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January 12, 2010

Harwood Union School District
Att: Michelle Baker, Bus. Mgr.
1673 Main Street, Ste. A
Waitsfield, VT 05673

Dear Michelle:

I have electronically forwarded the final financial statements for Harwood Union School District as of and for the year ended June 30, 2010. In addition I will be mailing you 18 bound copies.

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
Financial Statements
For The Year Ended June 30, 2010

Harwood Union School District
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For The Year Ended June 30, 2010

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Independent Auditors' Report

To The School Board
Harwood Union School District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Harwood Union School District, Vermont, as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the School District's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Harwood Union School District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, and the aggregate remaining fund information of Harwood Union School District, Vermont, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of Harwood Union School District, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year

then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2010 on our consideration of Harwood Union School District'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* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 and 36 through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Harwood Union School District'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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Angolano & Company

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

December 23, 2010

HARWOOD UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010

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, 2010 (FY 10). 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 \$9,359,622 and government-wide liabilities totaled \$3,898,361.
- Long-term debt (more than one year) totaled \$1,681,335 at year end, a reduction of \$188,041.
- The District's general fund actual revenues were \$12,077,001, while the budgeted revenues were \$12,111,479, a decrease of \$34,478 or .28%.
- The District's general fund actual expenditures were \$11,503,964, while the budgeted expenditures were \$11,724,686 a savings of \$220,722 or 1.8%.
- Special Revenue Funds totaling \$127,141 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. The fund balance at June 30, 2009 was (\$80,551). The negative balance is due to bond proceeds due from the water project bond.
- The Enterprise Fund represents the food program and had an ending retained earnings balance of \$32,739.
- Agency Funds totaling \$66,360 are held in the District's accounts for various student activities and projects.
- Expendable Trust Funds totaling \$11,197 are held in the District's accounts for student scholarships.
- Nonexpendable Trust Funds totaling \$89,027 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 8-11.

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 12-13 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 14-35.

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 statements, ADM Audit Report, and a Report on Compliance and Internal Control.

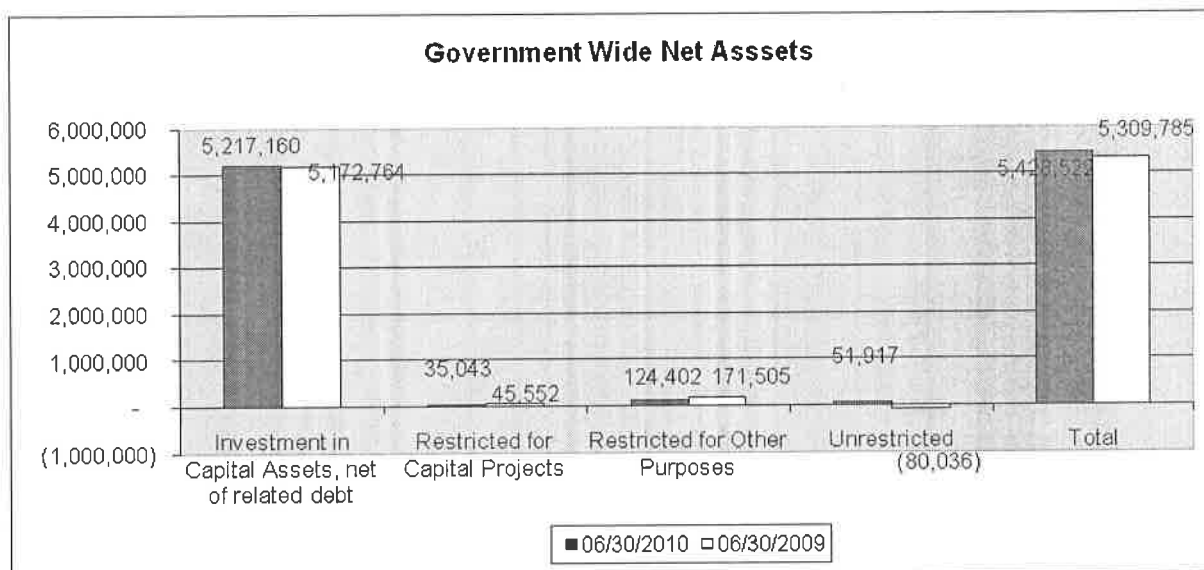
Government-Wide Financial Analysis

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.

Harwood Union High School
Statement of Net Assets and Fund Balance Reconciliation
June 30, 2010

	Summary of Financial Operations and Fund Balance	Governmental Activities Government-Wide	Difference
ASSETS			
<u>Current Assets:</u>			
Cash	839,955	839,955	-
Prepaid Expenses	13,419	13,419	-
Accounts Receivable:			
State	1,192,908	1,192,908	-
Supervisory Union	58,818	58,818	-
Other	19,746	19,746	-
Total Current Assets	2,124,846	2,124,846	-
<u>Non-current Assets:</u>			
Capital Assets:			
Building & Equipment, net of Accum. Depr.	-	7,189,456	(7,189,456)
Total Non-current Assets	-	7,189,456	(7,189,456)
TOTAL ASSETS	2,124,846	9,314,302	(7,189,456)
LIABILITIES			
<u>Current Liabilities:</u>			
Cash Overdraft	106,889	106,889	-
Accounts Payable - State	172,878	172,878	-
Accounts Payable - Other	258,085	258,085	-
Accrued Expenses	22,494	36,773	(14,279)
Accrued Interest Payable	-	8,317	(8,317)
Due to Other Funds	15,238	15,238	-
Deferred Revenue	106,301	106,301	-
Note Payable	1,184,162	1,184,162	-
Retirement Incentives Payable	-	24,841	(24,841)
Current Portion of Long-Term Obligations	-	290,961	(290,961)
Total Current Liabilities	1,866,047	2,204,445	(338,398)
<u>Non-current Liabilities:</u>			
Bonds Payable	-	1,681,335	(1,681,335)
Total Non-current Liabilities	-	1,681,335	(1,681,335)
TOTAL LIABILITIES	1,866,047	3,885,780	(2,019,733)
NET ASSETS			
Investment in Capital Assets, net of related Debt	-	5,217,160	(5,217,160)
Restricted for Capital Projects	-	35,043	(35,043)
Restricted for Other Purposes	159,445	124,402	35,043
Unrestricted	99,354	51,917	47,437
TOTAL NET ASSETS	258,799	5,428,522	(5,169,723)
TOTAL LIABILITIES AND NET ASSETS	2,124,846	9,314,302	(7,189,456)



	Year ended 06/30/2010	Year ended 06/30/2009
Government-Wide Revenues		
State (Includes Local Property Tax)	\$ 11,231,253	\$ 13,076,888
Private Revenues	\$ 24,511	\$ 20,886
Rentals	\$ 19,200	\$ 19,200
Investment Earnings	\$ 82,088	\$ 87,301
Other	\$ 4,100	\$ 22,334
Tuition	\$ 83,160	\$ 180,783
Transfers	\$ (4,000)	\$ -
Total	\$ 11,440,312	\$ 13,407,392

	Year ended 06/30/2010	Year ended 06/30/2009
Government-Wide Expenditures		
Direct Services	\$ 8,110,044	\$ 8,701,512
Support Services	\$ 1,838,961	\$ 1,782,107
Fiscal Services	\$ 198,657	\$ 177,977
Operations & Maintenance	\$ 894,417	\$ 901,285
Transportation	\$ 279,249	\$ 514,812
Other	\$ 247	\$ -
Total	\$ 11,321,575	\$ 12,077,693

Governmental Activities:

Governmental Activities revenues totaled \$11,440,312 and expenses totaled \$11,321,575 resulting in an increase in net assets of \$118,737.

Business Type Activities:

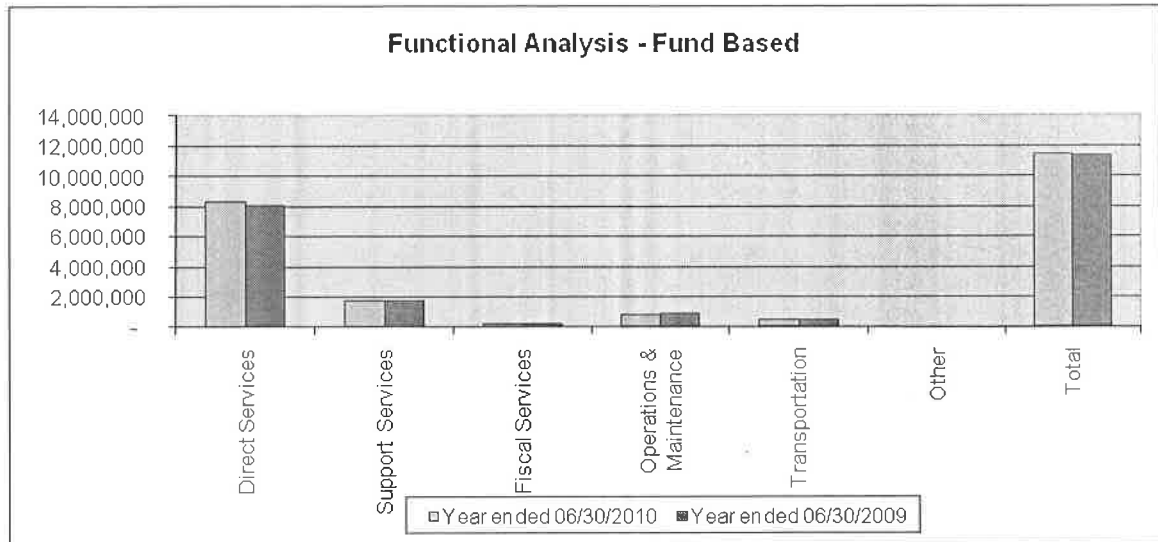
Business Type Activities realized a decrease in net assets of \$1,644.

Fund Financial Analysis

Governmental Fund Types:

Fund balances in the Governmental Fund types increased from \$210,189 to \$258,799 an increase of \$48,610. This decrease was reflected in the General Fund by an increase of \$50,302, an increase of \$1,825 in the Special Revenue Funds and a decrease of \$3,517 in the Capital Projects Funds.

	Summary of Financial Operations and Fund Balance 6/30/2010	Summary of Financial Operations and Fund Balance 6/30/2009
ASSETS		
<u>Current Assets:</u>		
Cash	839,955	972,708
Prepaid Expenses	13,419	37,185
Accounts Receivable:		
State	1,192,908	1,373,332
Supervisory Union	58,818	28,520
Other LEA's	-	93,296
Other	19,746	15,925
Due from Business-Type Activities	-	16,917
Total Current Assets	2,124,846	2,537,883
LIABILITIES		
<u>Current Liabilities:</u>		
Cash Overdraft	106,889	517,585
Accounts Payable - State	172,878	178,084
Accounts Payable - Other	258,085	48,698
Accrued Expenses	22,494	8,862
Deferred Revenue	106,301	61,435
Due to Other Funds	15,238	
Note Payable	1,184,162	1,513,030
Total Current Liabilities	1,866,047	2,327,694
NET ASSETS		
Investment in Capital Assets, net of related Debt	-	-
Restricted for Capital Projects	-	-
Restricted for Other Purposes	159,445	216,857
Unrestricted	99,354	(6,668)
TOTAL NET ASSETS	258,799	210,189
TOTAL LIABILITIES AND NET ASSETS	2,124,846	2,537,883



Fund Financial Analysis (Continued)

Capital Projects Fund ending fund balance of (\$80,551) is reflective primarily of funds reserved for water system improvements, the wood chip plant, roof renovations, property acquisition, and building maintenance. The balance is negative as bond proceeds for water system improvements have not yet been received.

Proprietary Fund Type:

Food service programs are offered to the students for hot lunch and breakfast. This program recognized a net income of \$2,963 during the past year and had a retained earnings balance of \$37,346 as of June 30, 2010.

Fiduciary Fund Types:

Agency funds of \$66,360 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 \$11,197 at year end, as compared to \$15,637 for the prior year.

Nonexpendable Trust Funds for scholarships were being held with a fund balance of \$89,123 at year end, as compared to \$89,123 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			
Harwood Union High School			
Capital Assets			
June 30, 2010			
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Governmental Activities:			
Construction in Progress	112,502	-	112,502
Land Improvements	308,582	231,436	77,146
Buildings and Improvements	\$ 9,587,744	\$ 4,197,700	5,390,044
Infrastructure	\$ 1,469,996	\$ 58,800	1,411,196
Furniture and Equipment	381,924	183,376	198,548
Vehicles	43,821	43,821	-
Total	\$ 11,904,569	\$ 4,715,133	\$ 7,189,436

Long-Term Debt

The District has one category of long-term debt, defined as debt due and payable beyond one year. At June 30, 2010, the District had \$1,972,296 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 \$1,184,162. This annual note has been renewed twice.

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 experiencing a decline in tuition students.
- Act 153 requires special education, compensatory and remedial services to be provided by the Supervisory Union by July 1, 2012. The effects of this Legislation are unknown at this time as no implementation guidance has been received regarding the new legislation.

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, 1673 Main Street – Suite A, Waitsfield, Vermont 05673 or at (802) 496-2272 ext. 117.

Harwood Union School District
Statement of Net Assets
Government-Wide
June 30, 2010

EXHIBIT I

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 839,955		\$ 839,955
Accounts Receivable - State	1,192,908		1,192,908
Accounts Receivable - Supervisory Union	58,818		58,818
Accounts Receivable - Other	19,746		19,746
Due From Other Funds		\$ 15,238	15,238
Prepaid Expenses	13,419		13,419
Inventory		2,029	2,029
Capital Assets, net (Note 4)	<u>7,189,456</u>	<u>28,053</u>	<u>7,217,509</u>
Total Assets	<u>9,314,302</u>	<u>45,320</u>	<u>9,359,622</u>
LIABILITIES:			
Cash Overdraft	106,889		106,889
Accounts Payable - State	172,878		172,878
Accounts Payable - Other	258,085	12,581	270,666
Accrued Expenses	36,773		36,773
Accrued Interest Payable	8,317		8,317
Due To Other Funds	15,238		15,238
Deferred Revenue	106,301		106,301
Note Payable	1,184,162		1,184,162
Retirement Incentives Payable	24,841		24,841
Long-Term Liabilities (Note 9):			
Due Within One Year	290,961		290,961
Due in More Than One Year	<u>1,681,335</u>	<u>-</u>	<u>1,681,335</u>
Total Liabilities	<u>3,885,780</u>	<u>12,581</u>	<u>3,898,361</u>
NET ASSETS:			
Investment in Capital Assets, net of related debt	5,217,160	28,053	5,245,213
Restricted for Capital Projects	35,043		35,043
Restricted for Other Purposes	124,402		124,402
Unrestricted	<u>51,917</u>	<u>4,686</u>	<u>56,603</u>
Total Net Assets	<u>\$ 5,428,522</u>	<u>\$ 32,739</u>	<u>\$ 5,461,261</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Statement of Activities
Government-Wide
For The Year Ended June 30, 2010

EXHIBIT II

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Instructional:						
Direct Services	\$ 9,262,273		\$ 1,152,229	\$ (8,110,044)		\$ (8,110,044)
Support Services:						
Student Services	647,319		30,252	(617,067)		(617,067)
Instructional Services	320,214		26,822	(293,392)		(293,392)
General Administrative Services	286,867			(286,867)		(286,867)
Area Administrative Services	641,635			(641,635)		(641,635)
Fiscal Services	198,657			(198,657)		(198,657)
Building Operations and Maintenance	894,417			(894,417)		(894,417)
Transportation	486,884		207,635	(279,249)		(279,249)
Other Support Services	247			(247)		(247)
Operation of Noninstructional Services:						
Food Services	574,163	\$ 568,519	-	-	\$ (5,644)	(5,644)
Total	<u>\$ 13,312,676</u>	<u>\$ 568,519</u>	<u>\$ 1,416,938</u>	<u>(11,321,575)</u>	<u>(5,644)</u>	<u>(11,327,219)</u>
General Revenues:						
Tuition				83,160		83,160
State Revenues not Restricted to Specific Programs				11,231,253		11,231,253
Private Revenues not Restricted to Specific Programs				24,511		24,511
Investment Earnings				82,088		82,088
Rentals				19,200		19,200
Refunds and Reimbursements				4,100		4,100
Transfers				(4,000)	4,000	-
Total General Revenues				<u>11,440,312</u>	<u>4,000</u>	<u>11,444,312</u>
Excess (Deficiency) of Revenues Over Expenses				118,737	(1,644)	117,093
Net Assets - Beginning				<u>5,309,785</u>	<u>34,383</u>	<u>5,344,168</u>
Net Assets - Ending				<u>\$ 5,428,522</u>	<u>\$ 32,739</u>	<u>\$ 5,461,261</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, 2010

EXHIBIT III

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Types			Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects	Enterprise Fund	Agency Funds	Expendable Trust Funds	Nonexpendable Trust Funds	
ASSETS:								
Current Assets:								
Cash	\$ 727,945		\$ 112,010		\$ 66,360	\$ 11,102	\$ 89,123	\$ 1,006,540
Accounts Receivable - State	8,746		1,184,162					1,192,908
Accounts Receivable - Supervisory Union	17,017	\$ 41,801						58,818
Accounts Receivable - Other	15,392	4,354						19,746
Due From Other Funds	87,331	127,141	5,065	\$ 15,238		10,839		245,614
Prepaid Expenses	13,419							13,419
Inventories	-	-	-	2,029	-	-	-	2,029
Total Current Assets	<u>869,850</u>	<u>173,296</u>	<u>1,301,237</u>	<u>17,267</u>	<u>66,360</u>	<u>21,941</u>	<u>89,123</u>	<u>2,539,074</u>
Other Assets:								
Fixed Assets - net	-	-	-	28,053	-	-	-	28,053
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,053</u>
TOTAL ASSETS	<u>\$ 869,850</u>	<u>\$ 173,296</u>	<u>\$ 1,301,237</u>	<u>\$ 45,320</u>	<u>\$ 66,360</u>	<u>\$ 21,941</u>	<u>\$ 89,123</u>	<u>\$ 2,567,127</u>
LIABILITIES AND FUND EQUITIES:								
Liabilities:								
Cash Overdraft	\$ 106,889							\$ 106,889
Accounts Payable - State	172,878							172,878
Accounts Payable - Other	236,677	\$ 20,736	\$ 672	\$ 12,581				270,666
Accrued Expenses	22,494							22,494
Due to Other Funds		37,821	196,954			\$ 10,744	\$ 96	245,615
Deferred Revenue		106,301						106,301
Loan Payable			1,184,162					1,184,162
Amount Held for Agency Funds	-	-	-	-	\$ 66,360	-	-	66,360
Total Liabilities	<u>538,938</u>	<u>164,858</u>	<u>1,381,788</u>	<u>12,581</u>	<u>66,360</u>	<u>10,744</u>	<u>96</u>	<u>2,175,365</u>
Fund Equity:								
Fund Balances:								
Unreserved	214,994	(46)	(115,594)					99,354
Reserved	115,918	8,484	35,043			11,197		170,642
Restricted							89,027	89,027
Retained Earnings	-	-	-	32,739	-	-	-	32,739
Total Fund Equities	<u>330,912</u>	<u>8,438</u>	<u>(80,551)</u>	<u>32,739</u>	<u>-</u>	<u>11,197</u>	<u>89,027</u>	<u>391,762</u>
TOTAL LIABILITIES AND FUND EQUITIES	<u>\$ 869,850</u>	<u>\$ 173,296</u>	<u>\$ 1,301,237</u>	<u>\$ 45,320</u>	<u>\$ 66,360</u>	<u>\$ 21,941</u>	<u>\$ 89,123</u>	<u>\$ 2,567,127</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2010

Fund Balances – total governmental funds	\$ 258,799
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

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

Governmental capital assets	11,904,569
Less accumulated depreciation	(4,715,113)

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

Bonds Payable	(1,735,000)
Notes Payable	(237,296)

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

Vested Vacation Payable	(14,279)
Retirement Incentive Payable	(24,841)

Interest is accrued on outstanding debt in the government -wide financial statements, whereas in the governmental fund financial statements as interest expenditure is reported when due.

<u>(8,317)</u>

Net Assets of Governmental Activities	<u>\$ 5,428,522</u>
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Harwood Union School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds - Fund Base
For The Year Ended June 30, 2010

EXHIBIT IV

	Governmental Fund Types				Expendable Trust Funds	Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects	Debt Service Fund		
REVENUES:						
Tuition - Other LEAs	\$ 83,160					\$ 83,160
Investment Income	80,164		\$ 1,924		\$ 109	82,197
Lease Income	19,200					19,200
Refunds and Reimbursements	4,100					4,100
Donations					6,100	6,100
Private/Local/Other	23,771	\$ 131,102				154,873
State	11,370,404	559,723				11,930,127
Federal	496,202	91,500	-	-	-	587,702
TOTAL REVENUES	12,077,001	782,325	1,924	\$ -	6,209	12,867,459
EXPENDITURES:						
Direct Services	8,292,206	659,429				8,951,635
Support Services:						
Students	550,676	94,002				644,678
Instructional Staff	290,131	26,822				316,953
General Administration	286,867				4,550	291,417
Area Administration	629,334					629,334
Fiscal Services	198,566					198,566
Operation & Maintenance of Building	769,300		87,432			856,732
Transportation	486,884					486,884
Community Services		247				247
Construction Services			103,296			103,296
Debt Service:						
Interest Charges				152,774		152,774
Principal Retirement	-	-	-	290,961	-	290,961
TOTAL EXPENDITURES	11,503,964	780,500	190,728	443,735	4,550	12,923,477
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	573,037	1,825	(188,804)	(443,735)	1,659	(56,018)
OTHER FINANCING SOURCES (USES):						
Loan Proceeds			110,287			110,287
Transfers In			75,000	443,735	1,493	520,228
Transfers Out	(522,735)	-	-	-	-	(522,735)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	50,302	1,825	(3,517)	-	3,152	51,762
FUND BALANCE, JULY 1, 2009	280,610	6,613	(77,034)	-	8,045	218,234
FUND BALANCE, JUNE 30, 2010	\$ 330,912	\$ 8,438	\$ (80,551)	\$ -	\$ 11,197	\$ 269,996

The accompanying notes are an integral part of these financial statements

Harwood Union School District
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, 2010

Net Changes in fund Balances – total governmental funds \$ 48,610

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	145,228
Less current year depreciation	(281,506)

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

Note proceeds	(110,287)
Repayment of bonds	250,000
Repayment of note	40,961

Expense reported in the Statement of Activities does not require
the use of current financial resources and is therefore not
reported as expenditures in governmental funds:

Accrued Interest Change	1,284
Vested Vacation Payable Change	(394)

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.

24,841

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 .

0

Change in Net Assets of Governmental Funds \$ 118,737

Harwood Union School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Equity
Proprietary Fund Type and Nonexpendable Trust Funds
For The Year Ended June 30, 2010

EXHIBIT V

	Proprietary Fund Type		Totals (Memorandum Only)
	Enterprise Fund	Nonexpendable Trust Funds	
Operating Revenues:			
Sales	\$ 441,953		\$ 441,953
Fees	13,604		13,604
Miscellaneous	5,436	-	5,436
Total Operating Revenues	<u>460,993</u>	<u>\$ -</u>	<u>460,993</u>
Operating Expenses:			
Salaries and Benefits	337,575		337,575
Repairs and Maintenance	5,389		5,389
Travel and Consultant	484		484
Utilities	3,962		3,962
Food and Supplies	221,013		221,013
Equipment	1,133		1,133
Depreciation	4,607	-	4,607
Total Operating Expenses	<u>574,163</u>	<u>-</u>	<u>574,163</u>
Operating Income (Loss)	<u>(113,170)</u>	<u>-</u>	<u>(113,170)</u>
Non-Operating Revenue:			
Investment Income		1,493	1,493
State Sources:			
Restricted Grants:			
State Match	3,602		3,602
Child Nutrition Other	779		779
Federal Sources:			
Restricted Grants:			
School Breakfast Program	19,301		19,301
School Lunch Program	65,641		65,641
Commodities	18,203	-	18,203
Total Non-Operating Revenue	<u>107,526</u>	<u>1,493</u>	<u>109,019</u>
Income (Loss) Before Transfers	(5,644)	1,493	(4,151)
Operating Transfers In (Out)	4,000	(1,493)	2,507
Net Income (Loss)	(1,644)	-	(1,644)
Fund Equity, July 1, 2009	<u>34,383</u>	<u>89,027</u>	<u>123,410</u>
Fund Equity, June 30, 2010	<u>\$ 32,739</u>	<u>\$ 89,027</u>	<u>\$ 121,766</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combined Statement of Cash Flows
Proprietary Fund Type and Nonexpendable Trust Funds
For The Year Ended June 30, 2010

EXHIBIT VI

	Proprietary Fund Type		Totals
	Enterprise Fund	Nonexpendable Trust Funds	(Memorandum Only)
Cash Flows From Operating Activities:			
Received From Customers/Grantors	\$ 460,993		\$ 460,993
Payments To Employees and Fringe Benefits	(323,971)		(323,971)
Payments To Vendors and Supplies	(234,699)	-	(234,699)
Net Cash Used By Operating Activities	<u>(97,677)</u>	<u>-</u>	<u>(97,677)</u>
Cash Flows From Noncapital Financing Activities:			
State Aid Received	107,526		107,526
Support From (To) Other Funds	(9,849)	(1,493)	(11,342)
Net Cash Used By Noncapital Financing Activities	<u>97,677</u>	<u>(1,493)</u>	<u>96,184</u>
Cash Flows From Capital and Related Financing Activities:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities:			
Investment Income	<u>-</u>	<u>1,493</u>	<u>1,493</u>
Net Increase (Decrease) in Cash	-	-	-
Cash, July 1, 2009	<u>-</u>	<u>89,123</u>	<u>89,123</u>
Cash, June 30, 2010	<u>\$ -</u>	<u>\$ 89,123</u>	<u>\$ 89,123</u>
Reconciliation of Operating Income (Loss) to Net Cash Used By Operating Activities:			
Cash Provided From Operating Activities:			
Operating Income (Loss)	\$ (108,564)	\$ -	\$ (108,564)
Adjustments to Reconcile Net Income to Cash Provided (Used) By Operating Activities:			
Depreciation	-		-
Increase (Decrease) in Accounts Payable - Other	10,887	-	10,887
Total Adjustments	<u>10,887</u>	<u>-</u>	<u>10,887</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (97,677)</u>	<u>\$ -</u>	<u>\$ (97,677)</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Notes to Financial Statements
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Harwood Union School District ("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 appointed by the boards of member districts to provide public education to the residents of the member districts. Except where noted, the accounting policies conform to generally accepted accounting principles, as applicable to governmental units.

The Union School District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriated version of the Vermont Department of Education's Handbook for Financial Accounting of Vermont School Systems (The Handbook).

Reporting Entity:

The schoolboard is appointed by member districts 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.

Government -Wide and Fund Financial Statements :

The statement of net assets and the statement of activities are government -wide financial statements. They report information on all of the Harwood Union School District's non-fiduciary activities with most of the Interfund activities removed. *Governmental Activities* include programs supported primarily by Taxes (collected by the Town on behalf of the State), State funds, grants and other intergovernmental revenues.

The statement of activities demonstrates how other people or entities that participate in programs the Union School District operates have shared in the payment of the direct costs. The "charges for Services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the Union School District. The "grants and contributions" column includes amounts paid by organizations outside the Union School District to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the Union School District's functions. Taxes are always general revenues.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net assets and as other resources and other uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses and changes in fund net assets. All Interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide statement of activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for Union School District operations, they are not included in the government-wide statements. The Union School District considers some governmental funds major and reports their financial condition and results of operations in a separate column. The major funds are:

Governmental Fund Types:

- General Fund – The general fund is the Union School District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – The Union School District accounts for resources restricted to, or designated for, specific purposes by the Union School District or a grantor in a special revenue fund. Most federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- Capital Project Fund – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.
- Debt Service Fund – The Union School District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Proprietary Fund Types:

Proprietary Fund – The Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund’s principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

Fiduciary Funds (Private Purpose Trust and Agency Funds):

Agency Funds and Trust Funds – The Agency and Trust Funds are used to account for assets held by the Union School District in a trustee capacity or as an agent for individuals, private organizations, other funds and/or governmental units.

- Agency funds are custodial in nature and do not involve measurements of results of operations.
- The Expendable Private Purpose Trust Funds (fiduciary 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. The Nonexpendable Private Purpose Trust Funds account for assets of which the principal may not be expended but must be retained.

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases (revenues and other financing sources) and decreases (expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become available and measurable and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The Union School District considers all revenues available if they are collectible within 60 days after year end

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues received from the State are recognized under the susceptible -to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the Union School District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The Union School District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

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 six months or less when purchased.

Interfund Receivables and Payables:

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".

Accounts Receivable:

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.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory:

Inventories consist of expendable items held for consumption. They are valued at cost on a first-in, first-out basis. In the governmental funds, the cost of inventories is recorded as an expenditure when individual items are purchased. Reported inventories are equally offset by a fund balance reserve to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

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 an expenditure when the payments are made. In the government-wide financial statements and the proprietary funds, these items are recorded as prepaid items.

Capital Assets:

Capital assets, which include land, buildings, furniture, and equipment, 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. Land Improvements, buildings, furniture and equipments of the Union School District 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.

Long-term Debt:

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

Budgets:

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 School District's administration with direction from the School Board and assistance from the Superintendent and Business Manager of the Washington West Supervisory Union and approved by the Harwood Union School District School Board at a properly warned meeting for

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

presentation to the voters. The operating budget includes proposed expenditures by line item and the means of financing them. The budget is approved by Union School District Voters at a properly warned annual meeting. The voters vote on the total expense amount and not on the individual line items presented in these financial statements.

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 in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and, therefore, should not be recorded as expenditures until receipt of material or service. 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.

Net Assets and Fund Balance:

Government -Wide Financial Statements:

When the Union School District incurs an expense for which it may use either restricted or unrestricted net assets, it uses restricted net assets first unless unrestricted net assets will have to be returned because they were not used. Net assets on the Statement of Net Assets include the following:

Investment in Capital Assets, net of Related Debt – The component of net assets reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Other Purposes – The component of net assets that reports the amount of revenue from a federal, state, or other program in excess of expenditures. These funds are restricted for use of the related federal, state or other program.

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 – The difference between the assets and liabilities that is not reported in net Assets Invested in Capital Assets, net of Related Debt, Net Assets Restricted for Other Purposes, or Net Assets Restricted for Capital Projects.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Based Financial Statements:

In the fund financial statements, governmental funds report fund balances as either a reserved fund balance or an unreserved fund balance.

Reserved Fund Balance – That portion of fund balance which is not available for appropriation or which has been legally segregated for a specific purpose.

Unreserved Fund Balance – Composed of designated and undesignated portions. The undesignated portion of the unreserved fund balance represents that portion of fund balance that is available for budgeting in future periods.

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 AND REPURCHASE AGREEMENTS

Cash deposits with financial institutions at June 30th amounted to \$1,006,540. As major revenues are received during the year bank deposits may temporarily exceed insured limits.

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 Deposits which are insured or collateralized with securities held by the Union School District or by its agent in the Union School District's name. (repurchase agreements)

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 2 - CASH AND REPURCHASE AGREEMENTS (CONTINUED)

- Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Bank's name.
- Category 3 Private commercial insurance protection or letter of credit for funds in excess of FDIC limits.
- Category 4 Deposits which are not collateralized or insured. (includes cash on hand)

The Union School District uses a letter of credit and collateralization agreements to protect deposits not otherwise insured by the FDIC and/or SIPC.

Balances held in each area are as follows:

	Carrying Amount	Bank Balance
- Insured (FDIC) and/or (SIPC)	\$ 252,000	\$ 500,000
- Category 1	0	0
- Category 2	754,540	750,756
- Category 3	0	141,659
- Category 4	0	0
Total deposits	<u>\$1,006,540</u>	<u>\$1,392,415</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.

Collateralization agreements of \$750,756 are securities held by the bank's trust department or agent in the bank's name. Securities consist of municipal bonds, U.S. Government obligations and U.S. Government Agency Bonds.

The School District holds a letter of credit to cover uninsured deposits of \$141,659. The letter of credit is drawn on the Federal Home Loan Bank of Pittsburgh.

NOTE 3 - 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, 2010 is as follows:

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 3 - INTERFUND RECEIVABLES (CONTINUED)

Fund Financial Statements:		
Receivable Fund	Payable Fund	Amount
Special Revenue Fund:		
Child Care Grant	General Fund	\$ 2,935
Care and Custody	General Fund	986
Medicaid	General Fund	80,861
Secondary Transformation	General Fund	10,834
Air Quality Grant	General Fund	2,000
Next Step – Vt. Student	General Fund	4,140
Speak Out Grant	General Fund	407
Community Climate Change	General Fund	3,084
CV Food System	General Fund	253
SAT Cont. Ed. Course	General Fund	487
Rowland Grant	General Fund	21,053
Capital Project Fund:		
Property Acquisition	General Fund	2,698
Renovation Fund	General Fund	608
Wood Chip Project	General Fund	1,759
Enterprise Funds:		
Food Program	General Fund	15,097
Cafeteria Plan	General Fund	141
Capital Project Fund:		
General Fund	Water System Improvement	115,594
General Fund	Maintenance Reserve	81,360
Special Revenue Fund:		
General Fund	Title IV	1,645
General Fund	Student Assist Grant	8,465
General Fund	Tobacco Use Grant	5,741
General Fund	Title II A	432
General Fund	Co-Curriculum Sport Camps	46
General Fund	SCW-ARRA	<u>21,482</u>
Total		<u>\$382,108</u>

Government -Wide Financial Statements:		
Receivable Fund	Payable Fund	Amount
Business Type	Governmental Type	<u>\$ 15,238</u>

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 4 – CAPITAL ASSETS

Capital activity for the Union School District for the year ended June 30, 2010 was as follows:

	<u>Primary Government</u>			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depr.				
Construction in Progress	\$ 9,205	\$ 103,297	\$ 0	\$ 112,502
Total capital assets not being depreciated	<u>9,205</u>	<u>103,297</u>	<u>0</u>	<u>112,502</u>
Other Capital Assets:				
Land Improvements	308,582	0	0	308,582
Buildings	2,510,412	0	0	2,510,412
Building Improvements	7,065,000	12,332	0	7,077,332
Infrastructure	1,469,996	0	0	1,469,996
Furniture and Equipment	352,325	29,599	0	381,924
Vehicles	<u>43,821</u>	<u>0</u>	<u>0</u>	<u>43,821</u>
Total other capital assets at historical costs	<u>11,750,136</u>	<u>41,931</u>	<u>0</u>	<u>11,792,067</u>
Less accumulated depreciation:				
Land Improvements	216,007	15,429	0	231,436
Buildings	2,068,781	50,208	0	2,118,989
Building Improvements	1,937,000	141,711	0	2,078,711
Infrastructure	29,400	29,400	0	58,800
Furniture and Equipment	142,368	41,008	0	183,376
Vehicles	<u>40,071</u>	<u>3,750</u>	<u>0</u>	<u>43,821</u>
Total Accum. Depr.	<u>4,433,607</u>	<u>281,506</u>	<u>0</u>	<u>4,715,113</u>
Other Capital Assets, Net	<u>7,316,529</u>	<u>(239,575)</u>	<u>0</u>	<u>7,076,954</u>
Governmental activities				
Capital Assets, Net	<u>\$ 7,325,734</u>	<u>\$(136,278)</u>	<u>\$ 0</u>	<u>\$ 7,189,456</u>
Business -type activities:				
Furniture and Equipment	\$ 103,703	\$ 0	\$ 0	\$ 103,703
Less accum. Depr.	<u>71,043</u>	<u>4,607</u>	<u>0</u>	<u>75,650</u>
Business-type activities				
Capital Assets, Net	<u>\$ 32,660</u>	<u>\$ (4,607)</u>	<u>\$ 0</u>	<u>\$ 28,053</u>

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities:

Direct Services	\$205,713
Support Services:	
Students	1,581
Instructional Staff	3,261
General Administration	0
Area Administration	6,453
Fiscal Services	91
Operation and Maintenance of Plant	64,407
Transportation	0
Other Support Services	<u>0</u>
Total governmental activities depreciation expense	<u>\$281,506</u>

NOTE 5 - ACCRUED VACATION & LEAVE TIME

Accrued vacation and leave time represent vested time earned by employees but not used. If the employee were to leave, this accrued time must be paid. Therefore, it is a liability to the Union School District at June 30, 2010. Teachers do not receive paid vacations, and are paid only for the number of days they are required to work each year. Administrative and maintenance personnel are granted vacation leave in varying amounts. The Union School District has a liability for unused vacation that was allowed to be carried forward. No liability is shown in the fund based financial statement. The liability is reported in the Statement of Financial Position as an accrued liability. The amount accrued at year end was \$14,279. Vacation pay is charged to operations when taken by the employee of the Union School District. The liability is reported in the Statement of Financial Position as an accrued liability.

NOTE 6 - DEFERRED REVENUE

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

Federal funds	\$ 0
State funds	4,368
Other funds	<u>101,933</u>
Total deferred revenues	<u>\$106,301</u>

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 7 - SICK LEAVE

It is the Union School District's policy to permit employees to accumulate earned but unused sick pay benefits. Such leave benefits do not vest under the Union School 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.

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

Non-teaching staff earn 12 sick days per year, and may accumulate a maximum of 90 days if they are full year employees. If they are extended year employees they earn 9 sick days per year and can accumulate up to 65. If they are school year staff they earn 8 days per year and can accumulate up to 65 days. Any non-teaching staff who already had an excess of 90 accumulated sick days as of July 1, 2005 shall be entitled to a maximum of 150 sick days.

The Teacher master agreement provides that teachers with 10 years of uninterrupted service in the district qualify for a buyout of 50% of their accumulated sick leave days up to 45 days at their current rate of compensation upon leaving the district. At June 30, 2010 the School District's contingent liability was \$194,304.

NOTE 8 - RETIREMENT INCENTIVES

The Harwood Union School District, District #19 has an Early Retirement Incentive Program for teachers who meet certain age and length of service requirements. The Program provides compensation at \$1,000 per year of service, plus a portion of unused sick time. The electing teachers receive the years of service pay over a four-year term and can elect to take their sick payoff over the same term or in one lump sum. At June 30, 2010, the Harwood Union High District #19 had the following annual obligations from previous employees for this Program:

	Retirement	Sick Time
Fiscal year ending June 30, 2011	\$24,841	\$0

Nobody new took this incentive for the school year ended June 30, 2010.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 9 - LONG-TERM DEBT

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, 2009	Borrowings	Retirements	Balance June 30, 2010
Vermont Municipal Bond Bank, bond payable, interest at 5.992% interest paid semi-annually, principal of \$250,000 due on December 1 st of each year until 2014, then \$245,000 due on December 1 st of each year until 2016, originally borrowed \$4,985,000 on July 21, 1996 for an addition.	\$1,985,000	\$ 0	\$250,000	\$1,735,000
Peoples United Bank, bond anticipation note payable, interest at 2.05% interest paid annually, principal of \$163,846 due on October 1, 2010 at which time it may be refinanced.	167,970	36,837	40,961	163,846
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, principal ranging from \$3,005 to \$5,270 due on November 1 st of each year from 2010 until 2031. Originally approved to borrow \$80,750 on 12/2/09. Debt forgiveness from the State of VT is pending.	0	73,450	0	73,450
Vermont Environmental Protection Agency Drinking Water State Revolving				

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 9 - LONG-TERM DEBT (CONTINUED)

	Balance July 1, 2009	Borrowings	Retirements	Balance June 30, 2010
Fund Note Payable (Construction Phase), interest at 1.00% and Administration fee at 2.00%, paid annually, principal ranging from \$1,617 to \$2,835 due on December 1 st of each year from 2012 until 2031. Originally approved to borrow \$101,029 in January 2010. Of this, \$57,587 is eligible for ARRA loan subsidy and the balance is pending debt forgiveness with the State of VT.	\$ 0	\$ 0	\$ 0	\$ 0
Total Long-Term Debt	<u>\$2,152,970</u>	<u>\$110,287</u>	<u>\$290,961</u>	<u>\$1,972,296</u>

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, 2011	\$ 290,961	\$ 99,807	\$ 390,768
2012	290,961	84,337	375,298
2013	294,634	70,906	365,540
2014	294,634	55,036	349,670
2015	248,673	24,549	273,222
Thereafter	<u>552,433</u>	<u>20,170</u>	<u>572,603</u>
Totals	<u>\$1,972,296</u>	<u>\$354,805</u>	<u>\$2,327,101</u>

NOTE 10 - RESERVED FUND BALANCES (Fund Financial Statements)

Reserved 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. Reservations at year end are for the following:

General Fund:

FY 10-11 Budget	\$115,918
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Special Revenue Funds:

Child Care Grant	\$ 2,935
Air Quality Grant	2,000

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 10 - RESERVED FUND BALANCES (Fund Financial Statements) (CONTINUED)

Special Revenue Funds (continued):

Care & Custody	\$ 986
Tobacco Use	1,416
Speak Out Grant	407
CV Food Sys School Grant	253
SAT Cont. Ed Course	<u>487</u>
Total	<u>\$ 8,484</u>

Capital Projects Fund:

Property Acquisition	\$ 2,698
Renovation Fund	608
Maintenance Reserve	29,978
Wood Chip Project	<u>1,759</u>
Total	<u>\$ 35,043</u>

NOTE 11 – NET ASSETS RESTRICTED (Government -Wide Financial Statements)

Restricted net asset 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 Assets Restricted For Capital Projects:

Property Acquisition	\$ 2,698
Renovation Fund	608
Maintenance Reserve	29,978
Wood Chip Project	<u>1,759</u>
Total	<u>\$ 35,043</u>

Net Assets Restricted For Other Purposes:

FY 10-11 Budget	\$115,918
Child Care Grant	2,935
Air Quality Grant	2,000
Care & Custody	986
Tobacco Use	1,416
Speak Out Grant	407
CV Food Sys School Grant	253
SAT Cont. Ed Course	<u>487</u>
Total	<u>\$124,402</u>

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 12 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS

The Union School District occasionally transfers funds to cover expenditures made in one fund for which the revenues are in another fund. The following transfers were made during the year.

Funds of \$75,000 were transferred from the General fund to the Capital Project Fund – Maintenance Reserve for the purpose of covering voter approved expenditures.

Funds of \$4,000 were transferred from the General Fund to the Enterprise Fund – Food Program for the purpose of assisting with operating expenses.

NOTE 13 - 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.

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 7.41% or approximately \$389,505.

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.

Contributions by the employees are 3.54% of gross earnings and are withheld pre income tax by the Union School District. Such withholdings totaled \$186,086 during the year and were paid by the Union School District to the State of Vermont. The Union School District has no other

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS' RETIREMENT SYSTEM (CONTINUED)

liability under the plan. The Union School District's total payroll for all employees during the year was \$7,012,690, with \$5,347,097 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

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 and 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. 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)	2.5%	4.5%	9.0%	11.0%
The Union School District's contributions (% of gross wages)	4.0%	5.0%	6.0%	9.0%

There is a municipal defined contribution plan option with up to a 4.5% withholding and a 5% match.

Employee contributions are withheld pre income tax by the Union School District and are remitted to the State of Vermont. Such withholdings totaled \$42,782 during the year. The Union School District contributed \$47,788 during the year. The Union School District's total

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 13 – PENSIONS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

payroll for all employees during the year was \$7,012,690, with \$959,867 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System.

403(B) EARLY RETIREMENT PLAN

The Union School District offers a 403 (Defined Contribution) retirement plan to teachers who have elected early retirement. Employees are not allowed to contribute to the plan. Vesting occurs immediately.

Employer contributions are remitted to the Funding Agent (VALIC). The Union School District contributed \$0 on behalf of covered employees during the year.

NOTE 14 - 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; and natural disasters for which the Union School District carries commercial insurance. 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 is a member of Vermont School Boards Association (Association). The Association has set up two insurance Trust; Vermont School Board Insurance Trust, Inc. (VSBIT) for Workers Compensation, Multi-Line Inter-municipal 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 is owned by the participating districts. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

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 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.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 14 - RISK MANAGEMENT (CONTINUED)

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 Inter-municipal School Program provides coverage for Property; Inland Marine and Boiler & Machinery; Crime; Commercial General Liability; Automobile/Garage keepers; 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.

NOTE 15 - OPERATING LEASES

On June 14, 2010, Harwood Union School District entered into a lease agreement with Office Systems of VT for the lease of five copiers. The total amount due is \$54,615, to be paid in yearly installments of \$18,205 over 3 years. The following is a schedule of future minimum lease payments under this lease.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 15 - OPERATING LEASES (CONTINUED)

During the year ended June 30, 2011	\$18,205
2012	18,205
2013	<u>18,205</u>
Total	<u>\$54,615</u>

Total lease payments made this year under the prior lease were \$30,730.

NOTE 16 - LESSOR CONTRACT

On July 1, 2008 Harwood Union School District entered into a lease agreement with First Student for the lease of the Bus Barn. The total income from this lease is \$19,200 per year to be paid in monthly installments of \$1,600 over 3 years. The following is a schedule of future income generated under this lease.

During the year ended June 30, 2011	\$19,200
Thereafter	<u>0</u>
Total	<u>\$19,200</u>

NOTE 17 - SUBSEQUENT EVENTS

On July 1, 2010, the Union School District took out a revenue anticipation note at Chittenden Bank for \$1,083,000 at 1.95% interest. The principal and interest are due at maturity on June 30, 2011.

NOTE 18 - COMMITMENTS

On July 1, 2008 the Washington West Supervisory Union entered into an agreement for the School District with Transportation Rentals for contracted bus transportation services through June 30, 2011. The contract calls for various costs for different routes, field trips, and activities. The minimum annual cost to the School District for the year ending June 30, 2011 is \$444,543.

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

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 18 – COMMITMENTS (CONTINUED)

governing the grants, refunds of any money recovered may be required and the collectibility of any related receivable at June 30, 2010 may be impaired. In the opinion of the Union School District, 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.

NOTE 19 - RELATED PARTY

The Union School District has an ongoing financial responsibility to Washington West Supervisory Union as defined in GASB 14, paragraph 71. Through Washington West Supervisory Union's assessment process, the Union School District's assessment can be increased to cover a share of any prior year deficits and decreased to share in any prior year surpluses. Separate financial statements on Washington West Supervisory Union are available from Washington West Supervisory Union.

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

Duxbury School District
Moretown School District
Warren School District

Fayston School District
Waitsfield School District
Waterbury School District

Each District has an ongoing financial responsibility to the Union School District as defined in GASB 14 paragraph 71.

Sabbatical Leave:

On August 24, 2009 one teacher from the Union School District was placed on sabbatical leave. Per the teachers' contract there will be a contingent receivable of \$123,892.00 if this teacher chooses to leave the Union School District prior to the commitment required for sabbatical leave.

NOTE 20 - 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.

Harwood Union School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2010

NOTE 20 – CONTINGENCY (CONTINUED)

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 would have to be repaid out of the proceeds. The amount of State construction aid received since July 1970 is available only from the State of Vermont who at this time is unwilling to provide the amount to the School District. The amount of State construction aid is thought to be material.

Harwood Union School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2010

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Tuition - Other LEAs		\$ 145,080	\$ 83,160	\$ (61,920)
Investment Income		110,000	80,164	(29,836)
Lease Income		19,200	19,200	-
Piano Loan Reimbursement		-	4,100	4,100
Private/Local:				
Burnham Trust		4,500	7,806	3,306
Medicaid IEP		23,200	15,965	(7,235)
State:				
Education Spending Grant		10,112,015	9,761,670	(350,345)
Technical Education Support Grant		167,317	167,317	-
Technical Education		-	2,527	2,527
Transportation Aid		145,135	140,389	(4,746)
Mainstream Block Grant		265,945	265,945	-
SPED Expenditures Reimbursement		813,804	918,943	105,139
Extraordinary Reimbursement		121,393	75,734	(45,659)
Driver Education		6,500	4,882	(1,618)
Vocational Transportation		26,000	16,955	(9,045)
High School Completion Grant		1,000	16,042	15,042
Federal:				
ARRA Education Spending Grant		-	350,345	350,345
IDEIA-B		150,390	145,857	(4,533)
TOTAL REVENUES		<u>12,111,479</u>	<u>12,077,001</u>	<u>(34,478)</u>
EXPENDITURES:				
Middle School:				
ARRA Education Spending Grant 1000:				
Salaries	101	-	69,932	(69,932)
Energy Oil	624	-	7,449	(7,449)
Subtotal		<u>-</u>	<u>77,381</u>	<u>(77,381)</u>
Regular Instruction 1100:				
Salaries	110	70,480	65,372	5,108
Tutor Salaries	112	1,467	-	1,467
Aide Salaries	115	3,545	3,544	1
Temporary Salaries	120	1,000	3,947	(2,947)
Health Insurance	210	13,264	13,041	223
Social Security	220	5,852	6,095	(243)

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, 2010

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Life Insurance	230	\$ 311	\$ 291	\$ 20
Retirement	240	177	177	-
Workers Compensation	250	18	437	(419)
Professional Development	270	11,415	11,602	(187)
Dental Insurance	280	683	582	101
Professional & Technical Services	330	1,500	-	1,500
Supplies	610	6,343	5,509	834
Subtotal		<u>116,055</u>	<u>110,597</u>	<u>5,458</u>
Art Program 1102:				
Salaries	110	26,516	26,516	-
Health Insurance	210	3,152	2,301	851
Social Security	220	2,028	1,963	65
Life Insurance	230	115	118	(3)
Workers Compensation	250	186	152	34
Dental Insurance	280	249	238	11
Equipment Repair	430	2,500	2,268	232
Supplies	610	2,500	2,532	(32)
Books and Periodicals	640	1,000	1,385	(385)
Audio Visual Materials	650	500	88	412
Equipment	730	2,000	1,900	100
Subtotal		<u>40,746</u>	<u>39,461</u>	<u>1,285</u>
Business Program 1103:				
Salaries	110	13,088	13,088	-
Health Insurance	210	2,415	2,427	(12)
Social Security	220	1,001	976	25
Life Insurance	230	57	59	(2)
Workers Compensation	250	92	75	17
Dental Insurance	280	134	128	6
Audio Visual Materials	650	600	-	600
Subtotal		<u>17,387</u>	<u>16,753</u>	<u>634</u>
English Program 1105:				
Salaries	110	100,659	84,146	16,513
Substitute Salaries	120	-	6,277	(6,277)
Health Insurance	210	21,954	26,266	(4,312)
Social Security	220	7,700	7,897	(197)
Life Insurance	230	433	458	(25)
Workers Compensation	250	706	575	131
Dental Insurance	280	1,215	1,163	52

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, 2010

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment Repair	430	\$ 650	\$ -	\$ 650
Supplies	610	800	1,371	(571)
Books and Periodicals	640	4,500	2,417	2,083
Equipment	730	-	1,399	(1,399)
Subtotal		<u>138,617</u>	<u>131,969</u>	<u>6,648</u>
Foreign Language Program 1106:				
Salaries	110	61,692	56,839	4,853
Health Insurance	210	10,321	13,401	(3,080)
Social Security	220	4,719	4,501	218
Life Insurance	230	269	276	(7)
Workers Compensation	250	432	353	79
Dental Insurance	280	602	576	26
Supplies	610	1,550	1,346	204
Books and Periodicals	640	800	945	(145)
Audio Visual Materials	650	<u>1,400</u>	<u>1,400</u>	<u>-</u>
Subtotal		<u>81,785</u>	<u>79,637</u>	<u>2,148</u>
Physical Education Program 1108:				
Salaries	110	57,752	53,254	4,498
Health Insurance	210	9,452	10,201	(749)
Social Security	220	4,418	4,306	112
Life Insurance	230	219	260	(41)
Workers Compensation	250	404	330	74
Dental Insurance	280	532	582	(50)
Equipment Repair	430	250	-	250
Supplies	610	300	-	300
Equipment	730	<u>1,900</u>	<u>1,637</u>	<u>263</u>
Subtotal		<u>75,227</u>	<u>70,570</u>	<u>4,657</u>
Family & Consumer Science Program 1109:				
Salaries	110	40,224	38,459	1,765
Health Insurance	210	4,856	4,880	(24)
Social Security	220	3,077	2,979	98
Life Insurance	230	137	172	(35)
Workers Compensation	250	283	230	53
Dental Insurance	280	231	255	(24)
Equipment Repair	430	636	492	144
Supplies	610	1,040	1,046	(6)
Books and Periodicals	640	677	352	325
Audio Visual Materials	650	<u>424</u>	<u>145</u>	<u>279</u>

The accompanying notes are an integral part of these financial statements

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ 690	\$ 450	\$ 240
Subtotal		<u>52,275</u>	<u>49,460</u>	<u>2,815</u>
Industrial Arts Program 1110:				
Salaries	110	13,035	13,357	(322)
Health Insurance	210	4,415	3,310	1,105
Social Security	220	997	1,071	(74)
Life Insurance	230	59	69	(10)
Workers Compensation	250	92	74	18
Dental Insurance	280	182	174	8
Equipment Repair	430	546	546	-
Supplies	610	2,893	2,534	359
Equipment	730	<u>906</u>	<u>906</u>	<u>-</u>
Subtotal		<u>23,125</u>	<u>22,041</u>	<u>1,084</u>
Math Program 1111:				
Salaries	110	121,882	115,229	6,653
Health Insurance	210	16,562	16,644	(82)
Social Security	220	9,324	9,243	81
Life Insurance	230	506	538	(32)
Workers Compensation	250	853	697	156
Dental Insurance	280	1,215	1,163	52
Supplies	610	600	1,061	(461)
Books and Periodicals	640	1,000	276	724
Audio Visual Materials	650	1,400	-	1,400
Equipment	730	<u>500</u>	<u>-</u>	<u>500</u>
Subtotal		<u>153,842</u>	<u>144,851</u>	<u>8,991</u>
Music Program 1112:				
Salaries	110	60,560	54,147	6,413
Health Insurance	210	8,207	8,248	(41)
Social Security	220	4,633	4,529	104
Life Insurance	230	263	270	(7)
Workers Compensation	250	424	346	78
Dental Insurance	280	565	541	24
Supplies	610	3,354	2,553	801
Books and Periodicals	640	130	-	130
Audio Visual Materials	650	160	59	101
Equipment	730	<u>1,200</u>	<u>177</u>	<u>1,023</u>
Subtotal		<u>79,496</u>	<u>70,870</u>	<u>8,626</u>

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Science Program 1113:				
Salaries	110	\$ 130,342	\$ 137,849	\$ (7,507)
Health Insurance	210	29,431	25,821	3,610
Social Security	220	9,971	10,682	(711)
Life Insurance	230	588	528	60
Workers Compensation	250	912	745	167
Dental Insurance	280	1,215	1,163	52
Equipment Repair	430	600	90	510
Supplies	610	1,800	1,582	218
Books and Periodicals	640	2,000	1,402	598
Audio Visual Materials	650	618	421	197
Equipment	730	1,800	1,367	433
Subtotal		<u>179,277</u>	<u>181,650</u>	<u>(2,373)</u>
Social Studies Program 1115:				
Salaries	110	130,071	109,822	20,249
Health Insurance	210	20,300	21,969	(1,669)
Social Security	220	9,950	8,653	1,297
Life Insurance	230	516	538	(22)
Workers Compensation	250	911	743	168
Dental Insurance	280	1,123	1,052	71
Equipment Repair	430	300	-	300
Supplies	610	700	888	(188)
Books and Periodicals	640	300	413	(113)
Audio Visual Materials	650	300	-	300
Subtotal		<u>164,471</u>	<u>144,078</u>	<u>20,393</u>
Alternative Programs 1150:				
Salaries	110	45,079	39,722	5,357
Substitute Salaries	120	-	9,003	(9,003)
Health Insurance	210	10,277	10,201	76
Social Security	220	3,449	3,272	177
Life Insurance	230	139	211	(72)
Retirement	240	-	51	(51)
Workers Compensation	250	314	258	56
Dental Insurance	280	608	597	11
Equipment Repair	430	1,400	1,214	186
Transportation	519	1,300	721	579
Property Insurance	521	75	275	(200)
Telephone	530	1,000	534	466

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Supplies	610	\$ 638	\$ 670	\$ (32)
Electricity	622	1,500	821	679
Books and Periodicals	640	500	500	-
Audio Visual Materials	650	250	250	-
Equipment	730	600	600	-
Subtotal		<u>67,129</u>	<u>68,900</u>	<u>(1,771)</u>
Special Education 1200:				
Salaries	110	131,435	131,435	-
Secretary Salaries	111	6,152	5,542	610
Tutor Salaries	112	7,250	70	7,180
Aide Salaries	115	112,831	135,831	(23,000)
Temporary Salaries	120	3,250	2,748	502
Health Insurance	210	50,533	81,025	(30,492)
Social Security	220	19,960	20,136	(176)
Life Insurance	230	1,057	1,090	(33)
Retirement	240	5,950	6,526	(576)
Workers Compensation	250	1,909	1,558	351
Workshops	270	6,516	6,892	(376)
Dental Insurance	280	4,110	4,837	(727)
Counseling Services	330	13,500	-	13,500
Testing Services	332	7,100	9,550	(2,450)
Related Services	333	1,880	1,058	822
Equipment Repair	430	100	-	100
Advertising	540	100	-	100
Tuition	561	28,000	19,886	8,114
Travel	580	200	-	200
Supplies	610	1,200	2,577	(1,377)
Equipment	730	1,500	520	980
Copier Lease	739	-	1,182	(1,182)
Subtotal		<u>404,533</u>	<u>432,463</u>	<u>(27,930)</u>
IDEIA-B Special Education 1230:				
Salaries	115	11,683	11,415	268
Health Insurance	210	2,840	2,855	(15)
Social Security	220	894	799	95
Retirement	240	583	571	12
Subtotal		<u>16,000</u>	<u>15,640</u>	<u>360</u>
Co-Curricular Programs 1400:				
Salaries	110	20,609	21,254	(645)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Site Manager Salaries	111	\$ 1,435	\$ -	\$ 1,435
Coaching Salaries	116	28,316	42,258	(13,942)
Health Insurance	210	2,137	3,125	(988)
Social Security	220	3,853	4,635	(782)
Life Insurance	230	117	120	(3)
Retirement	240	926	1,063	(137)
Workers Compensation	250	353	288	65
Dental Insurance	280	233	222	11
Transportation	519	8,000	6,041	1,959
Supplies	610	800	966	(166)
Uniforms	629	600	1,584	(984)
Music Festival	930	90	-	90
Athletics	932	4,360	4,360	-
Music Non-Athletics	934	1,124	554	570
Non-Athletics	935	470	308	162
Partners Club	936	319	319	-
Subtotal		<u>73,742</u>	<u>87,097</u>	<u>(13,355)</u>
Guidance 2120:				
Salaries	110	6,502	6,533	(31)
Health Insurance	210	2,196	2,230	(34)
Social Security	220	497	680	(183)
Life Insurance	230	40	40	-
Retirement	240	325	335	(10)
Workers Compensation	250	46	37	9
Professional Development	270	436	65	371
Dental Insurance	280	116	111	5
Equipment Repair	430	175	-	175
Supplies	610	500	104	396
Books and Periodicals	640	500	-	500
Subtotal		<u>11,333</u>	<u>10,135</u>	<u>1,198</u>
Health Services 2130:				
Salaries	110	12,491	12,470	21
Assistant Salaries	115	1,665	1,835	(170)
Health Insurance	210	2,196	2,144	52
Social Security	220	1,083	1,065	18
Life Insurance	230	60	62	(2)
Retirement	240	-	2	(2)
Workers Compensation	250	12	81	(69)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Professional Development	270	\$ 181	\$ 181	\$ -
Dental Insurance	280	116	111	5
Equipment Repair	430	37	-	37
Supplies	610	188	240	(52)
Books and Periodicals	640	63	-	63
Audio Visual Materials	650	210	189	21
Subtotal		<u>18,302</u>	<u>18,380</u>	<u>(78)</u>
Student Assistance Counseling 2140:				
Student Assistance Counselor	330	<u>11,007</u>	<u>11,847</u>	<u>(840)</u>
Subtotal		<u>11,007</u>	<u>11,847</u>	<u>(840)</u>
Speech Language Pathologist 2150:				
Salaries	110	17,833	18,023	(190)
Health Insurance	210	3,679	2,758	921
Social Security	220	1,364	1,293	71
Life Insurance	230	77	79	(2)
Workers Compensation	250	125	102	23
Dental Insurance	280	152	145	7
Subtotal		<u>23,230</u>	<u>22,400</u>	<u>830</u>
Media Center 2220:				
Salaries	110	12,747	13,071	(324)
Aide Salaries	115	1,763	1,360	403
Temporary Salaries	120	147	-	147
Health Insurance	210	2,815	5,353	(2,538)
Social Security	220	1,110	1,077	33
Life Insurance	230	54	61	(7)
Retirement	240	88	48	40
Workers Compensation	250	102	83	19
Professional Development	270	181	190	(9)
Dental Insurance	280	116	127	(11)
Contract Services	330	837	320	517
Equipment Repair	430	106	-	106
Supplies	610	296	205	91
Books and Periodicals	640	5,170	4,222	948
Audio Visual Materials	650	646	662	(16)
Subtotal		<u>26,178</u>	<u>26,779</u>	<u>(601)</u>
Audio Visual & Technology 2223:				
Salaries	116	9,125	9,110	15

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Assistant Salaries	118	\$ 4,139	\$ 3,342	\$ 797
Health Insurance	210	3,884	3,864	20
Social Security	220	1,015	917	98
Life Insurance	230	73	63	10
Retirement	240	663	634	29
Workers Compensation	250	93	76	17
Dental Insurance	280	215	139	76
Contract Services	300	-	1,079	(1,079)
Equipment Repair	430	951	-	951
Supplies	610	5,550	3,275	2,275
Equipment	730	<u>2,748</u>	<u>5,168</u>	<u>(2,420)</u>
Subtotal		<u>28,456</u>	<u>27,667</u>	<u>789</u>
Board of Education 2310:				
Salaries	110	1,597	1,146	451
Social Security	220	122	80	42
Retirement	240	-	57	(57)
Unemployment Insurance	260	1,724	832	892
Board Expenses	310	765	764	1
Contract Services	330	191	229	(38)
Legal Services	360	4,715	3,487	1,228
Insurance	523	191	1,644	(1,453)
Advertising	540	765	1,080	(315)
Printing	550	1,339	1,104	235
Travel	580	96	10	86
Elections	590	191	434	(243)
Supplies	610	1,066	1,357	(291)
VSBA Dues	810	<u>478</u>	<u>-</u>	<u>478</u>
Subtotal		<u>13,240</u>	<u>12,224</u>	<u>1,016</u>
Board Treasurer 2313:				
Salaries	110	58	58	-
Travel	580	<u>58</u>	<u>58</u>	<u>-</u>
Subtotal		<u>116</u>	<u>116</u>	<u>-</u>
Board Auditor 2317:				
Salaries	110	<u>86</u>	<u>(13)</u>	<u>99</u>
Subtotal		<u>86</u>	<u>(13)</u>	<u>99</u>

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Supervisory Union 2321:				
Assessment	331	\$ 42,774	\$ 42,701	\$ 73
Subtotal		<u>42,774</u>	<u>42,701</u>	<u>73</u>
Administration 2400:				
Salaries	110	95,765	98,467	(2,702)
Support Staff Salaries	111	27,449	25,489	1,960
Health Insurance	210	30,585	30,843	(258)
Social Security	220	9,426	7,866	1,560
Life Insurance	230	777	796	(19)
Retirement	240	1,452	1,306	146
Workers Compensation	250	872	713	159
Professional Development	270	2,172	2,030	142
Dental Insurance	280	1,390	1,331	59
Climate	340	7,614	4,782	2,832
Equipment Repair	430	2,114	300	1,814
Postage	531	3,000	3,309	(309)
Printing	550	2,000	-	2,000
Travel	580	500	132	368
Supplies	610	3,171	9,662	(6,491)
Equipment	730	500	779	(279)
Copier Lease	739	6,950	6,165	785
VSBA Dues	810	1,881	2,158	(277)
Subtotal		<u>197,618</u>	<u>196,128</u>	<u>1,490</u>
Business Manager 2521:				
Assessment	331	8,890	8,875	15
Subtotal		<u>8,890</u>	<u>8,875</u>	<u>15</u>
Fiscal Services 2525:				
Assessment	331	18,273	18,242	31
Subtotal		<u>18,273</u>	<u>18,242</u>	<u>31</u>
Board Audit 2526:				
Audit Services	370	1,183	1,070	113
Subtotal		<u>1,183</u>	<u>1,070</u>	<u>113</u>
Buildings/Grounds Maintenance 2600:				
Salaries	110	50,500	46,771	3,729
Overtime Salaries	130	1,913	3,792	(1,879)
Health Insurance	210	11,007	11,046	(39)
Social Security	220	4,010	3,908	102

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Life Insurance	230	\$ 245	\$ 223	\$ 22
Retirement	240	2,621	2,443	178
Workers Compensation	250	366	304	62
Dental Insurance	280	831	721	110
Trash Removal	421	3,429	2,084	1,345
Snow Removal	422	2,851	1,902	949
Equipment Repair	430	9,868	10,445	(577)
Repair Materials	431	4,879	5,711	(832)
Short-Term Maintenance	432	-	1,235	(1,235)
Bus Barn Maintenance	433	-	433	(433)
Long-Term Maintenance	445	2,009	-	2,009
Property Insurance	521	7,074	5,439	1,635
Property Taxes	525	172	163	9
Telephone	530	6,888	11,186	(4,298)
Supplies	610	8,064	10,130	(2,066)
Electricity	622	28,086	24,977	3,109
Gas	623	861	-	861
Oil	624	5,740	-	5,740
Woodchips	625	11,384	8,129	3,255
Equipment	730	2,813	2,466	347
Subtotal		<u>165,611</u>	<u>153,508</u>	<u>12,103</u>
Special Education Transportation 2700:				
Contract Services	519	<u>5,000</u>	<u>3,626</u>	<u>1,374</u>
Subtotal		<u>5,000</u>	<u>3,626</u>	<u>1,374</u>
Pupil Transportation 2710:				
Contract Services	519	<u>71,971</u>	<u>61,337</u>	<u>10,634</u>
Subtotal		<u>71,971</u>	<u>61,337</u>	<u>10,634</u>
Total Middle School		<u>2,326,975</u>	<u>2,358,440</u>	<u>(31,465)</u>
High School:				
ARRA Education Spending Grant 1000:				
Salaries	101	-	241,219	(241,219)
Energy Oil	624	-	31,745	(31,745)
Subtotal		<u>-</u>	<u>272,964</u>	<u>(272,964)</u>
Regular Instruction 1100:				
Salaries	110	5,500	4,417	1,083

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Mentoring Salaries	110	\$ 3,000	\$ 6,750	\$ (3,750)
Tutor Salaries	112	6,050	1,397	4,653
Aide Salaries	115	75,763	81,485	(5,722)
Retirement/Sick Leave Salaries	116	24,841	24,841	-
Temporary Salaries	120	19,700	46,245	(26,545)
Health Insurance	210	39,301	40,080	(779)
Social Security	220	10,316	12,309	(1,993)
Life Insurance	230	239	262	(23)
Retirement	240	3,713	4,074	(361)
Workers Compensation	250	201	629	(428)
Professional Development	270	37,085	90,213	(53,128)
Dental Insurance	280	1,449	1,500	(51)
Professional Services	330	2,500	10,358	(7,858)
Related Services	333	1,000	5,301	(4,301)
Equipment Repair	430	564	-	564
Tuition	565	20,925	-	20,925
Supplies	610	20,637	19,191	1,446
Subtotal		<u>272,784</u>	<u>349,052</u>	<u>(76,268)</u>
Drivers Education 1100:				
Salaries	110	63,355	63,355	-
Health Insurance	210	14,715	13,563	1,152
Social Security	220	4,847	4,610	237
Life Insurance	230	276	283	(7)
Workers Compensation	250	443	362	81
Professional Development	270	919	919	-
Dental Insurance	280	608	541	67
Contract Services	330	16,200	13,050	3,150
Equipment Repair	430	750	543	207
Supplies	610	500	228	272
Gas/Oil	626	1,000	858	142
Books and Periodicals	640	800	376	424
Subtotal		<u>104,413</u>	<u>98,688</u>	<u>5,725</u>
English as a Second Language 1100:				
Salaries	110	64,812	64,812	-
Tutor Salaries	112	400	-	400
Health Insurance	210	10,977	11,032	(55)
Social Security	220	4,958	4,784	174
Life Insurance	230	277	288	(11)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 453	\$ 370	\$ 83
Dental Insurance	280	608	487	121
Supplies	610	550	77	473
Books and Periodicals	640	1,100	1,387	(287)
Equipment	730	550	-	550
Subtotal		<u>84,685</u>	<u>83,237</u>	<u>1,448</u>
High School Completion 1100:				
Tuition	569	-	13,448	(13,448)
Subtotal		<u>-</u>	<u>13,448</u>	<u>(13,448)</u>
Art Program 1102:				
Salaries	110	157,549	139,638	17,911
Health Insurance	210	28,124	23,713	4,411
Social Security	220	12,053	11,664	389
Life Insurance	230	670	696	(26)
Workers Compensation	250	1,103	900	203
Dental Insurance	280	966	925	41
Equipment Repair	430	8,000	7,311	689
Supplies	610	19,500	19,241	259
Books and Periodicals	640	1,500	644	856
Audio Visual Materials	650	1,000	1,000	-
Subtotal		<u>230,465</u>	<u>205,732</u>	<u>24,733</u>
Business Program 1103:				
Salaries	110	46,404	46,404	-
Health Insurance	210	8,562	8,605	(43)
Social Security	220	3,550	3,461	89
Life Insurance	230	203	208	(5)
Workers Compensation	250	325	265	60
Dental Insurance	280	474	454	20
Supplies	610	1,000	1,600	(600)
Books and Periodicals	640	250	-	250
Subtotal		<u>60,768</u>	<u>60,997</u>	<u>(229)</u>
English Program 1105:				
Salaries	110	424,989	413,552	11,437
Substitute Salaries	120	-	6,304	(6,304)
Health Insurance	210	90,138	90,589	(451)
Social Security	220	32,512	32,620	(108)
Life Insurance	230	1,806	1,835	(29)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 2,975	\$ 2,429	\$ 546
Dental Insurance	280	4,254	4,071	183
Equipment Repair	430	750	130	620
Supplies	610	3,200	4,454	(1,254)
Books and Periodicals	640	10,500	10,300	200
Subtotal		<u>571,124</u>	<u>566,284</u>	<u>4,840</u>
Foreign Language Program 1106:				
Salaries	110	308,396	276,011	32,385
Health Insurance	210	35,671	47,610	(11,939)
Social Security	220	23,592	22,124	1,468
Life Insurance	230	1,315	1,304	11
Workers Compensation	250	2,159	1,763	396
Dental Insurance	280	2,529	2,474	55
Supplies	610	2,400	2,399	1
Books and Periodicals	640	3,400	2,510	890
Audio Visual Materials	650	1,150	-	1,150
Subtotal		<u>380,612</u>	<u>356,195</u>	<u>24,417</u>
Physical Education Program 1108:				
Salaries	110	151,720	142,507	9,213
Health Insurance	210	22,523	21,710	813
Social Security	220	11,607	11,275	332
Life Insurance	230	645	662	(17)
Workers Compensation	250	1,061	867	194
Dental Insurance	280	1,367	1,308	59
Equipment Repair	430	250	95	155
Field Trips	510	1,500	1,215	285
Supplies	610	400	1,126	(726)
Books and Periodicals	640	-	(17)	17
Equipment	730	5,100	4,293	807
Subtotal		<u>196,173</u>	<u>185,041</u>	<u>11,132</u>
Family & Consumer Science Program 1109:				
Salaries	110	99,798	90,814	8,984
Health Insurance	210	11,953	14,118	(2,165)
Social Security	220	7,635	7,488	147
Life Insurance	230	307	432	(125)
Workers Compensation	250	699	570	129
Dental Insurance	280	650	857	(207)
Equipment Repair	430	2,257	787	1,470

The accompanying notes are an integral part of these financial statements

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Supplies	610	\$ 6,452	\$ 5,921	\$ 531
Books and Periodicals	640	1,244	39	1,205
Audio Visual Materials	650	1,210	673	537
Equipment	730	5,010	569	4,441
Subtotal		<u>137,215</u>	<u>122,268</u>	<u>14,947</u>
Industrial Arts Program 1110:				
Salaries	110	97,611	91,239	6,372
Health Insurance	210	10,301	7,722	2,579
Social Security	220	7,467	7,671	(204)
Life Insurance	230	422	451	(29)
Workers Compensation	250	684	558	126
Dental Insurance	280	1,033	989	44
Equipment Repair	430	2,324	1,245	1,079
Supplies	610	9,893	9,929	(36)
Books and Periodicals	640	1,000	415	585
Equipment	730	2,361	2,324	37
Subtotal		<u>133,096</u>	<u>122,543</u>	<u>10,553</u>
Math Program 1111:				
Salaries	110	312,280	285,586	26,694
Health Insurance	210	73,458	72,640	818
Social Security	220	23,889	23,239	650
Life Insurance	230	1,273	1,425	(152)
Workers Compensation	250	2,186	1,785	401
Dental Insurance	280	3,342	2,937	405
Supplies	610	1,480	1,418	62
Books and Periodicals	640	7,080	6,898	182
Audio Visual Materials	650	3,140	1,715	1,425
Equipment	730	1,000	1,672	(672)
Subtotal		<u>429,128</u>	<u>399,315</u>	<u>29,813</u>
Music Program 1112:				
Salaries	110	119,340	108,413	10,927
Health Insurance	210	26,808	26,477	331
Social Security	220	9,129	8,839	290
Life Insurance	230	506	525	(19)
Workers Compensation	250	836	682	154
Dental Insurance	280	1,166	1,109	57
Equipment Repair	430	4,150	4,245	(95)
Supplies	610	6,722	7,203	(481)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Books and Periodicals	640	\$ 780	\$ -	\$ 780
Audio Visual Materials	650	730	649	81
Equipment	730	<u>1,200</u>	<u>3,912</u>	<u>(2,712)</u>
Subtotal		<u>171,367</u>	<u>162,054</u>	<u>9,313</u>
Science Program 1113:				
Salaries	110	420,687	377,426	43,261
Substitute Salaries	120	-	14,722	(14,722)
Health Insurance	210	65,442	62,166	3,276
Social Security	220	32,183	32,608	(425)
Life Insurance	230	1,686	1,755	(69)
Workers Compensation	250	2,943	2,404	539
Dental Insurance	280	3,480	3,489	(9)
Equipment Repair	430	2,200	838	1,362
Supplies	610	8,800	6,001	2,799
Books and Periodicals	640	8,000	4,177	3,823
Audio Visual Materials	650	800	855	(55)
Equipment	730	<u>3,000</u>	<u>1,161</u>	<u>1,839</u>
Subtotal		<u>549,221</u>	<u>507,602</u>	<u>41,619</u>
Social Studies Program 1115:				
Salaries	110	350,162	310,264	39,898
Health Insurance	210	65,497	66,890	(1,393)
Social Security	220	26,787	25,738	1,049
Life Insurance	230	1,419	1,497	(78)
Workers Compensation	250	2,451	2,001	450
Dental Insurance	280	3,342	3,198	144
Contract Services	331	5,000	-	5,000
Equipment Repair	430	1,000	-	1,000
Supplies	610	1,650	2,998	(1,348)
Books and Periodicals	640	1,800	782	1,018
Audio Visual Materials	650	5,978	405	5,573
Equipment	730	<u>1,289</u>	<u>2,740</u>	<u>(1,451)</u>
Subtotal		<u>466,375</u>	<u>416,513</u>	<u>49,862</u>
Comprehensive Programs 1123:				
Salaries	110	70,391	86,351	(15,960)
Health Insurance	210	5,584	5,612	(28)
Social Security	220	5,385	6,498	(1,113)
Life Insurance	230	295	252	43
Workers Compensation	250	492	402	90

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Dental Insurance	280	\$ 608	\$ 582	\$ 26
Subtotal		<u>82,755</u>	<u>99,697</u>	<u>(16,942)</u>
Crossroads Program 1150:				
Salaries	110	45,079	39,723	5,356
Substitute Salaries	120	-	9,003	(9,003)
Health Insurance	210	10,277	10,201	76
Social Security	220	3,449	3,886	(437)
Life Insurance	230	139	211	(72)
Retirement	240	-	51	(51)
Workers Compensation	250	314	258	56
Dental Insurance	290	608	582	26
Equipment Repair	430	1,400	1,216	184
Transportation	519	1,300	721	579
Property Insurance	521	275	275	-
Telephone	530	1,000	530	470
Supplies	610	433	465	(32)
Electricity	622	1,500	821	679
Books and Periodicals	640	800	800	-
Audio Visual Materials	650	515	4	511
Equipment	730	<u>600</u>	<u>499</u>	<u>101</u>
Subtotal		<u>67,689</u>	<u>69,246</u>	<u>(1,557)</u>
Community Learning Center 1151:				
Salaries	110	121,557	123,199	(1,642)
Health Insurance	210	29,431	29,578	(147)
Social Security	220	9,299	9,631	(332)
Life Insurance	230	522	534	(12)
Workers Compensation	250	548	695	(147)
Dental Insurance	280	608	582	26
Contract Services	330	5,075	7,243	(2,168)
Equipment Repair	430	2,515	-	2,515
Rental	441	17,319	15,895	1,424
Field Trips	510	515	-	515
Telephone	530	1,700	1,317	383
Supplies	610	893	-	893
Electricity	622	1,400	766	634
Water and Sewer	623	-	300	(300)
Energy - Oil	624	3,000	2,640	360
Books and Periodicals	640	600	53	547

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Audio Visual Materials	650	\$ 515	\$ -	\$ 515
Equipment	730	<u>1,030</u>	<u>1,953</u>	<u>(923)</u>
Subtotal		<u>196,527</u>	<u>194,386</u>	<u>2,141</u>
Special Education 1200:				
Salaries	110	585,962	582,873	3,089
Secretary Salaries	111	26,002	26,997	(995)
Tutor Salaries	112	17,675	35,409	(17,734)
Aide Salaries	115	249,220	244,120	5,100
Temporary Salaries	120	3,900	2,216	1,684
Health Insurance	210	263,666	254,679	8,987
Social Security	220	67,531	64,129	3,402
Life Insurance	230	3,534	3,700	(166)
Retirement	240	13,761	13,401	360
Workers Compensation	250	6,179	5,045	1,134
Workshops	270	10,860	16,086	(5,226)
Dental Insurance	280	12,328	10,044	2,284
Counseling Services	330	1,000	8,751	(7,751)
Testing Services	332	1,150	7,400	(6,250)
Related Services	333	300	45,192	(44,892)
Equipment Repair	430	300	-	300
Advertising	540	100	-	100
Tuition - State Wards	565	364,124	252,614	111,510
Travel	580	200	1,967	(1,767)
Supplies	610	9,500	8,636	864
Equipment	730	16,300	7,303	8,997
Copier Lease	739	-	4,419	(4,419)
Subtotal		<u>1,653,592</u>	<u>1,594,981</u>	<u>58,611</u>
IDEIA-B Special Education 1230:				
Contract Services	300	<u>75,220</u>	<u>63,218</u>	<u>12,002</u>
Subtotal		<u>75,220</u>	<u>63,218</u>	<u>12,002</u>
Vocational 1300:				
Salaries	110	46,708	41,659	5,049
Temporary Salaries	120	280	12,135	(11,855)
Social Security	220	3,573	4,115	(542)
Life Insurance	230	202	214	(12)
Workers Compensation	250	327	267	60
Professional Development	270	773	-	773
Dental Insurance	280	608	582	26

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment Repair	430	\$ 265	\$ -	\$ 265
Tuition	569	232,000	190,951	41,049
Travel	580	700	408	292
Supplies	610	630	668	(38)
Books and Periodicals	640	600	-	600
Audio Visual Materials	650	300	-	300
Subtotal		<u>286,966</u>	<u>250,999</u>	<u>35,967</u>
Co-Curricular Programs 1400:				
Salaries	110	87,109	86,464	645
Site Manager Salaries	111	6,065	-	6,065
Coaching Salaries	116	119,684	99,637	20,047
Health Insurance	210	9,032	13,042	(4,010)
Social Security	220	16,284	14,678	1,606
Life Insurance	230	493	488	5
Retirement	240	3,919	4,323	(404)
Workers Compensation	250	1,489	1,217	272
Professional Development	270	1,000	-	1,000
Dental Insurance	280	983	940	43
Professional Services	350	1,850	836	1,014
Repairs and Maintenance	430	2,100	554	1,546
Facility Rental	440	21,000	24,999	(3,999)
Transportation	519	46,000	42,816	3,184
Supplies	610	3,630	6,172	(2,542)
Uniforms	629	4,050	1,847	2,203
Equipment	730	1,250	1,229	21
Training Room	731	3,500	3,478	22
Dues and Fees	810	6,482	14,904	(8,422)
Musical	929	500	100	400
Music Festival	930	410	-	410
Musical - Fall Play	931	500	500	-
Officials Activity Account	932	31,000	26,622	4,378
Music Non-Athletics	934	4,761	4,933	(172)
Non-Athletics	935	1,630	958	672
Partners Club	936	5,916	3,591	2,325
Subtotal		<u>380,637</u>	<u>354,328</u>	<u>26,309</u>
Guidance Program 2120:				
Salaries	110	220,641	222,869	(2,228)
Support Staff Salaries	115	27,482	27,272	210

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Insurance	210	\$ 43,265	\$ 35,158	\$ 8,107
Social Security	220	18,981	18,452	529
Life Insurance	230	1,050	1,040	10
Retirement	240	1,374	1,397	(23)
Workers Compensation	250	192	1,418	(1,226)
Workshops	270	1,564	30	1,534
Dental Insurance	280	2,314	2,214	100
Equipment Repair	430	475	-	475
Field Trips	510	1,200	787	413
Supplies	610	3,000	3,247	(247)
Books and Periodicals	640	1,000	202	798
Equipment	730	1,500	736	764
Subtotal		<u>324,038</u>	<u>314,822</u>	<u>9,216</u>
Health Services 2130:				
Salaries	110	52,796	52,817	(21)
Assistant Salaries	115	7,037	7,398	(361)
Health Insurance	210	9,281	8,888	393
Social Security	220	4,577	4,484	93
Life Insurance	230	254	263	(9)
Retirement	240	-	7	(7)
Workers Compensation	250	50	342	(292)
Professional Development	270	819	819	-
Dental Insurance	280	491	470	21
Equipment Repair	430	132	-	132
Supplies	610	643	1,112	(469)
Books and Periodicals	640	181	-	181
Audio Visual Materials	650	830	983	(153)
Subtotal		<u>77,091</u>	<u>77,583</u>	<u>(492)</u>
Student Assistance Counseling 2140:				
Contract Services	330	11,007	11,848	(841)
Subtotal		<u>11,007</u>	<u>11,848</u>	<u>(841)</u>
Speech Language Pathologist 2150:				
Salaries	110	54,498	54,307	191
Health Insurance	210	11,037	8,274	2,763
Social Security	220	4,169	3,896	273
Life Insurance	230	231	236	(5)
Workers Compensation	250	381	311	70

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Dental Insurance	280	\$ 456	\$ 436	\$ 20
Subtotal		<u>70,772</u>	<u>67,460</u>	<u>3,312</u>
Home School Coordinator 2150:				
Salaries	110	12,130	12,534	(404)
Health Insurance	210	2,744	2,758	(14)
Social Security	220	928	885	43
Life Insurance	230	70	-	70
Workers Compensation	250	85	-	85
Dental Insurance	280	152	24	128
Subtotal		<u>16,109</u>	<u>16,201</u>	<u>(92)</u>
Media Center 2220:				
Salaries	110	55,677	57,163	(1,486)
Aide Salaries	115	7,466	5,847	1,619
Temporary Salaries	120	666	-	666
Health Insurance	210	17,638	22,993	(5,355)
Social Security	220	4,830	4,705	125
Life Insurance	230	262	300	(38)
Retirement	240	373	202	171
Workers Compensation	250	442	361	81
Professional Development	270	819	810	9
Dental Insurance	280	749	560	189
Contract Services	330	2,835	1,357	1,478
Equipment Repair	430	394	-	394
Supplies	610	1,104	958	146
Books and Periodicals	640	19,284	18,454	830
Audio Visual Materials	650	3,154	1,968	1,186
Subtotal		<u>115,693</u>	<u>115,678</u>	<u>15</u>
Audio Visual & Technology 2223:				
Salaries	116	38,570	38,585	(15)
Assistant Salaries	118	17,493	14,158	3,335
Tech Integration Salaries	119	-	3,000	(3,000)
Health Insurance	210	16,416	15,978	438
Social Security	220	4,289	4,106	183
Life Insurance	230	307	269	38
Retirement	240	2,803	2,836	(33)
Workers Compensation	250	394	320	74
Dental Insurance	280	908	854	54
Contract Services	300	-	4,571	(4,571)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment Repair	430	\$ 3,549	\$ -	\$ 3,549
Supplies	610	20,050	19,794	256
Equipment	730	<u>10,252</u>	<u>15,536</u>	<u>(5,284)</u>
Subtotal		<u>115,031</u>	<u>120,007</u>	<u>(4,976)</u>
Board of Education 2310:				
Salaries	110	6,749	5,895	854
Social Security	220	516	424	92
Retirement	240	-	243	(243)
Unemployment Insurance	260	7,276	3,524	3,752
Reimbursments	310	3,235	3,236	(1)
Contract Services	330	809	971	(162)
Legal Services	360	19,929	14,768	5,161
Insurance	523	809	6,963	(6,154)
Advertising	540	3,235	4,588	(1,353)
Printing	550	5,661	4,152	1,509
Travel	580	404	146	258
Elections	590	809	1,838	(1,029)
Supplies	610	4,504	3,790	714
VSBA Dues	810	<u>2,022</u>	<u>-</u>	<u>2,022</u>
Subtotal		<u>55,958</u>	<u>50,538</u>	<u>5,420</u>
Board Treasurer 2313:				
Salaries	110	242	242	-
Travel	580	<u>242</u>	<u>242</u>	<u>-</u>
Subtotal		<u>484</u>	<u>484</u>	<u>-</u>
Board Auditor 2317:				
Salaries	110	<u>365</u>	<u>(47)</u>	<u>412</u>
Subtotal		<u>365</u>	<u>(47)</u>	<u>412</u>
Supervisory Union 2321:				
Assessment	331	<u>180,790</u>	<u>180,864</u>	<u>(74)</u>
Subtotal		<u>180,790</u>	<u>180,864</u>	<u>(74)</u>
Administration 2400:				
Salaries	110	176,947	179,394	(2,447)
Support Staff Salaries	111	79,974	82,551	(2,577)
Health Insurance	210	62,665	62,511	154
Social Security	220	19,654	14,418	5,236
Life Insurance	230	1,586	1,658	(72)
Retirement	240	4,336	4,174	162

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 1,847	\$ 1,507	\$ 340
Professional Development	270	1,076	266	810
Dental Insurance	280	2,560	2,446	114
Climate	340	7,886	8,725	(839)
Equipment Repair	430	7,886	-	7,886
Postage	531	17,587	13,938	3,649
Printing	550	8,800	7,659	1,141
Travel	580	789	323	466
Supplies	610	12,579	25,008	(12,429)
Equipment	730	2,000	1,509	491
Copier Lease	739	19,214	18,965	249
VSBA Dues	810	7,018	8,154	(1,136)
Subtotal		<u>434,404</u>	<u>433,206</u>	<u>1,198</u>
Business Manager 2521:				
Assessment	331	<u>37,575</u>	<u>37,590</u>	<u>(15)</u>
Subtotal		<u>37,575</u>	<u>37,590</u>	<u>(15)</u>
Fiscal Services 2525:				
Assessment	331	<u>77,234</u>	<u>77,265</u>	<u>(31)</u>
Subtotal		<u>77,234</u>	<u>77,265</u>	<u>(31)</u>
Board Audit 2526:				
Audit Services	370	<u>4,999</u>	<u>4,530</u>	<u>469</u>
Subtotal		<u>4,999</u>	<u>4,530</u>	<u>469</u>
Short-Term Interest 2527:				
Arbitrage Interest	830	<u>105,000</u>	<u>50,994</u>	<u>54,006</u>
Subtotal		<u>105,000</u>	<u>50,994</u>	<u>54,006</u>
Buildings/Grounds Maintenance 2600:				
Salaries	110	213,446	197,511	15,935
Overtime Salaries	130	8,087	5,559	2,528
Health Insurance	210	46,521	44,917	1,604
Social Security	220	16,947	15,003	1,944
Life Insurance	230	1,034	946	88
Retirement	240	11,077	9,841	1,236
Workers Compensation	250	1,552	1,272	280
Dental Insurance	280	3,514	3,035	479
Trash Removal	421	14,497	8,827	5,670
Snow Removal	422	12,049	8,963	3,086
Equipment Repair	430	41,710	46,248	(4,538)

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Repair Materials	431	\$ 20,621	\$ 24,530	\$ (3,909)
Short-Term Maintenance	432	-	5,232	(5,232)
Bus Barn Maintenance	433	-	1,835	(1,835)
Long-Term Maintenance	445	8,491	-	8,491
Property Insurance	521	29,899	23,927	5,972
Property Taxes	525	728	692	36
Telephone	530	29,112	34,446	(5,334)
Supplies	610	34,086	43,905	(9,819)
Graduation	620	7,000	7,095	(95)
Electricity	622	118,709	105,688	13,021
Gas	623	3,639	-	3,639
Oil	624	24,260	(19,050)	43,310
Woodchips	625	48,116	34,431	13,685
Equipment	730	11,888	10,939	949
Subtotal		<u>706,983</u>	<u>615,792</u>	<u>91,191</u>
Special Education Transportation 2700:				
Contract Services	519	<u>122,175</u>	<u>58,066</u>	<u>64,109</u>
Subtotal		<u>122,175</u>	<u>58,066</u>	<u>64,109</u>
Transportation 2710:				
Contract Services	519	<u>343,191</u>	<u>295,855</u>	<u>47,336</u>
Subtotal		<u>343,191</u>	<u>295,855</u>	<u>47,336</u>
IDEIA-B Transportation 2720:				
Contract Services	519	<u>68,000</u>	<u>68,000</u>	<u>-</u>
Subtotal		<u>68,000</u>	<u>68,000</u>	<u>-</u>
Total High School		<u>9,397,711</u>	<u>9,145,524</u>	<u>252,187</u>
TOTAL EXPENDITURES		<u>11,724,686</u>	<u>11,503,964</u>	<u>220,722</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		386,793	573,037	186,244
OTHER FINANCING SOURCES (USES):				
Transfer To Capital Project Fund		(75,000)	(75,000)	-
Transfer To Debt Service Fund		(436,485)	(443,735)	(7,250)
Transfer To Enterprise Fund		<u>(40,000)</u>	<u>(4,000)</u>	<u>36,000</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, 2010

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		\$ (164,692)	\$ 50,302	\$ 214,994
FUND BALANCE, JULY 1, 2009		<u>164,692</u>	<u>280,610</u>	<u>115,918</u>
FUND BALANCE, JUNE 30, 2010		<u>\$ -</u>	<u>\$ 330,912</u>	<u>\$ 330,912</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Special Revenue Funds
June 30, 2010

Schedule 2
(page 1 of 3)

	Child Care Grant	Care & Custody	Medicaid	Title IV	Student Assistance Program	Air Quality	Subtotals
ASSETS:							
Current Assets:							
Accounts Receivable - Supervisory Union				\$ 1,645	\$ 8,692		\$ 10,337
Accounts Receivable - Other							-
Due From Other Funds	\$ 2,935	\$ 986	\$ 80,961	-	-	\$ 2,000	86,882
Total Current Assets	<u>2,935</u>	<u>986</u>	<u>80,961</u>	<u>1,645</u>	<u>8,692</u>	<u>2,000</u>	<u>97,219</u>
TOTAL ASSETS	<u>\$ 2,935</u>	<u>\$ 986</u>	<u>\$ 80,961</u>	<u>\$ 1,645</u>	<u>\$ 8,692</u>	<u>\$ 2,000</u>	<u>\$ 97,219</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable							\$ -
Due To Other Funds				\$ 1,645	\$ 8,465		10,110
Deferred Revenue	-	-	\$ 80,961	-	227	-	81,188
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>80,961</u>	<u>1,645</u>	<u>8,692</u>	<u>\$ -</u>	<u>91,298</u>
Fund Balances:							
Unreserved							-
Reserved	2,935	986	-	-	-	2,000	5,921
Total Fund Balances	<u>2,935</u>	<u>986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>5,921</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 2,935</u>	<u>\$ 986</u>	<u>\$ 80,961</u>	<u>\$ 1,645</u>	<u>\$ 8,692</u>	<u>\$ 2,000</u>	<u>\$ 97,219</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Special Revenue Funds
June 30, 2010

Schedule 2
(page 2 of 3)

	Next Step - Vermont Student	Title II-A	Co-Curricular Sport Camp	Speak Out	Community Climate Change	Tobacco Use	Subtotals
ASSETS:							
Current Assets:							
Accounts Receivable - Supervisory Union		\$ 432				\$ 7,157	\$ 7,589
Accounts Receivable - Other					\$ 4,354		4,354
Due From Other Funds	\$ 4,141	-	-	\$ 407	3,084	-	7,632
Total Current Assets	<u>4,141</u>	<u>432</u>	<u>\$ -</u>	<u>407</u>	<u>7,438</u>	<u>7,157</u>	<u>19,575</u>
TOTAL ASSETS	<u>\$ 4,141</u>	<u>\$ 432</u>	<u>\$ -</u>	<u>\$ 407</u>	<u>\$ 7,438</u>	<u>\$ 7,157</u>	<u>\$ 19,575</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable					\$ 7,438		\$ 7,438
Due To Other Funds		\$ 432	\$ 46			\$ 5,741	6,219
Deferred Revenue	\$ 4,141	-	-	-	-	-	4,141
Total Liabilities	<u>4,141</u>	<u>432</u>	<u>46</u>	<u>\$ -</u>	<u>7,438</u>	<u>5,741</u>	<u>17,798</u>
Fund Balances:							
Unreserved			(46)				(46)
Reserved	-	-	-	407	-	1,416	1,823
Total Fund Balances	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>407</u>	<u>-</u>	<u>1,416</u>	<u>1,777</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 4,141</u>	<u>\$ 432</u>	<u>\$ -</u>	<u>\$ 407</u>	<u>\$ 7,438</u>	<u>\$ 7,157</u>	<u>\$ 19,575</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Special Revenue Funds
June 30, 2010

Schedule 2
(page 3 of 3)

	Secondary Transformation	CV Food Systems	SAT Continuing Education	Rowland Grant	SCW ARRA	Subtotals	Totals
ASSETS:							
Current Assets:							
Accounts Receivable - Supervisory Union					\$ 23,875	\$ 23,875	\$ 41,801
Accounts Receivable - Other					-	-	4,354
Due From Other Funds	\$ 10,834	\$ 253	\$ 487	\$ 21,053	-	32,627	127,141
Total Current Assets	<u>10,834</u>	<u>253</u>	<u>487</u>	<u>21,053</u>	<u>23,875</u>	<u>56,502</u>	<u>173,296</u>
TOTAL ASSETS	<u>\$ 10,834</u>	<u>\$ 253</u>	<u>\$ 487</u>	<u>\$ 21,053</u>	<u>\$ 23,875</u>	<u>\$ 56,502</u>	<u>\$ 173,296</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$ 10,834			\$ 81	\$ 2,383	\$ 13,298	\$ 20,736
Due To Other Funds					21,492	21,492	37,821
Deferred Revenue	-	-	-	20,972	-	20,972	106,301
Total Liabilities	<u>10,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>21,053</u>	<u>23,875</u>	<u>55,762</u>	<u>164,858</u>
Fund Balances:							
Unreserved						-	(46)
Reserved	-	253	487	-	-	740	8,484
Total Fund Balances	<u>-</u>	<u>253</u>	<u>487</u>	<u>-</u>	<u>-</u>	<u>740</u>	<u>8,438</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 10,834</u>	<u>\$ 253</u>	<u>\$ 487</u>	<u>\$ 21,053</u>	<u>\$ 23,875</u>	<u>\$ 56,502</u>	<u>\$ 173,296</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, 2010

Schedule 3
(page 1 of 3)

	Child Care Grant	Care & Custody	Title IV	Student Assistance Program	Air Quality	Next Step - Vermont Student	Subtotals
REVENUES:							
Private/Local/Other							\$ -
State		\$ 493,366				\$ 107	493,473
Federal	-	-	\$ 5,100	\$ 8,691	-	-	13,791
TOTAL REVENUES	\$ -	493,366	5,100	8,691	\$ -	107	507,264
EXPENDITURES:							
Direct Services		492,642				107	492,749
Support Services:							
Students			5,100	8,691			13,791
Instructional Staff							-
Community Services	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	492,642	5,100	8,691	-	107	506,540
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	724	-	-	-	-	724
FUND BALANCES, JULY 1, 2009	2,935	262	-	-	2,000	-	5,197
FUND BALANCES, JUNE 30, 2010	\$ 2,935	\$ 986	\$ -	\$ -	\$ 2,000	\$ -	\$ 5,921

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, 2010

Schedule 3
(page 2 of 3)

	Title II-A	Co-Curricular Sport Camp	Speak Out	Community Climate Change	Tobacco Use	Secondary Transformation	Subtotals
REVENUES:							
Private/Local/Other		\$ 8,820		\$ 5,332	\$ 8,694	\$ 7,767	\$ 30,613
State			\$ 2,500			63,750	66,250
Federal	<u>\$ 2,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,966</u>
TOTAL REVENUES	<u>2,966</u>	<u>8,820</u>	<u>2,500</u>	<u>5,332</u>	<u>8,694</u>	<u>71,517</u>	<u>99,829</u>
EXPENDITURES:							
Direct Services	2,966	8,866	2,093	5,332			19,257
Support Services:							
Students					8,694	71,517	80,211
Instructional Staff							-
Community Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,966</u>	<u>8,866</u>	<u>2,093</u>	<u>5,332</u>	<u>8,694</u>	<u>71,517</u>	<u>99,468</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(46)	407	-	-	-	361
FUND BALANCES, JULY 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,416</u>	<u>-</u>	<u>1,416</u>
FUND BALANCES, JUNE 30, 2010	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ 1,416</u>	<u>\$ -</u>	<u>\$ 1,777</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, 2010

Schedule 3
(page 3 of 3)

	CV Food Systems	SAT Continuing Education	Rowland Grant	Rwanda Fund	SCW ARRA	Subtotals	Totals
REVENUES:							
Private/Local/Other	\$ 500	\$ 4,292	\$ 79,028	\$ 16,669		\$ 100,489	\$ 131,102
State						-	559,723
Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 74,743</u>	<u>74,743</u>	<u>91,500</u>
TOTAL REVENUES	<u>500</u>	<u>4,292</u>	<u>79,028</u>	<u>16,669</u>	<u>74,743</u>	<u>175,232</u>	<u>782,325</u>
EXPENDITURES:							
Direct Services		3,805	79,028	16,669	47,921	147,423	659,429
Support Services:							
Students						-	94,002
Instructional Staff					26,822	26,822	26,822
Community Services	<u>247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247</u>	<u>247</u>
TOTAL EXPENDITURES	<u>247</u>	<u>3,805</u>	<u>79,028</u>	<u>16,669</u>	<u>74,743</u>	<u>174,492</u>	<u>780,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	253	487	-	-	-	740	1,825
FUND BALANCES, JULY 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,613</u>
FUND BALANCES, JUNE 30, 2010	<u>\$ 253</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 740</u>	<u>\$ 8,438</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Capital Projects
June 30, 2010

Schedule 4

	DeLong Property Acquisition	Renovation Fund	Water System Improvement	Wood Chip Project	Maintenance Reserve	Totals
ASSETS:						
Current Assets:						
Cash					\$ 112,010	\$ 112,010
Accounts Receivable - State				\$ 1,184,162		1,184,162
Due From Other Funds	\$ 2,698	\$ 608	-	1,759	-	5,065
Total Current Assets	<u>2,698</u>	<u>608</u>	<u>\$ -</u>	<u>1,185,921</u>	<u>112,010</u>	<u>1,301,237</u>
TOTAL ASSETS	\$ 2,698	\$ 608	\$ -	\$ 1,185,921	\$ 112,010	\$ 1,301,237
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts Payable					\$ 672	\$ 672
Due To Other Funds			\$ 115,594		81,360	196,954
Loan Payable	-	-	-	\$ 1,184,162	-	1,184,162
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>115,594</u>	<u>1,184,162</u>	<u>82,032</u>	<u>1,381,788</u>
Fund Balances:						
Unreserved			(115,594)			(115,594)
Reserved	2,698	608	-	1,759	29,978	35,043
Total Fund Balances	<u>2,698</u>	<u>608</u>	<u>(115,594)</u>	<u>1,759</u>	<u>29,978</u>	<u>(80,551)</u>
TOTAL LIABILITIES & FUND BALANCES	\$ 2,698	\$ 608	\$ -	\$ 1,185,921	\$ 112,010	\$ 1,301,237

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, 2010

Schedule 5

	DeLong Property Acquisition	Renovation Fund	Water System Improvement	Septic Pump	Wood Chip Project	Maintenance Reserve	Totals
REVENUES:							
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,760</u>	<u>\$ 164</u>	<u>\$ 1,924</u>
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,760</u>	<u>164</u>	<u>1,924</u>
EXPENDITURES:							
Operation and Maintenance of Building Construction Services	<u>-</u>	<u>-</u>	<u>103,296</u>	<u>-</u>	<u>-</u>	<u>87,432</u>	<u>87,432</u> <u>103,296</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>103,296</u>	<u>-</u>	<u>-</u>	<u>87,432</u>	<u>190,728</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(103,296)</u>	<u>-</u>	<u>1,760</u>	<u>(87,268)</u>	<u>(188,804)</u>
OTHER FINANCING SOURCES (USES):							
Loan Proceeds			<u>73,450</u>		<u>36,837</u>		<u>110,287</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>(29,846)</u>	<u>-</u>	<u>38,597</u>	<u>(12,268)</u>	<u>(3,517)</u>
FUND BALANCES, JULY 1, 2009	<u>2,698</u>	<u>608</u>	<u>(85,748)</u>	<u>-</u>	<u>(36,838)</u>	<u>42,246</u>	<u>(77,034)</u>
FUND BALANCES, JUNE 30, 2010	<u>\$ 2,698</u>	<u>\$ 608</u>	<u>\$ (115,594)</u>	<u>\$ -</u>	<u>\$ 1,759</u>	<u>\$ 29,978</u>	<u>\$ (80,551)</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Proprietary Fund Type - Enterprise Funds
June 30, 2010

Schedule 6

	Food Program	Cafeteria Plan	Totals
ASSETS:			
Current Assets:			
Due From Other Funds	\$ 15,097	\$ 141	\$ 15,238
Inventory	<u>2,029</u>	<u>-</u>	<u>2,029</u>
Total Current Assets	<u>17,126</u>	<u>141</u>	<u>17,267</u>
Other Assets:			
Fixed Assets - net	<u>32,660</u>	<u>-</u>	<u>32,660</u>
Total Other Assets	<u>32,660</u>	<u>-</u>	<u>32,660</u>
TOTAL ASSETS	<u>\$ 49,786</u>	<u>\$ 141</u>	<u>\$ 49,927</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable - Other	\$ 12,440	\$ 141	\$ 12,581
Total Liabilities	<u>12,440</u>	<u>141</u>	<u>12,581</u>
Fund Balances:			
Reserved	<u>37,346</u>	<u>-</u>	<u>37,346</u>
Total Fund Balances	<u>37,346</u>	<u>-</u>	<u>37,346</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 49,786</u>	<u>\$ 141</u>	<u>\$ 49,927</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
Proprietary Fund Type - Enterprise Funds
For The Year Ended June 30, 2010

Schedule 7

	Food Program	Cafeteria Plan	Totals
Operating Revenues:			
Sales	\$ 441,953		\$ 441,953
Fees		\$ 13,604	13,604
Miscellaneous	5,436	-	5,436
Total Operating Revenues	<u>447,389</u>	<u>13,604</u>	<u>460,993</u>
Operating Expenses:			
Salaries and Benefits	323,971	13,604	337,575
Repairs and Maintenance	5,389		5,389
Travel and Consultant	484		484
Utilities	3,962		3,962
Food and Supplies	221,013		221,013
Equipment	1,133		1,133
Depreciation	-	-	-
Total Operating Expenses	<u>555,952</u>	<u>13,604</u>	<u>569,556</u>
Operating Income (Loss)	<u>(108,563)</u>	<u>-</u>	<u>(108,563)</u>
Non-Operating Revenue:			
State Sources:			
Restricted Grants:			
State Match	3,602		3,602
Child Nutrition Other	779		779
Federal Sources:			
Restricted Grants:			
School Breakfast Program	19,301		19,301
School Lunch Program	65,641		65,641
Commodities	18,203	-	18,203
Total Non-Operating Revenue	<u>107,526</u>	<u>-</u>	<u>107,526</u>
Income (Loss) Before Transfers	(1,037)	-	(1,037)
Operating Transfers In (Out)	4,000	-	4,000
Net Income (Loss)	2,963	-	2,963
Fund Equity, July 1, 2009	<u>34,383</u>	<u>-</u>	<u>34,383</u>
Fund Equity, June 30, 2010	<u>\$ 37,346</u>	<u>\$ -</u>	<u>\$ 37,346</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Statement of Cash Flows
Proprietary Fund Type - Enterprise Funds
For The Year Ended June 30, 2010

Schedule 8

	Food Program	Cafeteria Plan	Totals
Cash Flows From Operating Activities:			
Received From Customers/Grantors	\$ 447,389	\$ 13,604	\$ 460,993
Payments To Employees and Fringe Benefits	(323,971)		(323,971)
Payments To Vendors and Supplies	<u>(221,095)</u>	<u>(13,604)</u>	<u>(234,699)</u>
Net Cash Used By Operating Activities	<u>(97,677)</u>	<u>-</u>	<u>(97,677)</u>
Cash Flows From Noncapital Financing Activities:			
State Aid Received	107,526		107,526
Support From (To) Other Funds	<u>(9,849)</u>	<u>-</u>	<u>(9,849)</u>
Net Cash Used By Noncapital Financing Activities	<u>97,677</u>	<u>-</u>	<u>97,677</u>
Cash Flows From Capital and Related Financing Activities:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	-	-	-
Cash, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>
Cash, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Used By Operating Activities:			
Cash Provided From Operating Activities:			
Operating Income (Loss)	\$ (108,564)	\$ -	\$ (108,564)
Adjustments to Reconcile Net Income to Cash Provided (Used) By Operating Activities:			
Depreciation	-		-
Increase (Decrease) in Accounts Payable - Other	<u>10,887</u>	<u>-</u>	<u>10,887</u>
Total Adjustments	<u>10,887</u>	<u>-</u>	<u>10,887</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (97,677)</u>	<u>\$ -</u>	<u>\$ (97,677)</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, 2010

Schedule 9

	Balance July 1, 2009	Receipts	Disbursements	Transfers	Balance June 30, 2010
Assets:					
Cash - Checking	\$ (14,352)	\$ 287,662	\$ 285,871	\$ 27,439	\$ 14,878
Cash - Savings	<u>78,921</u>	<u>-</u>	<u>-</u>	<u>(27,439)</u>	<u>51,482</u>
Total Assets	<u>\$ 64,569</u>	<u>\$ 287,662</u>	<u>\$ 285,871</u>	<u>\$ -</u>	<u>\$ 66,360</u>
Liabilities:					
Amount Held for Agency Funds	<u>\$ 64,569</u>	<u>\$ 287,662</u>	<u>\$ 285,871</u>	<u>\$ -</u>	<u>\$ 66,360</u>
Total Liabilities	<u>\$ 64,569</u>	<u>\$ 287,662</u>	<u>\$ 285,871</u>	<u>\$ -</u>	<u>\$ 66,360</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Fiduciary Fund Type - Expendable Trust Funds
June 30, 2010

Schedule 10
(page 1 of 2)

	Burnham Fund	Koster Scholarship	Hall Award	Eunice B. Farr	Fielder Memorial	Jason Lemery Award	Subtotals
ASSETS:							
Current Assets:							
Cash	\$ 11,102						\$ 11,102
Due From Other Funds	<u>-</u>	<u>\$ 8</u>	<u>\$ 27</u>	<u>\$ 929</u>	<u>\$ 50</u>	<u>\$ 1,368</u>	<u>2,382</u>
Total Current Assets	<u>11,102</u>	<u>8</u>	<u>27</u>	<u>929</u>	<u>50</u>	<u>1,368</u>	<u>13,484</u>
TOTAL ASSETS	<u>\$ 11,102</u>	<u>\$ 8</u>	<u>\$ 27</u>	<u>\$ 929</u>	<u>\$ 50</u>	<u>\$ 1,368</u>	<u>\$ 13,484</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Due to Other Funds	<u>\$ 10,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 10,744</u>
Total Liabilities	<u>10,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,744</u>
Fund Balances:							
Reserved	<u>358</u>	<u>8</u>	<u>27</u>	<u>929</u>	<u>50</u>	<u>1,368</u>	<u>2,740</u>
Total Fund Balances	<u>358</u>	<u>8</u>	<u>27</u>	<u>929</u>	<u>50</u>	<u>1,368</u>	<u>2,740</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 11,102</u>	<u>\$ 8</u>	<u>\$ 27</u>	<u>\$ 929</u>	<u>\$ 50</u>	<u>\$ 1,368</u>	<u>\$ 13,484</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Fiduciary Fund Type - Expendable Trust Funds
June 30, 2010

Schedule 10
(page 2 of 2)

	Expendable Income	W. Parker Scholarship	Warren Howland	Robert Reidy	Robert Koster	Hunter Wright Award	Subtotals	Totals
ASSETS:								
Current Assets:								
Cash							\$ -	\$ 11,102
Due From Other Funds	\$ 1,450	\$ 2,131	\$ 327	\$ 6	\$ 1,259	\$ 3,284	8,457	10,839
Total Current Assets	<u>1,450</u>	<u>2,131</u>	<u>327</u>	<u>6</u>	<u>1,259</u>	<u>3,284</u>	<u>8,457</u>	<u>21,941</u>
TOTAL ASSETS	\$ 1,450	\$ 2,131	\$ 327	\$ 6	\$ 1,259	\$ 3,284	\$ 8,457	\$ 21,941
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Due to Other Funds	-	-	-	-	-	-	-	\$ 10,744
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,744</u>
Fund Balances:								
Reserved	1,450	2,131	327	6	1,259	3,284	8,457	11,197
Total Fund Balances	<u>1,450</u>	<u>2,131</u>	<u>327</u>	<u>6</u>	<u>1,259</u>	<u>3,284</u>	<u>8,457</u>	<u>11,197</u>
TOTAL LIABILITIES & FUND BALANCES	\$ 1,450	\$ 2,131	\$ 327	\$ 6	\$ 1,259	\$ 3,284	\$ 8,457	\$ 21,941

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 - Expendable Trust Funds
For The Year Ended June 30, 2010

Schedule 11
(page 1 of 2)

	Burnham Fund	Koster Scholarship	Hall Award	Eunice B. Farr	Fielder Memorial	Jason Lemery Award	Expendable Income	Subtotals
REVENUES:								
Investment Income		\$ 2		\$ 2		\$ 3	\$ 91	\$ 98
Donations	<u>-</u>	<u>-</u>	<u>\$ 500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066</u>	<u>1,566</u>
TOTAL REVENUES	<u>\$ -</u>	<u>2</u>	<u>500</u>	<u>2</u>	<u>\$ -</u>	<u>3</u>	<u>1,157</u>	<u>1,664</u>
EXPENDITURES:								
Awards	<u>-</u>	<u>1,000</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,050</u>	<u>3,550</u>
TOTAL EXPENDITURES	<u>-</u>	<u>1,000</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,050</u>	<u>3,550</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(998)	-	2	-	3	(893)	(1,886)
OTHER FINANCING SOURCES (USES):								
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(998)	-	2	-	3	557	(436)
FUND BALANCES, JULY 1, 2009	<u>358</u>	<u>1,006</u>	<u>27</u>	<u>927</u>	<u>50</u>	<u>1,365</u>	<u>893</u>	<u>4,626</u>
FUND BALANCES, JUNE 30, 2010	<u>\$ 358</u>	<u>\$ 8</u>	<u>\$ 27</u>	<u>\$ 929</u>	<u>\$ 50</u>	<u>\$ 1,368</u>	<u>\$ 1,450</u>	<u>\$ 4,190</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 - Expendable Trust Funds
For The Year Ended June 30, 2010

Schedule 11
(page 2 of 2)

	W. Parker Scholarship	Warren Howland	Robert Reidy	Robert Koster	Hunter Wright Award	Subtotals	Totals
REVENUES:							
Investment Income	\$ 4	\$ 5		\$ 2		\$ 11	\$ 109
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>	<u>\$ 3,784</u>	<u>4,534</u>	<u>6,100</u>
TOTAL REVENUES	<u>4</u>	<u>5</u>	<u>\$ -</u>	<u>752</u>	<u>3,784</u>	<u>4,545</u>	<u>6,209</u>
EXPENDITURES:							
Awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>4,550</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>4,550</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4	5	-	252	3,284	3,545	1,659
OTHER FINANCING SOURCES (USES):							
Transfers In	<u>-</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>1,493</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4	48	-	252	3,284	3,588	3,152
FUND BALANCES, JULY 1, 2009	<u>2,127</u>	<u>279</u>	<u>6</u>	<u>1,007</u>	<u>-</u>	<u>3,419</u>	<u>8,045</u>
FUND BALANCES, JUNE 30, 2010	<u>\$ 2,131</u>	<u>\$ 327</u>	<u>\$ 6</u>	<u>\$ 1,259</u>	<u>\$ 3,284</u>	<u>\$ 7,007</u>	<u>\$ 11,197</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Balance Sheet
Fiduciary Fund Type - Nonexpendable Trust Funds
June 30, 2010

Schedule 12

	Joshua Douglass Memorial	Harwood Faculty Award	James Izor Memorial	Kathy MacKay Award	Willis Merusi Trust	Rebekah Scholarship	Richard Wein Memorial	Warren Howland Scholarship	Totals
ASSETS:									
Current Assets:									
Cash	\$ 5,187	\$ 5,000	\$ 11,137	\$ 6,099	\$ 10,000	\$ 5,000	\$ 42,000	\$ 4,700	\$ 89,123
Total Current Assets	<u>5,187</u>	<u>5,000</u>	<u>11,137</u>	<u>6,099</u>	<u>10,000</u>	<u>5,000</u>	<u>42,000</u>	<u>4,700</u>	<u>89,123</u>
TOTAL ASSETS	<u>\$ 5,187</u>	<u>\$ 5,000</u>	<u>\$ 11,137</u>	<u>\$ 6,099</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>	<u>\$ 42,000</u>	<u>\$ 4,700</u>	<u>\$ 89,123</u>
LIABILITIES AND FUND BALANCES:									
Liabilities:									
Due To Other Funds	\$ 96	-	-	-	-	-	-	-	\$ 96
Total Liabilities	<u>96</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>96</u>
Fund Balances:									
Restricted	<u>5,091</u>	<u>5,000</u>	<u>11,137</u>	<u>6,099</u>	<u>10,000</u>	<u>5,000</u>	<u>42,000</u>	<u>4,700</u>	<u>89,027</u>
Total Fund Balances	<u>5,091</u>	<u>5,000</u>	<u>11,137</u>	<u>6,099</u>	<u>10,000</u>	<u>5,000</u>	<u>42,000</u>	<u>4,700</u>	<u>89,027</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 5,187</u>	<u>\$ 5,000</u>	<u>\$ 11,137</u>	<u>\$ 6,099</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>	<u>\$ 42,000</u>	<u>\$ 4,700</u>	<u>\$ 89,123</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
Fiduciary Fund Type - Nonexpendable Trust Funds
For The Year Ended June 30, 2010

Schedule 13

	Joshua Douglass Memorial	Harwood Faculty Award	James Izor Memorial	Kathy MacKay Award	Willis Merusi Trust	Rebekah Scholarship	Richard Wein Memorial	Warren Howland Scholarship	Totals
Operating Revenue:									
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses:									
None	-	-	-	-	-	-	-	-	-
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Operating Revenue:									
Investment Income	<u>90</u>	<u>87</u>	<u>194</u>	<u>87</u>	<u>174</u>	<u>87</u>	<u>731</u>	<u>43</u>	<u>1,493</u>
Income (Loss) Before Transfers	90	87	194	87	174	87	731	43	1,493
Operating Transfers Out	<u>(90)</u>	<u>(87)</u>	<u>(194)</u>	<u>(87)</u>	<u>(174)</u>	<u>(87)</u>	<u>(731)</u>	<u>(43)</u>	<u>(1,493)</u>
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, July 1, 2009	<u>5,091</u>	<u>5,000</u>	<u>11,137</u>	<u>6,099</u>	<u>10,000</u>	<u>5,000</u>	<u>42,000</u>	<u>4,700</u>	<u>89,027</u>
Fund Balances, June 30, 2010	<u>\$ 5,091</u>	<u>\$ 5,000</u>	<u>\$ 11,137</u>	<u>\$ 6,099</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>	<u>\$ 42,000</u>	<u>\$ 4,700</u>	<u>\$ 89,027</u>

The accompanying notes are an integral part of these financial statements

Harwood Union School District
Combining Statement of Cash Flows
Fiduciary Fund Type - Nonexpendable Trust Funds
For The Year Ended June 30, 2010

Schedule 14

	Joshua Douglass Memorial	Harwood Faculty Award	James Izor Memorial	Kathy MacKay Award	Willis Merusi Trust	Rebekah Scholarship	Richard Wein Memorial	Warren Howland Scholarship	Totals
Cash Flows From Operating Activities: None	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flows From Noncapital Financing Activities: Support From (To) Other Funds	(90)	(87)	(194)	(87)	(174)	(87)	(731)	(43)	(1,493)
Cash Flows From Capital and Related Financing Activities: None	-	-	-	-	-	-	-	-	-
Cash Flows From Investing Activities: Investment Income	<u>90</u>	<u>87</u>	<u>194</u>	<u>87</u>	<u>174</u>	<u>87</u>	<u>731</u>	<u>43</u>	<u>1,493</u>
Net Increase (Decrease) in Cash	-	-	-	-	-	-	-	-	-
Cash, July 1, 2009	<u>5,187</u>	<u>5,000</u>	<u>11,137</u>	<u>6,099</u>	<u>10,000</u>	<u>5,000</u>	<u>42,000</u>	<u>4,700</u>	<u>89,123</u>
Cash, June 30, 2010	<u>\$ 5,187</u>	<u>\$ 5,000</u>	<u>\$ 11,137</u>	<u>\$ 6,099</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>	<u>\$ 42,000</u>	<u>\$ 4,700</u>	<u>\$ 89,123</u>
Reconciliation of Operating Income (Loss) to Net Cash Used By Operating Activities:									
Cash Provided From Operating Activities: Operating Income (Loss)	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to Reconcile Net Income to Cash Provided (Used) By Operating Activities: None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



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**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

We have audited the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Harwood Union School District, Vermont as of and for the year ended June 30, 2010, which collectively comprise the entity's basic financial statements and have issued our report thereon dated December 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Harwood Union School District's internal control over financial reporting 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 the Harwood Union School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Harwood Union School District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harwood Union School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Harwood Union School District in a separate letter dated December 23, 2010.

This report 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

December 23, 2010



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To the School Board
Harwood Union School District

In planning and performing our audit of the financial statements of Harwood Union School District as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Harwood Union School District'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's internal control. Accordingly, we do not express an opinion on the effectiveness of Harwood Union School District'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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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. We previously reported on the Harwood Union School District's internal control in our report dated December 23, 2010. This letter does not affect our report dated December 23, 2010 in the financial statements of Harwood Union School District.

Inconsequential Deficiencies :

Banking:

- When testing bank reconciliations we came across old outstanding checks. For checks over 6 months old, the following procedures should be followed and documented:
 - a) Search back into the records to identify who the check was written to.
 - b) Contact the payee to see why the check was not cashed. If the payee feels they are not owed the money, void the check. If they are due the money, void the old check and issue a new one.

- c) If the payee cannot be located, complete the “abandoned” property forms for the State Treasurer, void the old check, and send the payment to the State Treasurer.

Employee Co-Pay Receivable s:

- During the audit it was noted that there was no detail to indicate what make up employee co-pay receivables and that no reconciliation was being performed between the detail and general ledger. Inquiries could be made as to a specific employee co-pay receivables and the documentation might not be available to satisfy the inquirer. It is recommended that a detailed listing of what makes up the employee co-pay receivables be maintained and that this listing be reconciled to the general ledger on a monthly basis to that the balance is accurately stated.

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, 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

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December 23, 2010