50
Private/Local/Other	\$ 100,000	\$ 25,862		\$ 100		125,962	321,058
State	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 2,500</u>	<u>2,500</u>	<u>547,982</u>
TOTAL REVENUES	<u>100,000</u>	<u>25,862</u>	<u>1,115</u>	<u>100</u>	<u>2,500</u>	<u>129,577</u>	<u>929,388</u>
EXPENDITURES:							
Direct Services	70,840	18,362			2,500	91,702	703,669
Support Services:							
Students						-	87,603
Area Administration						-	783
Operation and Maintenance of Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,464</u>
TOTAL EXPENDITURES	<u>70,840</u>	<u>18,362</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>91,702</u>	<u>912,519</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,160	7,500	1,115	100	-	37,875	16,869
FUND BALANCES, JULY 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,174)</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 29,160</u>	<u>\$ 7,500</u>	<u>\$ 1,115</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 37,875</u>	<u>\$ (14,305)</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Capital Projects  
June 30, 2014

Schedule 4

	DeLong Property Acquisition	Renovation Fund	Wood Chip Project	Maintenance Reserve	Construction Bond	Totals
<b>ASSETS:</b>						
Current Assets:						
Cash				\$ 107,153		\$ 107,153
Due From Other Funds	\$ 2,698	\$ 608	\$ 1,759	1,124	\$ 847	7,036
Accounts Receivable - State	-	-	362,066	-	-	362,066
Total Current Assets	<u>2,698</u>	<u>608</u>	<u>363,825</u>	<u>108,277</u>	<u>847</u>	<u>476,255</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,698</u></b>	<b><u>\$ 608</u></b>	<b><u>\$ 363,825</u></b>	<b><u>\$ 108,277</u></b>	<b><u>\$ 847</u></b>	<b><u>\$ 476,255</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Loan Payable	-	-	\$ 362,066	-	-	\$ 362,066
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>362,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>362,066</u>
Fund Balances:						
Committed	<u>2,698</u>	<u>608</u>	<u>1,759</u>	<u>108,277</u>	<u>847</u>	<u>114,189</u>
Total Fund Balances	<u>2,698</u>	<u>608</u>	<u>1,759</u>	<u>108,277</u>	<u>847</u>	<u>114,189</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 2,698</u></b>	<b><u>\$ 608</u></b>	<b><u>\$ 363,825</u></b>	<b><u>\$ 108,277</u></b>	<b><u>\$ 847</u></b>	<b><u>\$ 476,255</u></b>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Capital Projects  
For The Year Ended June 30, 2014

Schedule 5

	DeLong Property Acquisition	Renovation Fund	Wood Chip Project	Maintenance Reserve	Construction Bond	Totals
REVENUES:						
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 58</u>	<u>-</u>	<u>\$ 58</u>
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>58</u>	<u>\$ -</u>	<u>58</u>
EXPENDITURES:						
Operation and Maintenance of Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,759</u>	<u>-</u>	<u>185,759</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,759</u>	<u>-</u>	<u>185,759</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,701)</u>	<u>-</u>	<u>(185,701)</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,701)</u>	<u>-</u>	<u>(60,701)</u>
FUND BALANCES, JULY 1, 2013	<u>2,698</u>	<u>608</u>	<u>1,759</u>	<u>168,978</u>	<u>847</u>	<u>174,890</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 2,698</u>	<u>\$ 608</u>	<u>\$ 1,759</u>	<u>\$ 108,277</u>	<u>\$ 847</u>	<u>\$ 114,189</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Permanent Funds  
June 30, 2014

Schedule 6

	Joshua Douglass Memorial	Harwood Faculty Award	James Izor Memorial	Kathy MacKay Award	Willis Merusi Trust	Rebekah Scholarship	Richard Wein Memorial	Warren Howland Scholarship	Totals
<b>ASSETS:</b>									
Current Assets:									
Cash		\$ 5,000	\$ 11,137	\$ 6,099	\$ 10,000	\$ 5,000	\$ 40,496	\$ 4,710	\$ 82,442
Due From Other Funds	\$ 5,220	468	5	209	388	196	208	-	6,694
Total Current Assets	<u>5,220</u>	<u>5,468</u>	<u>11,142</u>	<u>6,308</u>	<u>10,388</u>	<u>5,196</u>	<u>40,704</u>	<u>4,710</u>	<u>89,136</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,220</u>	<u>\$ 5,468</u>	<u>\$ 11,142</u>	<u>\$ 6,308</u>	<u>\$ 10,388</u>	<u>\$ 5,196</u>	<u>\$ 40,704</u>	<u>\$ 4,710</u>	<u>\$ 89,136</u>
<b>LIABILITIES AND FUND BALANCES:</b>									
Liabilities:									
Due To Other Funds	-	-	-	-	-	-	-	\$ 39	\$ 39
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>39</u>	<u>39</u>
Fund Balances:									
Spendable									-
Unspendable	5,220	5,468	11,142	6,308	10,388	5,196	40,704	4,671	89,097
Total Fund Balances	<u>5,220</u>	<u>5,468</u>	<u>11,142</u>	<u>6,308</u>	<u>10,388</u>	<u>5,196</u>	<u>40,704</u>	<u>4,671</u>	<u>89,097</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 5,220</u>	<u>\$ 5,468</u>	<u>\$ 11,142</u>	<u>\$ 6,308</u>	<u>\$ 10,388</u>	<u>\$ 5,196</u>	<u>\$ 40,704</u>	<u>\$ 4,710</u>	<u>\$ 89,136</u>

The accompanying notes are an integral part of these financial statements



Harwood Union School District  
Combining Statement of Revenues, Expenses  
and Changes in Fund Balances  
Permanent Funds  
For The Year Ended June 30, 2014

Schedule 7

	Joshua Douglass Memorial	Harwood Faculty Award	James Izor Memorial	Kathy MacKay Award	Willis Merusi Trust	Rebekah Scholarship	Richard Wein Memorial	Warren Howland Scholarship	Totals
REVENUE:									
Investment Income	\$ 5	\$ 18		\$ 20	\$ 35	\$ 18	\$ 143	\$ 16	\$ 255
Donations	<u>-</u>	<u>373</u>	<u>\$ 39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412</u>
TOTAL REVENUE	<u>5</u>	<u>391</u>	<u>39</u>	<u>20</u>	<u>35</u>	<u>18</u>	<u>143</u>	<u>16</u>	<u>667</u>
EXPENDITURES:									
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5	391	39	20	35	18	143	16	667
FUND BALANCES, JULY 1, 2013	<u>5,215</u>	<u>5,077</u>	<u>11,103</u>	<u>6,288</u>	<u>10,353</u>	<u>5,178</u>	<u>40,561</u>	<u>4,655</u>	<u>88,430</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 5,220</u>	<u>\$ 5,468</u>	<u>\$ 11,142</u>	<u>\$ 6,308</u>	<u>\$ 10,388</u>	<u>\$ 5,196</u>	<u>\$ 40,704</u>	<u>\$ 4,671</u>	<u>\$ 89,097</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Statement of Changes in Assets and Liabilities  
Fiduciary Fund Types - Agency Funds  
For The Year Ended June 30, 2014

Schedule 8

	Balance July 1, 2013	Receipts	Disbursements	Transfers	Balance June 30, 2014
Assets:					
Cash - Checking	\$ (2,852)	\$ -	\$ 124,106	\$ 125,000	\$ (1,958)
Cash - Savings	<u>74,190</u>	<u>116,525</u>	<u>38</u>	<u>(125,000)</u>	<u>65,677</u>
Total Assets	<u>\$ 71,338</u>	<u>\$ 116,525</u>	<u>\$ 124,144</u>	<u>\$ -</u>	<u>\$ 63,719</u>
Liabilities:					
Amount Held for Agency Funds	<u>\$ 71,338</u>	<u>\$ 116,525</u>	<u>\$ 124,144</u>	<u>\$ -</u>	<u>\$ 63,719</u>
Total Liabilities	<u>\$ 71,338</u>	<u>\$ 116,525</u>	<u>\$ 124,144</u>	<u>\$ -</u>	<u>\$ 63,719</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Fiduciary Fund Type - Private Purpose Trust Funds  
June 30, 2014

Schedule 9  
(page 1 of 2)

	Burnham Fund	Hall Award	Eunice B. Farr	Fielder Memorial	Jason Lemery Award	W. Parker Scholarship	Subtotals
<b>ASSETS:</b>							
Current Assets:							
Cash	\$ 21,206						\$ 21,206
Due From Other Funds	<u>-</u>	<u>\$ 528</u>	<u>\$ 934</u>	<u>\$ 51</u>	<u>\$ 1,375</u>	<u>\$ 2,142</u>	<u>5,030</u>
Total Current Assets	<u>21,206</u>	<u>528</u>	<u>934</u>	<u>51</u>	<u>1,375</u>	<u>2,142</u>	<u>26,236</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 21,206</u></b>	<b><u>\$ 528</u></b>	<b><u>\$ 934</u></b>	<b><u>\$ 51</u></b>	<b><u>\$ 1,375</u></b>	<b><u>\$ 2,142</u></b>	<b><u>\$ 26,236</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Due to Other Funds	\$ 20,846	-	-	-	-	-	\$ 20,846
Total Liabilities	<u>20,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>20,846</u>
Fund Balances:							
Restricted	<u>360</u>	<u>528</u>	<u>934</u>	<u>51</u>	<u>1,375</u>	<u>2,142</u>	<u>5,390</u>
Total Fund Balances	<u>360</u>	<u>528</u>	<u>934</u>	<u>51</u>	<u>1,375</u>	<u>2,142</u>	<u>5,390</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 21,206</u></b>	<b><u>\$ 528</u></b>	<b><u>\$ 934</u></b>	<b><u>\$ 51</u></b>	<b><u>\$ 1,375</u></b>	<b><u>\$ 2,142</u></b>	<b><u>\$ 26,236</u></b>

The accompanying notes are an integral part of these financial statements

Harwood Union School District  
Combining Balance Sheet  
Fiduciary Fund Type - Private Purpose Trust Funds  
June 30, 2014

Schedule 9  
(page 2 of 2)

	Robert Reidy	Robert Koster	Hunter Wright Award	Fred LaRock Scholarship	Miscellaneous Scholarships	Subtotals	Totals
<b>ASSETS:</b>							
Current Assets:							
Cash						\$ -	\$ 21,206
Due From Other Funds	\$ 6	\$ 1,266	\$ 2,314	\$ 1,474	\$ 4,100	9,160	14,190
Total Current Assets	<u>6</u>	<u>1,266</u>	<u>2,314</u>	<u>1,474</u>	<u>4,100</u>	<u>9,160</u>	<u>35,396</u>
<b>TOTAL ASSETS</b>	<u>\$ 6</u>	<u>\$ 1,266</u>	<u>\$ 2,314</u>	<u>\$ 1,474</u>	<u>\$ 4,100</u>	<u>\$ 9,160</u>	<u>\$ 35,396</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Due to Other Funds	-	-	-	-	-	-	\$ 20,846
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>20,846</u>
Fund Balances:							
Restricted	<u>6</u>	<u>1,266</u>	<u>2,314</u>	<u>1,474</u>	<u>4,100</u>	<u>9,160</u>	<u>14,550</u>
Total Fund Balances	<u>6</u>	<u>1,266</u>	<u>2,314</u>	<u>1,474</u>	<u>4,100</u>	<u>9,160</u>	<u>14,550</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 6</u>	<u>\$ 1,266</u>	<u>\$ 2,314</u>	<u>\$ 1,474</u>	<u>\$ 4,100</u>	<u>\$ 9,160</u>	<u>\$ 35,396</u>

The accompanying notes are an integral part of these financial statements



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**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**

To the School Board  
Harwood Union School District #19, Vermont

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, the business-type activities, each major fund, and the aggregate remaining fund information of Harwood Union School District #19, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Harwood Union School District #19, Vermont's basic financial statements and have issued our report thereon dated March 18, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Harwood Union School District #19, Vermont's internal control over financial reporting (internal control) to determine the 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 Harwood Union School District #19, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Harwood Union School District #19, Vermont'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 entity'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.

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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Harwood Union School District #19, Vermont's financial statements are free from 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 determination of financial statement amounts. 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 of other matters that are required to be reported under *Government Auditing Standards*.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

## ***Angolano & Company***

Angolano & Company  
Shelburne, Vermont  
Firm Registration Number 92-0000141

March 18, 2015



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To the School Board  
Harwood Union School District #19, Vermont

In planning and performing our audit of the financial statements of Harwood Union School District #19, Vermont as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Harwood Union School District #19, Vermont's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Harwood Union School District #19, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Harwood Union School District #19, Vermont'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 entity'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.

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 may exist that have not been identified.

In addition, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below.

Deficiency:

Employee Insurance Co-pays:

- While testing the receivable accounts on the balance sheet it was noted that there is an account titled "Employee Co-pay" that had a \$10,108.68 credit balance. Based on discussion with staff, this account is used to account for employee withholdings for insurance benefits co-pay portions. When insurance bills are received by the District prior to payroll dates, this account is debited to reflect the amount that the employees owe

to the District. When payroll is run, the account is credited to clear out the amounts that were owed to the District. The net effect should be to zero out the account every month. There should not be a large credit balance in this account at 06/30/14 because summer invoices for health and dental insurances were prepaid in June before summer pays were yet run. This would mean that there should be a debit balance in the account until the summer pays are run in July and August 2014. We suggest this account be reviewed and reconciled, as the amount is material to the financial statements.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel within Harwood Union School District #19, Vermont, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the School Board, management, others within the entity, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Angolano & Company*

Angolano & Company  
Shelburne, Vermont  
Firm Registration Number 92-0000141

March 18, 2015





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August 22, 2014

To the School Board  
Harwood Union School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Harwood Union School District** for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 29, 2014. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Harwood Union School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the lives of property, plant, and equipment is based on expected usefulness. We evaluated the key factors and assumptions used to develop the lives of property, plant, and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Management estimates the final receivable or payable with the State of Vermont Department of Education for special education expense reimbursement.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Fund Balances and Net Resources in Notes 12 and 13 to the financial statements as to how any surplus is to be used in future fiscal years.

The disclosure of Other Post Employment Benefits (OPEB) and Termination Benefits in Note 9 to the financial statements as to how it is being offered and any contingent and real liabilities that exist.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those

statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of School Board and management of Harwood Union School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

***Angolano & Company***

Angolano & Company,  
Shelburne, Vermont  
Firm Registration Number 92-0000141