

2008

# Town of Hartland Maine Annual Report 2008

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# **TOWN OF HARTLAND MAINE**

## **Annual Report 2008 MAY 16, 2009**

This Report copied by volunteers,  
gratefully appointed by the Selectmen.



# **TOWN OF HARTLAND MAINE**

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## TOWN REPORT

### INDEX

Town Officials	2
General Information	4
Budget Summary	5
Town Meeting Warrant	7
Budget Breakdown	12
2007/2008 Expended	16

### Reports

Manger	17
Town Clerk	18
Fire Department	19
Sr. Citizens	20
ATV Club	22
Medical Center	22
Library	23
SVH	24
Helping Hands	25
Snowmobile Club	26
ITCC	27
ACO	28
Weights & Measure	29
Food Cupboard	30
Representative Michaud	31
Senator Collins	32
Representative Cray	33
First Park	34
2008 Liens	35
2007 Liens	39
Auditors Report	41

## **TOWN OFFICIALS**

### **SELECTMEN, ASSESSORS AND OVERSEERS OF THE POOR**

HARRY GOULD

MIKE BROWN

GREG TASKER

### **NEW 2009 TOWN OFFICERS**

DEBRA COOPER

JUDITH ALTON

CHRISTOPHER LITTLEFIELD

### **TOWN CLERK AND REGISTRAR OF VOTERS JOYCE HALFORD**

### **DEPUTY TOWN CLERK SUSAN FALOON**

### **TOWN MANAGER, TREASURER, AND TAX COLLECTOR PEGGY A MORGAN - 2009 LARRY POST**

### **DEPUTY TREASURER AND TAX COLLECTOR SUSAN FROST**

### **HEALTH OFFICER ROBERT CARIGNAN**

### **PLUMBING INSPECTOR AL TEMPESTA**

### **CODE ENFORCEMENT OFFICER AL TEMPESTA**

### **FIRE CHIEF DON NEAL**

### **R. S. U. # 19 - DIRECTORS DWAYNE LITTLEFIELD ROBIN MC NEIL**

### **ROAD COMMISSIONER ARLAND STEDMAN**

### **ANIMAL CONTROL OFFICER MANUEL & KERRY VEARA**

### **PLANNING BOARD**

DWAYNE LITTLEFIELD  
MAC CIANCHETTE  
DANA LITTLEFIELD  
JAMES DENNIS

ART CHILDS  
GERALD MARTIN  
\*RANDY BUTLER

### **CONSERVATION COMMITTEE**

BARBARA DAY  
EDWARD ELWELL

SUSAN FALLOON  
JOYCE HALFORD

### **E-911 COMMITTEE**

DONALD NEAL, FIRE DEPT.

### **HARTLAND HELPING HANDS**

PRESIDENT - CECIL LEEMAN  
TREASURER - DANA COOPER  
SECRETARY - DEBBIE COOPER  
PAT MARTIN  
DONNIE NEAL  
SHIRLEY LEEMAN

SPECIAL HELPERS  
LEEANN NEAL  
MARY GILPATRICK

**AQUA MAINE WATER CO.**  
1-800-287-1643

### **AQUA MAINE WATER CO. REPRESENTATIVES:**

BRIAN MITCHELL  
JACK FOULKES

FOREMAN  
UTILITY CUSTOMER SERVICE

### **HARTLAND HISTORICAL SOCIETY MEMBERS**

PRESIDENT  
TREASURER  
SECRETARY  
DIRECTORS

WAYNE LIBBY  
HILDA NUTTER  
JODI TROST  
DOUGLAS ROBINSON  
ROBERT HODGKINS

### **BUDGET COMMITTEE**

VAUGHN STEDMAN-CHAIRMAN  
ROSE ROBINSON  
JOAN CONNELLY  
ARLAND STEDMAN  
SHERRI GILBERT  
SHIRLEY HUMPHREY  
BOB HODGKINS  
AMY HALE

HADLEY BUKER  
DON BENSON  
ELWIN LITTLEFIELD  
CLYDE EMERY  
BARRY RUSSELL  
BARBARA DAY  
MEREDITH RANDLETT  
MYRTLE MARBLE

### **LOCAL EMERGENCY MANAGEMENT COMMITTEE**

SHIRLEY HUMPHREY - CHAIRMAN  
HADLEY BUKER  
DALE HUBBARD

ROBERT HODGKINS  
PHIL HUBBARD

# **TOWN OF HARTLAND**

## **MUNICIPAL ELECTION**

**MARCH 6<sup>th</sup>, 2009  
10:00 A.M. - 8:00 P.M.**

## **ANNUAL TOWN MEETING**

**MAY 16<sup>th</sup>, 2009  
9:00 A.M.**

**TOWN CLERK HOURS  
BY APPOINTMENT 938-2336**

## **EMERGENCY NUMBERS**

**HARTLAND & ST. ALBANS EMERGENCY SERVICES  
911**

**HARTLAND FIRE DEPARTMENT  
911**

**MAINE STATE POLICE OR SHERIFF'S DEPARTMENT  
911**

**ANIMAL CONTROL OFFICER  
416-2956 and 938-2383**

**CODE ENFORCEMENT OFFICER  
270-5191**

## **TOWN OFFICE HOURS**

**MONDAY, TUESDAY, WEDNESDAY & FRIDAY  
8:30 A.M. - 4:30 P.M.  
THURSDAY  
8:30 A.M. - 6:00 P.M.  
CLOSED HOLIDAYS**

**TRANSFER STATION  
WEDNESDAY - SUNDAY  
10:00 A.M. - 5:00 P.M.  
CLOSED HOLIDAYS**



# PRELIMINARY BUDGET

	2008/09	2009/10 Request	Budget Comm.
<b>RECREATION</b>			
ITCC	\$5,000	\$2,500	\$2,500
OTHER RECREATION	—	\$0	\$0
LIBRARY	\$33,000	\$39,000	\$39,000
<b>UNCLASSIFIED</b>			
CONTINGENT	\$10,000	\$10,000	\$10,000
ASSOCIATION DUES	\$2,900	\$5,236	\$5,236
CHAMBER OF COMMERCE	\$200	\$200	\$200
FIRSTPARK	\$10,600	\$12,826	\$12,826
<b>DEBT &amp; INTEREST</b>		<b>\$325,145</b>	<b>\$325,145</b>
GENERAL GOVERNMENT	\$264,978	\$216,700	\$212,302
PROTECTION	\$197,000	\$221,950	#####no rec.
CHARITIES	\$15,860	\$25,660	\$21,160
PUBLIC WORKS	\$234,000	\$248,100	\$248,100
HEALTH & SANITATION	\$263,100	\$302,425	\$298,425
RECREATION	\$38,000	\$41,500	\$41,500
UNCLASSIFIED	\$23,700	\$28,262	\$28,262
DEBT & INTEREST	\$285,286	\$325,145	\$325,145
TOTAL MUNICIPAL	\$1,321,924	\$1,409,742	
COUNTY	\$299,914	\$318,568 est	
SCHOOL	\$992,940	\$1,000,000 est	
	<b>\$2,614,778</b>	<b>\$2,728,310</b>	

## WARRANT FOR TOWN MEETING

To: Susan M. Frost, a resident of the Town of Hartland, Maine, County of Somerset

### Greetings:

In the name of the State of Maine, you are hereby required to notify and warn the Inhabitants of the Town of Hartland in said county, qualified by law to vote in town affairs, to meet and assemble at the Hartland Town Hall in said town, on Saturday, May 16, 2009 A.D. at 9:00 in the morning then and there to act on the following articles:

Art. 1: To choose a moderator to preside at said meeting.

Art. 2: Shall the Shoreland Zoning Ordinance adopted by the Town of Hartland on February 14, 1990 and last amended May 1, 2006, be repealed and replaced with the Revised Shoreland Zoning Ordinance, which is based on the State of Maine Guidelines for Municipal Shoreland Zoning Ordinances most recently amended May 1, 2006, and including adopting the changes to the Shoreland Zoning Map.

(Ordinance and map available for Review at Town Office)

Art. 3: To see if the Town will vote to accept any or all funds or property from Federal, State or private funding in the form of grants or donations, public or anonymous that the municipal Officers deem appropriate and in the best interest of the Town.

Art. 4: To see if the Town will vote to authorize the Municipal Officers, on behalf of the Town to sell and dispose of any real estate acquired by the Town for non-payment of taxes thereon, on such terms as they deem advisable and to execute quit-claim deeds for such property.

Art. 5: To see if the Town will vote to authorize the Municipal Officers to dispose of equipment, vehicles or furniture no longer necessary to Town operations that the Municipal Officers deem appropriate and in the best interest of the Town.

Art.6: To see what date the Town will vote to establish as the date when interest shall be accrued on taxes, and to see what rate of interest shall be applied after that date.

Art 7: To see if the Town will vote to change the terms of office for Selectmen from one year terms to three year staggered terms, beginning with the election of 2010; with the 2010 election electing one Selectman for a one year, one Selectman for a two year, and one Selectman for a three year term; with the Chair selected annually from its members.

Art. 8: Shall the Town vote to enact an Ordinance called "Recall of Elected Officers Ordinance"?

Art. 9: Shall the Town vote to enact an Ordinance entitled "Ordinance for Warrant Signing and Disbursement of Funds"?

## GENERAL GOVERNMENT

Art. 10: To see what sum the Town will vote to raise and/or appropriate for the following General Government accounts:

	Request	Budget Committee recommends:
Pay to Officers	6,500	6,500
Town Manager	55,000	?
Administration	<u>67,500</u>	<u>65,002</u>
TOTAL	129,000	

Art. 11: To see what sum the Town will vote to raise and/or appropriate for the following Town Building accounts:

	Requested	Budget Committee recommends:
Town Hall	16,200	14,800
Academy Building	<u>1,000</u>	<u>500</u>
TOTAL	17,200	15,300

Art. 12: To see what sum the Town will vote to raise and/or appropriate for the following General Government accounts.

	Request	Budget Committee recommends:
Assessing	12,500	12,500
Office Equip/Tech	8,000	8,000
Social Security	16,000	16,000
Abatements	<u>6,000</u>	<u>6,000</u>
TOTAL	42,500	42,500

Art. 13: To see what sum the Budget will vote to raise and/or appropriate for Town Manager severance.

	Request	Budget Committee recommends:
Severance-Manager	28,000	28,000

## PROTECTION

Art. 14: To see what sum the Town will vote to raise and/or appropriate for the following Protection accounts:

	Request	Budget Committee recommends:
Fire Department	29,650	29,650
Dam	1,500	1,500
Street Lights	16,000	16,000

Emergency Unit	0	0
Hydrant Rental	97,000	97,000
Traffic Guides	6,500	6,500
Animal Control	5,000	5,000
Work. Comp.	<u>9,000</u>	<u>9,000</u>
TOTAL	164,650	164,650

Art. 15: To see what sum the Town will vote to raise and/or appropriate for the Insurance Accounts.

	Request	Budget Committee makes no recommendation
MMHT	17,100	
SMP, Liab, Veh	31,000	
Unemployment	6,300	
Retirement	0	
Disability (IPP)	<u>2,900</u>	
TOTAL	57,300	

### CHARITIES

Art. 16: To see what sum the Town will vote to raise and/or appropriate for the following Charity Accounts:

	Request	Budget Committee recommends:
KV Transit	560	560
Head Start	300	300
Spectrum Generations	500	0
Somerset Hospice	300	300
Tri Town Food Bank	1,000	1,000
Hartland/St Albans Srs	1,500	500
Comm. Health & Couns.	1,000	0
General Assistance	20,000	18,000
Food/Legion Bldg.	<u>500</u>	<u>500</u>
TOTAL	25,660	21,160

### PUBLIC WORKS

Art. 17: To see what sum the Town will vote to raise and/or appropriate for the following Public Works accounts:

	Request	Budget Committee recommends:
Labor	44,500	44,500
Roads	51,000	51,000
Snow Removal	144,000	144,000
Town Truck	6,100	6,100
Cemeteries	<u>2,500</u>	<u>2,500</u>
TOTAL	248,100	248,100

### HEALTH & SANITATION

Art. 18: To see what sum the Town will vote to raise and/or appropriate for the following Health & Sanitation accounts:

	Request	Budget Committee recommends
Transfer Station	154,425	154,425
Pollution Control	140,000	140,000
Code Enforc.	<u>8,000</u>	<u>4,000</u>
TOTAL	302,425	298,425

### RECREATION

Art. 19: To see what sum the Town will vote to raise and/or appropriate for the following Recreation accounts:

	Request	Budget Committee recommends:
ITCC	2,500	2,500
Library	<u>39,000</u>	<u>39,000</u>
TOTAL	41,500	41,500

### UNCLASSIFIED

Art. 20: To see what sum the Town will vote to raise and/or appropriate for the following Unclassified accounts:

	Request	Budget Committee recommends:
Contingent	10,000	10,000
Association Dues	5,236	5,236
Chamber of Commerce	200	200
FirstPark	<u>12,826</u>	<u>12,826</u>
TOTAL	28,262	28,262

### DEBT & INTEREST

Art. 21: To see what sum the Town will vote to raise and/or appropriate for the Debt and Interest account.

Request	Budget Committee recommends:
325,145	325,145

Art. 22: To see if the Town will vote to apply from the following accounts for the 2009/10 Budget:

	Request	Budget Committee recommends:
Excise Tax	200,000	200,000
Boat Excise	4,000	4,000
Departmental Accounts	30,000	30,000
Highway Assistance (for Capital use only)	16,000	16,000
Other	<u>19,000</u>	<u>19,000</u>
TOTAL	269,000	269,000

### OTHER

Art. 23: To see if the Town will vote to allocate the snowmobile registration funds received from the State of Maine to Smokey's Angels Snowmobile Club for the maintenance of snowmobile trails for the benefit and use of the public.

Art. 24: To see if the Town will vote to authorize the use of any Contingent account funds remaining to cover any or all overdrafts of accounts incurred during the year; this authorization to remain until and unless otherwise revoked at a future legally called meeting.

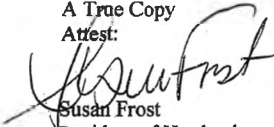
Art. 25: To see if the Town will vote to increase the property tax levy limit of \$1,031,062 established for Hartland by State law in the event that the Municipal Budget approved under the preceding articles will result in a tax commitment that is greater than that property tax limit.

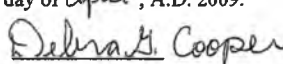
The Registrar will be in session for the purpose of revising and correcting the list of voters on Saturday, May 16, 2009 from 8:30 a.m. to 9:00 a.m. in the Town Hall.

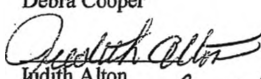
Given under our hands this 7<sup>th</sup> day of April, A.D. 2009.

A True Copy

Attest:

  
Susan Frost  
Resident of Hartland

  
Debra Cooper

  
Judith Alton

  
Christopher Littlefield

## TOWN OF HARTLAND 2009/10 BUDGET

	BUDGET 2008/09	2009/10 BUDGET COMM REQUEST	rec. changes
<b>GENERAL GOVERNMENT</b>			
PAY TO OFFICERS	\$121,478	\$6,500	
ADMINISTRATION			
Salary-Manager		\$55,000	
Salary-Town Clerk		\$6,000	
Salary-Clerk I		\$25,700	\$25,002
Elections		\$1,800	\$0
Dues & Training		\$1,500	
Telephone		\$3,000	
Mileage		\$3,400	
Printing & Advertising		\$2,000	
Professional Services		\$13,000	
Register of Deeds		\$4,500	
Supplies		\$3,000	
Postage		\$3,500	
Misc.		\$100	
TOTAL		\$122,500	\$120,002
<b>TOWN HALL</b>			
T.H. Janitor		\$2,500	
T.H. Labor		\$200	
T.H. Electric		\$2,500	\$2,000
T.H. Water		\$700	\$500
T.H. Heat		\$8,000	\$7,500
T.H. Repair/Maintenance		\$1,200	
T.H. Supplies		\$500	
T.H. Furniture/Equip		\$500	
T.H. Misc.		\$100	
TOTAL	\$4,000	\$16,200	\$14,800
ACADEMY BLDG	\$17,500	\$1,000	\$500
TOWN HALL ROOF/ PAINTING	\$2,500		
ASSESSING	\$12,500	\$12,500	
OFFICE EQUIP/TECHNOLOGY	\$2,000	\$8,000	
OAB (SOCIAL SECURITY)	\$15,000	\$16,000	
ABATEMENTS	\$90,000	\$6,000	
SEVERANCE-MANAGER		\$28,000	
<b>PROTECTION</b>			
<b>FIRE DEPARTMENT</b>			
Fire Chief		\$2,000	
F.D. Asst Chiefs		\$1,000	
F.D. Labor		\$250	
F.D. Training		\$1,000	
F.D. Electric		\$4,200	

	<b>BUDGET 2008/09</b>	<b>2009/10 REQUEST</b>	<b>BUDGET COMM rec. changes</b>
F.D. Telephone		\$2,200	
F.D. Water		\$700	
F.D. Parts & Repairs		\$2,500	
F.D. Equip Hire		\$0	
F.D. Insurance		\$400	
F.D. Supplies		\$800	
F.D. Building Repair		\$500	
F.D. Heat		\$8,000	
F.D. Gas & Oil		\$2,000	
F.D. Equipment		\$4,000	
F.D. Misc.		\$100	
<b>TOTAL</b>	<b>\$25,000</b>	<b>\$29,650</b>	
<b>FD CAPITAL</b>			
<b>FIRE TRUCK ESCROW</b>			
DAM	\$4,000	\$1,500	\$2,500
STREET LIGHTS	\$16,000	\$16,000	
H & S EMERGENCY UNIT	\$10,000	\$0	\$10,000
HYDRANT RENTAL	\$92,500	\$97,000	
TRAFFIC GUIDES	\$7,000	\$6,500	\$7,100
ANIMAL CONTROL	\$3,000	\$5,000	
<b>INSURANCE</b>			
Workman's Comp	\$6,000	\$9,000	\$9,000
MMHT	\$20,000	\$17,100	no rec.
SMP, Liability, Veh.	\$10,000	\$31,000	no rec.
Unemployment	\$3,500	\$6,300	no rec.
Retirement		\$0	no rec.
Disability		\$2,900	no rec.
<b>TOTAL</b>	<b>\$39,500</b>	<b>\$66,300</b>	<b>no rec.</b>
<b>CHARITIES</b>			
<b>FAMILY VIOLENCE</b>			
CHILD ABUSE			
KV TRANSIT	\$560	\$560	
HEAD START	\$300	\$300	
SENIOR SPECTRUM	\$1,200	\$500	
SCOTT WEB AUX			
HOSPICE	\$500	\$300	
TRI TOWN FOOD BANK	\$1,000	\$1,000	
HARTLAND/ST. ALBANS SR	\$1,500	\$1,500	\$500
KENNEBEC MENTAL HEALT	\$1,800	\$1,000	\$0
GENERAL ASSISTANCE	\$9,000	\$20,000	\$18,000
SCHOLARSHIP		\$0	
FOOD/LEGION BLDG		\$500	
<b>PUBLIC WORKS</b>			
<b>LABOR</b>		<b>\$44,500</b>	
<b>ROADS</b>			
Labor		\$0	



	<b>BUDGET 2008/09</b>	<b>BUDGET 2009/10 REQUEST</b>	<b>BUDGET COMM rec. changes</b>
<b>UNCLASSIFIED</b>			
CONTINGENT	\$10,000	\$10,000	
ASSOCIATION DUES			
KVCOG		\$2,736	
MMA		\$2,400	
SEDC		\$100	
TOTAL	\$2,900	\$5,236	
CHAMBER OF COMMERCE	\$200	\$200	
FIRSTPARK	\$10,600	\$12,826	
<b>DEBT &amp; INTEREST</b>			
ME MUNIC BOND BANK	\$64,658	\$66,139	
BANK	\$190,653	\$229,031	
FIRE TRUCK NOTE	\$29,975	\$29,975	
TOTAL DEBT & INTEREST	\$285,286	\$325,145	
<b>CARRIED</b>			
POOL	\$53,000		
FIRE TRUCK	\$41,000		
<b>TOTAL GENERAL GOVT</b>	<b>\$264,978</b>	<b>\$216,700</b>	
<b>TOTAL PROTECTION</b>	<b>\$197,000</b>	<b>\$221,950</b>	
<b>TOTAL CHARITIES</b>	<b>\$15,860</b>	<b>\$25,660</b>	
<b>TOTAL PUBLIC WORKS</b>	<b>\$234,000</b>	<b>\$248,100</b>	
<b>TOTAL HEALTH &amp; SANITAT</b>	<b>\$263,100</b>	<b>\$302,425</b>	
<b>TOTAL RECREATION</b>	<b>\$38,000</b>	<b>\$41,500</b>	
<b>TOTAL UNCLASSIFIED</b>	<b>\$23,700</b>	<b>\$28,262</b>	
<b>TOTAL DEBT &amp; INTEREST</b>	<b>\$285,286</b>	<b>\$325,145</b>	
<b>TOTAL MUNICIPAL</b>	<b>\$1,321,924</b>	<b>\$1,409,742</b>	
<b>COUNTY (est)</b>	<b>\$299,914</b>	<b>\$318,568</b>	
<b>SAD 48/ RSU 19 (est)</b>	<b>\$992,940</b>	<b>\$1,000,000</b>	
<b>TOTAL</b>	<b>\$2,614,778</b>	<b>\$2,728,310</b>	
<b>REVENUES</b>			
EXCISE TAX	\$224,000	\$200,000	
BOAT EXCISE	\$4,000	\$4,000	
LOCAL ROADS		\$16,000	
DEPT ACCOUNTS		\$30,000	
OTHER	\$22,095	\$19,000	
<b>TOTAL REVENUES</b>	<b>\$250,095</b>	<b>\$269,000</b>	
<b>FROM PROPERTY TAX</b>	<b>\$2,364,683</b>	<b>\$2,459,310</b>	
<b>REVENUE SHARING</b>	<b>\$140,000</b>	<b>\$125,000</b>	

	BUDGET 2008/09	BUDGET 2009/10 REQUEST	BUDGET COMM rec. changes
Maint/Rebuild		\$48,000	
Gas & Oil		\$2,000	
Mowing		\$1,000	
Insurance			
TOTAL	\$100,000	\$51,000	
SNOW REMOVAL			
Contract		\$80,000	
Labor		\$0	
Sand & Salt		\$60,000	
Equip			
Repair/Maint.		\$2,000	
Gas & Oil		\$2,000	
TOTAL	\$124,000	\$144,000	
TOWN TRUCK			
Gas & Oil		\$3,000	
Repairs		\$3,000	
Misc.		\$100	
TOTAL	\$5,000	\$6,100	
TREE REMOVAL			
CEMETERIES	\$5,000	\$2,500	
CEMETERY FENCE & SIGN			
HEALTH & SANITATION			
TRANSFER STATION			
Labor		\$24,150	
Heat		\$700	
Gas & Oil		\$3,000	
Supplies		\$375	
Repair & Maint		\$10,000	
Hauling/Tip Fee		\$115,000	
Other Services			
Exterminator		\$700	
Misc.		\$500	
TOTAL	\$100,000	\$154,425	
TREATMENT PLANT	\$160,000	\$140,000	
CODE ENFORCEMENT/LPI	\$3,100	\$8,000	\$4,000
RECREATION			
POOL		\$0	
ITCC	\$5,000	\$2,500	
OTHER RECREATION		\$0	
LIBRARY	\$33,000	\$39,000	
LIBRARY SOFTWARE			
LAKE ASSOCIATION			

TOWN OF HARTLAND  
2007/2008 BUDGET SUMMARY

	BUDGETED	EXPENDED
Town Clerk	\$1,900.00	\$1,900.00
Registrar of Voters	\$100.00	\$100.00
Fire Chief	\$2,000.00	\$2,000.00
Selectmen	\$7,500.00	\$7,083.34
Town Salaries	\$90,278.00	\$78,566.56
Social Security	\$15,000.00	\$17,709.17
Workers Comp	\$6,000.00	\$18,554.50
Health Insurance MMHT	\$20,000.00	\$47,153.17
Insurances	\$10,000.00	\$25,794.50
Unemployment	\$3,500.00	\$4,491.25
Town Hall	\$4,000.00	\$11,078.94
Academy Building	\$17,500.00	\$29,929.50
KVCAP Transit	\$560.00	\$0.00
Head start	\$300.00	\$0.00
Senior Spectrum	\$1,200.00	\$0.00
Tri Town Food Bank	\$1,000.00	\$0.00
Hartland/St.Albans Seniors	\$1,500.00	\$0.00
Sebasticook Chamber of Commerce Dues	\$200.00	\$0.00
KVCOG Dues	\$2,900.00	\$2,642.00
Kennebec Mental Health	\$1,800.00	\$0.00
Hospice	\$500.00	\$0.00
Dam	\$4,000.00	\$1,285.90
Contingent	\$10,000.00	\$46,991.00
Office Equipment & Tools	\$2,000.00	\$2,000.00
Town Truck	\$5,000.00	\$6,452.10
Street Lights	\$16,000.00	\$15,605.80
Hydrant Rental	\$92,500.00	\$132,980.70
Transfer Station	\$100,000.00	\$147,282.78
Cemetery	\$5,000.00	\$19,073.00
Traffic Guards	\$7,000.00	\$7,012.90
General Assistance	\$9,000.00	\$26,889.00
Fire Department Volunteer	\$25,000.00	\$34,102.73
Sebasticook Emergency Unit	\$10,000.00	\$10,000.00
Library	\$33,000.00	\$37,305.24
Hartland Pollution Control	\$60,000.00	\$150,269.22
Snow Removal	\$124,000.00	\$124,253.12
ITTC	\$5,000.00	\$0.00
Animal Control Officer	\$3,000.00	\$3,000.00
Code Enforcement Officer	\$3,100.00	\$4,203.33
Roads and Sidewalks	\$100,000.00	\$129,890.88
Assessing	\$12,500.00	\$0.00
Town Hall Roof and Painting	\$2,500.00	\$0.00
Intrest		\$53,497.00
Fire Truck Payment		\$6,808.17
Building & Equipment		\$127,481.20
<b>CARRY:</b>		
Fire Department	\$41,000.00	
Swimming Pool	\$53,000.00	

\$910,338.00 \$1,333,387.00

## TOWN MANAGER'S REPORT

To: Selectmen and Citizens of Hartland

It is that time to submit to you the Annual Report of the activities and financial status of the Town of Hartland for the fiscal year 2007-08. This seems like ages ago, with the fiscal year ending June 30, 2008. Obviously, many things have happened in the intervening time span as well.

This past year saw many changes in the Town of Hartland, with more in the works. Long time Manager Peggy Morgan went out on medical leave and did not return. Having worked with her for the last 30 years, I wish her well. I was hired as Acting Manager in November, and began the task of dealing with the financial crisis that existed. As you know, we had to void and recommit taxes to add the amounts that had not been budgeted. We have been dealing with banks to try and deal with old unpaid bills, and restructure our debt. While there have been setbacks, hopefully this will be in place when you read this. In February, I was hired as Town Manager, and have been continuing to work in trying to stabilize our financial situation.

Besides our financial problems, there are several other issues facing us. We are out of compliance in our sludge landfill, and are trying to get grants to enable us to do \$1.1 million in upgrades and repairs. We also must do a better job of maintenance and reporting to get in compliance. We currently have approximately five years left on the current cell, and need to review options beyond that.

Our Transfer Station is in dire need of changes to make it more user-friendly, make it easier to recycle and become more efficient. We need to look at increasing revenues, as well as keeping costs as low as possible. We need everyone's cooperation to increase the amount of recycling, and to ensure that all waste is separated correctly. I thank you in advance to helping make improvements in this area during this next year.

As soon as we can stabilize our finances, we must develop a five year plan for capital improvements and equipment. In this way, we can set out a plan to bring roads, buildings and equipment up to date on a schedule which will be predictable and more cost effective. This will also help to make the tax rate more predictable.

There are many more things that must be done. Only by working together can we accomplish what we need to do. The entire community needs to understand the power of a community to do great things. I have discovered that we are already very fortunate in having a tremendous staff in serving the various needs of the Town. While the staff was downsized in the last year -losing 3 Public Works and 1 ½ Town Office employees, those that remain have been doing a great job of taking up the slack, and getting the work done. I thank them for their dedication, and look forward to serving you in the next year.

Respectfully submitted  
Larry Post  
Town Manager

## **TOWN CLERK REPORT**

### **VITAL STATISTICS REPORT 2008**

There were:           21 Births   (15 Girls - 6 Boys )  
                          Marriages:   11  
                          Deaths:     27

Dogs licensed:       267 Licenses (due prior to Jan. 31<sup>st</sup> yearly)  
Kennels licensed:    Total of 4 with total 17 dogs

Special thanks to all the election workers, pleasure working with all of you.  
Special thanks to My Deputy!

There are approximately 1230 registered voters.

Respectfully Submitted,  
Joyce P. Halford  
Town Clerk

## HARTLAND VOLUNTEER FIRE DEPARTMENT



Dear citizens,

In 2008 the Hartland Volunteer Fire Department responded to a total of 68 calls. The different types of calls responded to and sub totals are as follows:

- 11 car accidents
- 18 structure fires
- 6 power lines down
- 1 electrical fires
- 4 vehicle fires
- 9 fire alarms
- 1 permit burn
- 2 assist ambulance
- 5 stand by calls
- 5 unknown fire/smoke investigations
- 5 chimney fires
- 1 atv accident

Although the total number of fire calls dropped the number of structure fires we responded to almost doubled. During one of these structure fires the Hartland Fire Department suffered a great loss with the line of duty death of firefighter Mike Snowman. Mike was assisting at the scene of a structure fire when he collapsed.

We are making progress in the fire hall with money we have raised in fund raisers. This year we raised enough money to put in a fire escape so that we could start utilizing the second level. The new fire truck arrived in March and has been a great resource with the increase in structure fires.

We encourage everyone to check their smoke detectors regularly to make sure that they are working properly. We also ask that everyone make their house numbers visible to us so that we can better serve our community. Most of our calls are at night so it would be easier for us to find your home if it is numbered near the road with reflective numbers.

Special thanks go out to all of the firemen who devote their time to the department. Also, thanks go out to those who continue to support the local fire department. Your support is greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald Neal". The signature is written in a cursive, flowing style.

Donald Neal, Fire Chief

## **The Hartland/St. Albans Senior Citizens**

The Hartland/St. Albans Senior Citizens celebrate the end of a year and look forward to the "New Year".

It is with sadness that we report four of our members have passed away:

Ernest Dutton  
Arline Ham  
Fances Beach  
Margurite Rice

Some of our activities include: A visit to Margret Chase Smith Library, The Stone Museum and Sanfield Rehab's cook-out in August.

Sanfield serves us lunch one Tuesday a month, and our speaker from the Somerset County Extension visit's the second Tuesday.

We are very grateful to the towns that support us. We could not exist without your help. Thank you and God Bless you all!

Meredith Randlett, President  
Joyce Kenney, Secretary

## Somerset Ridge Runners ATV Club

We started our fifth year out thinking that we were going to be defeated by the rain and mud. But being Mainers, we all knew that "if you don't like the weather...just wait a minute....." We did and most importantly, it did change. The trails were opened for 2008 on May 15<sup>th</sup> and were closed October 12<sup>th</sup>. In that 25 weeks club members and other generous souls labored over 345 hours this year resetting culverts, grating, setting new bridges in place and rail bed maintenance. We were able to move gravel around and work more efficiently with the new ATV trailer we purchased this year. Our club has pioneered 37 miles of trail and a Park & Ride at the Irving Tannery Annex. A kiosk is located at the annex supplied with trail maps and club information during our season.

The Ridge Runners participated in the annual Hartland Fun Days parade and even entered a float in the Pittsfield Egg Festival parade. We didn't place but it sure was fun putting it all together! One club ride to Greenville and another to Kingsbury Plantation was all we could squeeze in due to rain and trail work that really needed our attention. Our season ended with the distribution of 9 holiday baskets within the Hartland community. The proceeds were derived from a raffle drawing at the meetings and the winners turned the money back into the Giving Fund *every* time.

Information regarding our trail system and full list of meeting dates for 2009 will be available in March on our website,

[www.orgsites.com-me-somersetridgerunnersatvclub](http://www.orgsites.com-me-somersetridgerunnersatvclub)

There you will also find scheduled club rides and events as we become more active in our season. We encourage guests and hope to see everyone on April 7<sup>th</sup>, 2009 for our first membership meeting where we will be accepting first nominations of officers for the upcoming 2009 season.  
Margo Hanlon, Secretary



SCOTT-WEBB MEDICAL CENTER  
10 Great Moose Drive  
Hartland, Maine 04943

To the Citizens of the Town of Hartland:

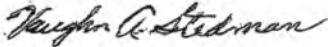
As of this writing, the Scott-Webb Medical Center is in a period of unrest due to the changes that have been on-going over the past few months. Our health services provider, Seabasticook Family Doctors, has made personnel changes which currently have the Center not knowing what the near or long-range future will look like.

Over the past few months, the parent providers have conducted events to make people more aware of the operations at the Center. A very successful flu shot clinic and a free public spaghetti supper, as well as a mailing to communities in our catchment area, have given more exposure to the health services which have been available. As providers of the space used by Seabasticook Family Doctors, the Board of Directors of the Center has done a lot to help in program promotion.

As many of you know, the Medical Center also hosts a private dental service. Dr. Richard Huber is the resident dentist. His office is in the basement section of the Center with access through the rear entrance adjacent to the larger parking lot.

In closing, Board wishes to recognize the passing of Mr. Harlow Powers who, for many years, was the prime mover in keep keeping the Center operational and involved in the life of our Community.

Respectfully submitted,



Vaughn A. Stedman, Chair  
Scott-Webb Medical Center  
Board of Directors.



January 2, 2009

To: Town of Hartland

From: Sebasticoook Valley Hospital Ambulance

Subject: Annual Ambulance Run Report

In the past year from January 1, 2008 to December 31, 2008 the Hartland based Sebasticoook Valley Hospital Ambulance Service is proud to have provided emergency services to 229 citizens of the Town of Hartland.

We look forward to providing the Town of Hartland with Emergency 911 ambulance coverage in the years to follow.

Sincerely:

A handwritten signature in black ink that reads 'Michael Holcomb'.

Michael Holcomb  
EMS Supervisor  
Sebasticoook Valley Hospital

2008  
ANNUAL REPORT  
HARTLAND HELPING HANDS

Members:

President: Cecil Leeman  
Treasurer: Dana Cooper  
Secretary: Debbie Cooper  
Pat Martin  
Sherry Vigue  
Shirley Leeman

Donations for 2008

Tri-Town Food Cupboard	\$ 1,00.00
Scholarships	1,000.00
4-H Club	100.00
SVMS Basket ball Club	925.00
Project Graduation	100.00
SVMS Show Chorus Jackets	500.00
Burned Out Family	500.00
Fire Prevention	1,247.95
Bereaved Family	1,000.00
Oil for Town Hall	500.00
ITCC Sports Program	1,500.00
Nokomis JROTC	1,500.00
SVMS Baseball Dugouts	1,000.00
Sanfield Living Center (Piano)	1,000.00
SVH - Cancer Walk	150.00
Children's Holiday Fund	500.00

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Total Donations	\$12,522.95
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We are sad to say that the Hartland Helping Hands held its last BINGO in September. We would again like to thank the Town for allowing us to use the Town Hall for BINGO. We would also like to thank all our loyal BINGO players for their patronage for the past 20 years.

HHH

## SMOKEY'S ANGELS SNOWMOBILE CLUB, INC.

Another year has come and gone and we certainly had a lot of snow. In fact to much to soon. There was not time for a hard freeze before we got hit again with another storm. It certainly made it hard to keep the trails in good shape because of all the unfrozen water on the trails. Hopefully this winter will be a lot better especially since so much work has been done on the trails this past month. We hired equipment and did work on the trails going to and from Goodwin Hill and behind Gilberts in North Hartland. Trails and some bridges have been widened and water drained and culverts put in. Many volunteers have worked many hours and get no pay to help make these trails as nice as possible for all to ride. The club would also like to thank the ATV club who use some of our trails for the work they have done this past year.

The club has again sponsored two Blood Drives this past year and they are connected with the Eastern Maine Medical Center Blood Donor Program. All donations stay in the state of Maine. If in the future you see the sign out that we are having another Blood drive and you have not signed up to donate please walk in during the time the blood drive is going on and donate as it is a wonderful feeling to know you have helped to save a life.

The Margaret Chase Smith scholarship applications are available to any graduating senior who belongs to the club on January 1, 2008. The winner will be awarded a \$250.00 and the application can be obtained by contacting Joan Connelly at 938-2169.

We urge anyone who owns a snowmobile and enjoys riding the trails in our area to join your local club. If you have not renewed your membership for this year or may have not joined for a few years please do as we certainly want you as a member and to attend our meetings as your input is very important to us. It takes lot of hours to keep our trails in good shape and this is all done thru volunteer labor. In the fall there are many hours spent clearing and doing whatever else is necessary to be able to ride during the winter months so please if you can donate any time please call either of our Trail Masters Artie Burrill at 938-4762 or Elwin Littlefield at 938-4905. Our meetings are held the first Tuesday of each month except the months of June, July and August at 7:00 pm at the Hartland Library. All interested individuals are welcome to attend.

Again this year we will be having our Turkey Pie supper on March 28<sup>th</sup> at the Community Center. We shared many suppers with the Palmyra Snowmobile Club. It is always great to get together with them to share ideas, have fun and work together for the better of all our trails. We also have maps for sale for \$2.00. If interested in purchasing one call 938-4843 and I will see that you receive one.

Though out the year we have again donated to various charities. Among them are The Pine Tree Camp, two local food cupboards and the Hartland Library.

Remember safety is a number one priority in riding your snowmobile. Always ride to the right and keep your speed down. It's better to take a little longer to get where you want to go and get there safely.

Irene Dolly Robbins, Secretary  
Smokey's Angels S.C. Inc.



## Irving Tanning Community Center

62 Elm Street \* Hartland, Maine 04943

Phone (207)938-5191 \* Fax (207)938-5148

Citizens of Hartland, St. Albans, & Palmyra,

Irving Tanning Community Center is operated through a thirteen member Board of Directors each representing a group with an interest in the facility. Each of the three towns, Maine School Administrative District 48, Prime Tanning Co., Inc. (formerly Irving Tanning Co., Inc) and Kennebec Valley Community Action Program (KVCAP) appoint one member to the Board. Additional representatives are selected to represent local school staff, parents, local businesses, law enforcement, clergy, the Recreation/Activities Committee, and community members. M.S.A.D. 48 provides the operating costs, insurance, maintenance, and cleaning of the Center. Scheduling of events is done through the office at the Hartland Consolidated School.

The Recreation/Activities Committee oversees the Youth Sports Programs. In the fall children from Hartland, Palmyra and St. Albans participate in a tri town soccer program. This program involves over 125 children from the three towns. Winter is basketball season. Close to 100 children from all three towns participate in this program too. Due to league rules Baseball/Softball teams have to be by individual towns. The Center is used to play many of the games. The Youth Sports Program involves a lot of volunteers who coach and supervise the students. Games and practices are held at the Irving Tanning Community Center weeknights and Saturdays.

The Recreation/Activities Committee is also responsible for planning and supervising the Daddy-Daughter Dance and the Mother Son Dance. Citizens from all over the area participate in these events. Area groups use the Center for dances, concerts, trainings and meetings.

Irving Tanning Community Center is also available for private events. Birthday parties, bridal and baby showers, anniversary parties, and family functions are some of the events that have taken place at the Center.

If you are interested in using Irving Tanning Community Center please contact the office at the Hartland Consolidated School for a "Building Use Form". This same form can be found on the Irving Tanning Community Center web site at "msad48.org". If you are interested in being part of the Center or if you have any suggestions or ideas for programs to better serve our community please contact the Center at 938-5191. We welcome your support.

Respectfully Submitted by,

Denise Kimball

Secretary, Irving Tanning Community Center

**2008 Hartland  
Animal Control Officer's  
Report**

**7 Dogs to shelter**

**25 Cats to shelter**

**3 Dogs Quarantined**

**80 Calls**

**James Dunn**

**Local Sealer of Weights and Measures  
Hartland  
2008**

Starting in January, the test weights and fuel pump test cans were taken to Augusta for the yearly calibration. In the middle of April, I picked up the equipment and attended a meeting with the State Sealers for updates on new devices.

I was sworn in at the town office in May. And in the month of July and August, 8 Pumps and 9 Scales were tested and found to be in working order and within the state tolerances.

Respectfully submitted  
Local Sealer, Tim Briggs  
Phone 924-7562

## Tri-Town Food Cupboard 2008 Report

Another year has ended with the food cupboard in good stead. We have enough volunteers so that no-one has to work more than once a month unless covering for someone not able to be there. We had two more volunteers join us this year. We've had generous donations from area individuals and organizations so the shelves are stocked.

We will be applying for a matching grant through Good Shepard again this year, as well as for the EFSP grant through the United Way of Mid-Maine. These two grants, along with the donations from groups, organizations, and individuals, have been instrumental in us being able to fill the requests for help that we receive each week.

As mentioned in this report in the past, no one gets paid for the work done at the food cupboard, everything is done by volunteers. Pat Martin and Mabel Stadig spend a lot of time at the cupboard stocking shelves along with anyone else who has some time. Pat and Gerald Martin and Gene Alton make trips to Waterville, Fairfield, Oakland and Brewer on a regular basis to pick up food donated to/purchased by the cupboard.

Our Board of Directors remains active with representation from all three Towns. They are instrumental in keeping the food cupboard viable. The ROTC from Nokomis goes to Augusta with a bus to pick up donated food from the Government three times a year. TTFC pays a stipend for the gas used by the bus.

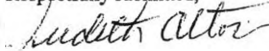
Monies received by the three Towns are used to pay for electricity, fuel, phone and water. This enables us to use all other funds to purchase food for those in need. We belong to the Good Sheppard Food Bank which enables us to purchase most items for 16 cents a pound. That means a can of vegetables is 16 cents. We are limited in how much we can purchase each month but have found it a great savings. The grant funds received from the United Way of Mid Maine can be used for food only. This is why we ask for inedible products sometimes when people are making donations.

We keep reports on how many people were served each month broken down by how many came in and how many people were fed. Beginning Dec 1, 07 through Nov 30, 08 we had 1170 visits representing 2766 people. Families can apply once monthly unless there are unusual circumstances. At which point we serve the families more often. One of the families we fed this year had 7 people and was from out of the tri-town area. We fed them once and got them connected with a food cupboard in their area.

In Hartland there were 634 requests – for a total of 1297 people; St. Albans 334 requests – for a total of 968 people; Palmyra 192 requests – for a total of 494 people.

Thank you for helping us to be able to assist those in need. For further information you may call me at 938-2152.

Respectfully submitted,



Judy Alton



MICHAEL H. MICHAUD  
2ND DISTRICT, MAINE

WASHINGTON OFFICE  
1724 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
PHONE: (202) 225-6305  
FAX: (202) 225-2843

[www.house.gov/michaud](http://www.house.gov/michaud)

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

February 1, 2009

Dear Hartland residents and friends,

This year, Mainers are facing some of the greatest challenges seen for several generations. As I travel across Maine, I hear from many people worried about losing their jobs, heating their homes, putting food on the table, and getting affordable health care.

The economic crisis affects us all as Americans. Here in Maine, we must continue to create new jobs and help our businesses develop new ideas and products.

In my first three terms as your Congressman, I have found and won funding for research, training, and job development. In 2007, I authored a bill, which became public law, to create a Northern Border Regional Commission. The NBRC will invest federal resources in economic development and job creation projects in the most economically distressed areas of Maine, New Hampshire, Vermont, and northern New York. I have supported efforts to restore funding to the Small Business Administration to make sure it can offer Maine businessmen and women the capital they need to start and invest in their businesses. I have also secured substantial investments in federal research and development at the University of Maine, promoting valuable research and creating jobs throughout Maine.

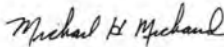
There is still so much else to do. Raising the truck weight limits on Maine's interstate north of Augusta will help our businesses, cut fuel costs and emissions and make so many of our rural and secondary roads safer for our families.

We need to keep our promises to our veterans and make sure that their benefits and health care are there when they need them. As the Chairman of the Veterans Affairs Health Subcommittee, I have worked to make health care more accessible for rural veterans and to increase the overall spending for the Department of Veteran's Affairs. In 2008, I sponsored HR 1824, the Montgomery GI Bill Expansion, to expand the scope of educational assistance under the Montgomery GI Bill so it may be used to obtain a commercial motor vehicle operator license.

Finally, my staff and I remain committed to providing quality constituent services whether it is help with cutting through red tape or a question about federal programs and benefits. If my office may ever be of assistance, please do not hesitate to contact me at my Waterville office at 872-8078 or by emailing me through my web page at [www.house.gov/michaud](http://www.house.gov/michaud). While on my website, I also encourage you to sign up for occasional e-mail updates on issues important to Mainers.

Thank you again for the opportunity to represent you in Congress.

With warmest regards,



Michael H. Michaud  
Member of Congress

BANGOR:  
23 WATER STREET  
BANGOR, ME 04401  
PHONE: (207) 942-6935  
FAX: (207) 942-5907

LEWISTON:  
175 LYBON STREET, GROUND FLOOR  
LEWISTON, ME 04240  
PHONE: (207) 782-3704  
FAX: (207) 782-5330

PRESQUE ISLE:  
445 MAIN STREET  
PRESQUE ISLE, ME 04769  
PHONE: (207) 764-1038  
FAX: (207) 764-1080

WATERVILLE:  
16 COMMON STREET  
WATERVILLE, ME 04601  
PHONE: (207) 875-5713  
FAX: (207) 875-5717



COMMITTEES:  
**VETERANS' AFFAIRS**  
SUBCOMMITTEE ON HEALTH  
CHAIRMAN

TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON HIGHWAYS AND TRANSPORT  
SUBCOMMITTEE ON RAILROADS, PIPELINES  
AND HAZARDOUS MATERIALS  
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,  
PUBLIC BUILDINGS AND  
EMERGENCY MANAGEMENT

SMALL BUSINESS  
SUBCOMMITTEE ON AGRICULTURE AND TECHNOLOGY  
SUBCOMMITTEE ON RURAL AND URBAN  
ENTREPRENEURSHIP  
SUBCOMMITTEE ON TAX AND FINANCE

SUSAN M. COLLINS

MAINE

413 DIRksen SENATE OFFICE BUILDING  
WASHINGTON, DC 20516-1904  
(202) 224-3573  
(202) 224-2683 (FAX)

COMMITTEES:  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
Ranking Member  
ARMED SERVICES  
SPECIAL COMMITTEE  
ON AGING

## United States Senate

WASHINGTON, DC 20510-1904

January 9, 2009

Dear Citizens of Hartland:

In 2008, Mainers entrusted me to serve another term in the U.S. Senate. I am deeply honored and pledge to continue to work with my colleagues, both old and new, and with President Obama to forge bipartisan solutions to the economic crisis and the many other challenges facing our nation. I appreciate this opportunity to report on some highlights of my recent work in the U.S. Senate.

The number one priority continues to be to strengthen our struggling economy. We must look at additional ways to get our economy back on track. Last summer, I introduced an economic recovery bill, which included a proposal for \$50 billion in infrastructure funding to create jobs and improve our nation's aging transportation infrastructure. Anyone who drives in Maine recognizes the deteriorating state of many of our roads and bridges. Investing in our infrastructure not only creates jobs but also leaves communities with lasting and needed assets. My proposal also includes \$1 billion in additional funding for the Workforce Investment Act and tax incentives to help small businesses and to encourage energy conservation.

One of the energy provisions of the legislation was signed into law last year. It provides a \$300 tax credit to help individuals purchase clean-burning wood pellet stoves in order to provide an affordable alternative for heating their homes.

Soaring energy prices throughout much of 2008 highlight the critical need for our nation to achieve energy independence. As a nation, we should set a goal of energy independence by the year 2020—an ambitious goal that will require a multi-faceted approach, but one that can be achieved through resolve and commitment. I joined a bipartisan group of 20 Senators that has developed a comprehensive bill to expand production of American energy, promote conservation, and spur the development of alternative sources of energy. To immediately mitigate the effects of high prices, I fought to increase funding for programs that help our seniors and low-income families such as the Low Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program.

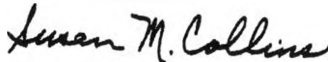
As the Ranking Member of the Senate Homeland Security Committee, I am committed to ensuring that our nation is as safe as possible and that government is prepared to respond to disasters. Maine certainly has had its share of natural disasters during the past year. This year, my homeland security priorities include renewing a port security law that I coauthored and strengthening security at labs containing dangerous pathogens.

Other priorities include supporting the vital work being done at Bath Iron Works, the Portsmouth Naval Shipyard, and other defense-related businesses throughout Maine—all of which are making significant contributions to our national security. We must also continue to improve and expand access to affordable health care—particularly in our rural communities—expand aid for education, protect our environment.

While this is just a brief summary of my recent work in Washington over the past several months, please know that I will continue to work as hard as possible representing Maine in the U.S. Senate. I am grateful for many blessings, including the opportunity to continue representing Hartland and Maine in the United States Senate.

If ever I can be of assistance to you, please contact my Augusta office at 207-622-8414, or visit my website at <http://collins.senate.gov>.

Sincerely,



Susan M. Collins  
United States Senator

House of Representatives  
2 State House Station  
Augusta, Maine 04333-0002  
(207) 287-1440  
TTY: (207) 287-4469



**Dean A. Cray**  
P. O. Box 3  
Palmyra, ME 04965  
Residence: (207) 938-2006  
Fax: (207) 938-2006  
E-mail: [dacray@dishmail.net](mailto:dacray@dishmail.net)

Dear Friends and Neighbors:

I would like to take this opportunity to thank you for the privilege of serving as your State Representative for the 124th Maine State Legislature. Representing the citizens of Hartland during the past two years on issues important to our region has been a great honor. I look forward to continuing my work and addressing the many challenges that lie ahead.

I am pleased to have been re-appointed to the Joint Standing Committee on Agriculture, Conservation and Forestry. I have the opportunity to be involved firsthand with matters dealing with agricultural fairs, animal welfare, the dairy industry, land preservation, the Department of Conservation, state parks, public lands, Maine Land Use Regulation Commission (JRC), forest management, the Land for Maine's Future Program and Baxter State Park.

The Legislature faces an extremely difficult undertaking this year of balancing the state budget during an economic recession. Governor Baldacci presented his supplemental budget in December that addresses a \$140 million revenue downturn for remainder of the current fiscal year, which ends June 30, 2009. The Legislature will then have the daunting task of crafting a annual budget that addresses a structural gap of more than \$800 million. Tough decisions will need to be made, but I truly believe that we can enact a budget that funds essential state programs and services without taking any more of our taxpayers' hard-earned money.

As the First Regular Session progresses, I encourage all of you to visit the Legislature's website at <http://janus.state.me.us/house/homepage.htm> for up-to-date bill status information, public hearing dates and roll call votes on legislation that are of interest to you. Our representative form of government works best when we all get involved.

Rest assured that I will diligently work on behalf of the people of House District 28. It remains an honor knowing that I have placed your faith and confidence in me to represent your interests at the State House. Your comments and suggestions are always welcomed as it is through your input that I am better able to represent you. Please feel free to contact me in Palmyra, 04965, or in Augusta, 04333-0002. If you prefer writing, my mailing address is P. O. Box 3, Palmyra, ME 04965 and my e-mail address is [dacray@dishmail.net](mailto:dacray@dishmail.net).

Sincerely,

A handwritten signature in dark ink that reads "Dean A. Cray".

Dean A. Cray  
State Representative

## **2008 Annual Report of the KRDA (FirstPark) to Member Municipalities**

I am pleased to submit the 2007-2008 Annual Report, highlighting some of the more significant activities of the KRDA and FirstPark during the past year.

The KRDA (FirstPark) operated for the first time without the benefit of previous years' cash balances to reduce its annual operating budget. As a result, member communities' assessments were increased and FirstPark's operating budget was decreased by \$100,000. We also sub-let a portion of our office space to MaineBiz.

The Savings Bank of Maine (formerly GSI) provided the KRDA \$15,153 as part of the bank's local economic development stimulus program.

The KRDA contributed \$2,500 of its marketing funds to assist Maine and Company develop leads from Canadian companies looking to establish businesses in Maine.

David Mayberry purchased Lot 1 Parcel 2 from Dr. Geria. He constructed a 3,500 sq. ft. building on the site and has a tenant.

The KRDA sold the 20,000 sq. ft. speculative office building to Harpers Development, LLC in November. We paid off loans from Savings Bank of Maine (formerly GSI), Colby College, the Maine Rural Development Authority, and Waterville Industrial Development Corporation. Harpers has leased the property to MaineGeneral Hospital which has three tenants and shared state-of-the-art imaging equipment.

The KRDA sold the access of one of our fiber optic conduits to MaineGeneral Hospital, in which Time-Warner installed cable to service the former spec building.

The Design Review and Covenant Review Committees met several times during the year and is in the process of amending our Covenants by adding an "Impact Fee" provision and an escrow account to ensure that projects are constructed as proposed.

FirstPark received a legal opinion from Richard Flewelling, Esq. of the Maine Municipal Association, stating very clearly that annual KRDA assessments should not be voted on at annual town meetings. We provided our member municipalities with that information.

The KRDA transferred all remaining ownership of property, liability, and administrative oversight in the Lot 1 Campus Subdivision to owners of sites in that subdivision.

In June 2008, the KRDA collected \$317,915.22 in tax revenues from the Town of Oakland, distributed \$238,436.42 (75%) to KRDA municipal members, \$60,419.57 to T-Mobile under our 25% TIF agreement, and retained \$19,059.23 in the KRDA TIF Escrow Account to use to offset some of our debt service.

FirstPark staff continue to identify and inform members of the KRDA governance committees potential development opportunities presented by the K-V Pine Tree Zone, FairPoint's VITAL Economy initiative, the recently enacted but unfunded Northern Border Commission, and development possibilities through the federal New Market Tax Credits program.

KRDA's Personnel Committee is developing both short and long-term options for administering FirstPark.

**2008 TAX LIENS**

As of 06/30/2008

**	\$368.07
ADAMS, MAUREEN	\$417.21
**	\$148.81
**	\$1,023.92
**	\$131.60
**	\$186.27
**	\$413.21
**	\$117.09
**	\$2,493.56
**	\$1,218.57
BOWDEN, MYRTLE	\$677.45
BUKER, HAROLD & BERNIE	\$846.35
BUTLER, ALLEN & DENISE	\$960.58
BUTLER, PRICILLA	\$149.15
CHIPMAN, CLIVE	\$203.48
CHIPMAN, TROY	\$1,590.63
**	\$677.82
COOTS, BELINDA C.	\$587.85
CRANE, JOHN N.	\$1,387.31
CROWE, MICHAEL	\$789.14
DARLING, DONALD	\$286.49
DAVIS, JOYCE	\$607.25
**	\$653.52
**	\$72.54
**	\$405.45
DUPLISEA, ROBIN	\$2,064.76
EMERY, DAVID	\$1,002.43
**	\$532.03
**	\$152.89
**	\$224.72
FONTAINE, DENNIS & SHE	\$449.76
**	\$199.43
FOX, ERIC	\$769.41
FRASIER, COURTNEY	\$161.12
FRUZZETTI, LAWRENCE	\$769.08
GETCHELL, JOHN &	\$2,327.65
**	\$715.74
**	\$438.18
**	\$1,299.39
GOULD, BELINDA	\$463.83
GOULD, CHARLES & BARBARA	\$573.17
GOULD, DENNIS & BELINDA	\$153.70
**	\$479.51
**	\$794.12
**	\$351.63
**	\$936.96
GREENWOOD, GEORGE &	\$429.25

HALE, KEVIN C.	\$1,143.31
HARVILLE, THOMAS	\$534.70
HARVILLE, THOMAS	\$101.22
HARVILLE, THOMAS	\$685.55
HARVILLE, THOMAS	\$271.64
HARVILLE, THOMAS	\$942.86
HARVILLE, THOMAS W.	\$686.56
**	\$621.48
HAVENS, LINDA	\$248.53
HENDRICKSON, ROBYN	\$224.75
HEWINS, BRIAN	\$997.19
HEWINS, LOIS	\$801.80
HEWINS, LOIS	\$658.72
HOLT, JENNIFER	\$946.41
HOPKINS, RUSSELL & WE	\$853.10
HUMPHREY, BRANDON, RYAN	\$800.93
HUMPHREY, DARYL & DOROTHY	\$2,442.89
HUMPHREY, DARYL & DOROTHY	\$529.27
HUMPHREY, DARYL & DOROTHY	\$724.18
HUMPHREY, DARYL & DOROTHY	\$181.03
HUMPHREY, DARYL & DOROTHY	\$1,806.94
HUMPHREY, JUSTIN O.	\$308.10
KIRCHDOFER, SERETHA	\$188.12
KNIGHT, JESSICA FAYE	\$312.65
**	\$200.78
**	\$200.78
**	\$1,205.29
LAPIERE-FORD, WALLIS	\$494.71
LEAVITT, ROCKY	\$313.66
**	\$972.56
LINDSAY, WAYNE	\$344.54
**	\$1,016.93
LUNT, TAMMI, MUNZER C	\$235.46
LUNT, TAMMY LYNN	\$86.21
MARTIN, ELIZABETH	\$162.65
MCCORMACK, ANITA	\$1,141.29
MCCORMACK, ANITA	\$113.55
MCGRAW, FRANK JR.	\$88.70
MCINTIER, THOMAS & BETTY	\$519.85
MENZEL, ROBERT III	\$1,193.43
MERROW, ANTHONY	\$899.33
MERROW, ANTHONY	\$493.86
MERROW, MARYELLEN	\$283.29
**	\$426.65
**	\$236.20
**	\$621.40
MOWER, JUDITH M	\$757.22
**	\$119.70
**	\$476.52
**	\$47.55

MUNN, ELIGAH	\$426.71
MUNN, ELIGAH	\$62.93
MUNN, MICHAEL A.	\$725.53
**	\$1,074.13
MUNN, STEVEN B.	\$149.15
NEW GENERATION HOMES, INC.	\$224.91
PAGE, TOBIAS, VESTA	\$377.78
PARKER, CORADEN	\$127.38
PEDERSEN, RICKY	\$295.23
PHILLIPS, MICHAEL I	\$247.08
RANDLETT, RAE II & JEA	\$923.79
RANDLETT, THOMAS	\$1,235.78
RANDLETT, THOMAS	\$1,024.02
RANDLETT, THOMAS	\$774.32
RANDLETT, THOMAS	\$73.56
RANDLETT, THOMAS	\$377.28
*REID, GAIL	\$753.68
**	\$385.19
**	\$224.74
ROBBINS, JAMES & GERAL	\$1,422.83
ROBINSON, ALAN &	\$345.72
ROBINSON, AUBREY &	\$1,014.23
ROUNDY, GEORGE &	\$711.54
SAUER, JOSEPH	\$2,039.79
**	\$133.63
SHAW, JESSICA	\$552.08
**	\$480.89
SIDES, MONTELLE W.	\$315.86
SMART, BONNIE	\$232.84
SMART, BONNIE	\$250.89
SMART, BONNIE	\$230.81
SMART, BONNIE	\$252.41
SMART, BONNIE	\$379.97
SMART, BONNIE	\$515.97
SMART, BONNIE	\$2,250.03
SMITH, DEBRA	\$268.15
**	\$331.56
STACKHOUSE, REBECCA	\$284.64
SULLIVAN, BRIAN J.	\$650.96
THERIAULT, ROGER &	\$195.21
THERIAULT, ROGER &	\$146.96
THORTON, FRANKLIN	\$144.09
*THORTON, RICHARD	\$280.73
**	\$814.13
**	\$821.55
WALLACE, KENNETH	\$682.84
WARNER, JEFFREY &	\$413.72
WARREN, LINDA & JERRY	\$1,368.57
**	\$468.73
WASHBURN, ALFRED W	\$380.64

WENTWORTH, GARY	\$680.29
**	\$311.10
WENTWORTH, GARY	\$1,267.51
WHEELER, BILLY	\$1,211.14
WHITTEMORE, BARBARA	\$671.04
WILLEY, JONATHAN H	\$359.45
**	\$776.15
YANKEE REALTY	\$749.50
**	\$681.86
<b>TOTAL</b>	<b>\$95,939.32</b>

\*\* MEANS FULL PAYMENT AS OF 12/31/2008  
 \* MEANS PARTIAL PAYMENT



**2007 TAX LIENS**  
Please Note as of 06/30/2008

**	\$103.60
**	\$122.22
BOWDEN, MYRTLE	\$325.99
BUTLER, ALLEN & DENISE	\$456.36
**	\$82.10
	\$387.55
CHIPMAN, CLIVE	\$130.78
COOTS, BELINDA C.	\$287.51
CRANE, JOHN N.	\$653.35
**	\$232.30
**	\$249.19
DUPLISEA, ROBIN	\$962.98
**	\$107.04
FOX, ERIC	\$368.36
**	\$243.76
**	\$632.08
GOULD, BELINDA	\$232.07
GOULD, CHARLES & BARBAR	\$285.24
GOULD, DENNIS & BELINDA	\$105.90
**	\$204.31
**	\$448.23
HALE, KEVIN C.	\$559.49
HARVILLE, THOMAS	\$277.80
HARVILLE, THOMAS	\$80.01
HARVILLE, THOMAS	\$348.75
HARVILLE, THOMAS	\$164.60
HARVILLE, THOMAS	\$464.84
HARVILLE, THOMAS W.	\$351.26
**	\$56.43
HEWINS, LOIS	\$386.79
HEWINS, LOIS	\$356.73
HICKEY, GUYFRED	\$131.73
**	\$454.44
HOPKINS, RUSSELL & WE	\$427.30
**	\$415.21
HUMPHREY, DARYL & DOROTHY	\$1,171.64
HUMPHREY, DARYL & DOROTHY	\$292.50
HUMPHREY, DARYL & DOROTHY	\$389.26
HUMPHREY, DARYL & DOROTHY	\$119.64
HUMPHREY, DARYL & DOROTHY	\$884.60
HUMPHREY, JUSTIN O.	\$182.66
KIRCHDOFER, SERETHA	\$123.14
KNIGHT, JESSICA FAYE	\$178.40
LAPIERE-FORD, WALLIS	\$242.41
LEAVITT, ROCKY	\$159.24
LINDSAY, WAYNE	\$198.31
LOUREIO, LINDA & JERRY	\$644.60

*LUNT, TAMMI, MUNZER C	\$72.75
MARTIN, ELIZABETH	\$110.51
MCCORMACK, ANITA	\$573.01
MCCORMACK, ANITA	\$86.09
MCINTIER, THOMAS & BETTY	\$280.25
MERROW, ANTHONY	\$469.98
MERROW, ANTHONY	\$264.75
MERROW, MARYELLEN	\$170.41
MUNN, ELIGAH	\$233.36
MUNN, ELIGAH	\$60.94
MUNN, MICHAEL A.	\$389.90
NEW GENERATION HOMES, INC.	\$138.89
PAGE, TOBIAS, VESTA	\$187.32
PARKER, CORADEN	\$93.00
*RANDLETT, RAE II & JEA	\$8.48
**	\$582.14
**	\$505.11
**	\$443.16
**	\$66.28
**	\$206.34
ROBINSON, ALAN &	\$178.92
ROUNDY, GEORGE &	\$346.15
SAUER, JOSEPH	\$1,001.65
SHAW, JESSICA	\$271.88
SIDES, MONTELLE W.	\$164.12
SMART, BONNIE	\$140.94
SMART, BONNIE	\$149.02
SMART, BONNIE	\$139.23
SMART, BONNIE	\$151.02
SMART, BONNIE	\$209.10
SMART, BONNIE	\$271.74
SMART, BONNIE	\$1,041.71
STACKHOUSE, REBECCA	\$171.05
**	\$352.96
THERIAULT, ROGER &	\$126.64
THERIAULT, ROGER &	\$78.31
THORTON, FRANKLIN	\$101.30
WALLACE, KENNETH	\$333.56
WARNER, JEFFREY &	\$209.40
**	\$188.19
**	\$205.63
**	\$183.46
**	\$598.02
WHITTEMORE, BARBARA	\$326.52
YANKEE REALTY	\$340.70
<b>TOTAL</b>	<b>\$27,906.59</b>
** MEANS FULL PAYMENT AS OF 12/31/2008	
* MEANS PARTIAL PAYMENT	

**TOWN OF HARTLAND, MAINE**

**FINANCIAL STATEMENTS**

**June 30, 2008**

**With Independent Auditors' Report**

***Efs* Edwards, Faust & Smith**  
**Certified Public Accountants**  
716 Union Street Bangor, ME 04401-3156  
207-947-4575 / FAX 947-7892  
www.efs-cpa.com

January 14, 2009

To the Selectmen and Town Manager  
Town of Hartland

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Hartland, Maine for the year ended June 30, 2008, and have issued our report thereon dated January 14, 2009. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated September 3, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for information in the Town prepared annual report does not extend beyond the financial information identified in the auditor's report. We have no obligation to perform, and we did not perform, any procedures to corroborate other information contained in the annual report.

**Significant Audit Findings**

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Hartland are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

- estimated land fill closure costs for the pollution control facility
- allowance for doubtful accounts
- depreciation

Management's estimates are based on prior experience. In addition, the Town retains an engineering firm to monitor the land fill and to update estimated closure costs. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Following are the most significant adjustments made to the accounts of the Town and the Hartland Pollution Control Facility.

	HPCF	Town
• Payables not recorded	\$(34,000)	\$(207,000)
• Additional billing to Tannery	7,000	
• Additional transfers to HPCF	47,000	(47,000)
• Abatement of Tannery taxes		(47,000)
• Adjustment of interest on notes		240,000
• Landfill closure liability	(255,000)	
• Depreciation	(240,000)	
• Adjust grant revenue	15,000	

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 27, 2008 and updated on January 14, 2009.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

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

In connection with the audit, various matters came to our attention concerning the operation of the Town's accounting systems and other matters concerning internal controls. Those are discussed in a separate letter.

This information is intended solely for the use of the town selectmen and management of Town of Hartland, Maine and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Edwards, Faust + Smith*

***Efs Edwards, Faust & Smith***  
***Certified Public Accountants***  
716 Union Street Bangor, ME 04401-3156  
207-947-4575 / FAX 947-7892  
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**Communication of Significant Deficiencies and Material Weaknesses and Other Matters**

To the Town Manager and Selectmen  
Town of Hartland, Maine

In planning and performing our audit of the financial statements of the Town of Hartland, Maine, as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Hartland'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 the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

**Significant Deficiencies**

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We believe the following constitute significant deficiencies:

- Cash accounts were not reconciled in a timely manner, increasing the likelihood for improper reporting of cash balances and misappropriation of funds. We recommend reconciliations to general ledger cash accounts be prepared and approved each month once bank statements have arrived.
- The Town has certain grant and other funds that are restricted or designated in their use, but it does not properly monitor the funds to ensure they are used as required. During 2008, the Town transferred money from a treatment plant grant cash account and from a restricted Community Development Block Grant to cover operating expenses of the town. The Town also expended funds appropriated in prior years for a fire truck and pool to cover general operating expenses, leaving no funding for the actual purchase of the truck or construction of the pool. The treatment plant grant transfer was not recorded in the general ledger and was not documented. The transfer of CDBG funds represents an unauthorized removal of funds designated for housing assistance. We recommend better monitoring be maintained for expenditures of restricted and designated funds, and that the CDBG funds borrowed be returned as soon as practicable.
- The town selectmen review warrants but not the underlying invoices prior to signing checks. In addition, invoices are not approved. This allows for the possibility that disbursements will be made for unauthorized purposes. We recommend that warrants be backed up by approved invoices and that the entire package be available when checks are signed.

- The Town operates its accounting system essentially on a cash basis without recording payables in the general ledger of either the Town or the treatment facility. It is particularly important that payables be recorded for the treatment facility since the Tannery is being billed. Without recording payables, the current financial condition of the Town cannot be known. We recommend payables be recorded in the accounting system each month.
- The Town bills property taxes twice a year at the regular amount based on valuation and the current mill rate. However, the 2005 agreement with Irving Tanning calls for a cap on total taxes, and the difference between the amount billed and the cap must be abated. The Town does not have a mechanism in place for monitoring the Irving billing and the amount of the abatement. As a result, the 2008 abatement was not recorded. We recommend the billing to Irving be separately monitored and the necessary abatement be recorded on a timely basis.

#### **Material Weaknesses**

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control. We believe that the following deficiencies constitute material weaknesses:

- For cost/benefit reasons, the Town of Hartland has not retained personnel who have the ability to prepare financial statements, including footnotes. Therefore, the Town relies on its external auditors to prepare those statements and it reviews the statements and assumes ultimate responsibility for them. The following financial statement areas, in particular, require year end analysis and adjustment:
  - Income is not reported and compared to the budget.
  - Certain balance sheet accounts, such as accounts receivable, accounts payable, prepaid expenses, and fixed assets are not reconciled.
  - Loans and interest payments are not properly recorded.
  - Payroll and associated overheads are not allocated to departments.

We recommend continued effort to ensure that all balance sheet accounts are reconciled to proper underlying detail and that any areas where difficulty has been encountered be brought to the attention of the auditors as soon as possible during the annual audit to ensure the accounting is correct.

- The Town uses QuickBooks to account for the activity of the treatment plant enterprise fund. Because it is a business operation, QuickBooks has worked well for that. However, in 2008 the Town changed to QuickBooks from Trio to account for regular town operations. Trio was used only for billing and collection of property taxes. The QuickBooks system did not provide any useful financial information to the Town in 2008 and contributed to the inability of the Town to properly respond to its deteriorating financial situation. We recommend QuickBooks for the Town be more properly utilized in 2009, with the assistance of consultants if necessary. Alternatively, another accounting package, including Trio, may be utilized. In any event, it is critical that monthly financial statements for the Town be available on a timely basis and that the statements be properly reviewed to ensure they are accurate so that the financial status of the Town may be properly monitored.
- The Town selectmen meet regularly on a monthly basis, but no formal minutes of those meetings are prepared and maintained. It is important that all matters of significance discussed by the selectmen be documented in minutes and that the minutes of the previous meeting be read and approved. We recommend a secretary be appointed to ensure this is accomplished.

### Other Matters

The following other matters arose in connection with our audit that we are summarizing here for your convenience.

- Insurance payments are generally charged to administrative expense, but they are often for vehicles, equipment, or other purposes. We recommend insurance payments be allocated more carefully to the departments utilizing the coverage.
- The vendor providing hydrant service charged over \$6,500 in penalties for late payments during 2008. We recommend an effort be made to have those penalties waived and that the situation be monitored in the future to minimize them.

### Financial Condition of the Town

The Town has continued to incur deficits that began in 2006 because of concessions agreed to with Irving Tanning in 2005 when it emerged from bankruptcy. The town hired a consultant in 2007 to assist in developing a plan to deal with the financial crisis. A 2008 budget showing property taxes at \$1,800,000 was prepared in conjunction with the plan, but the Town only committed to increasing taxes to \$1,600,000. As a result, operating costs, including the cost of a new fire truck and construction of a pool, continued to exceed tax collections. This caused a further deterioration in the financial condition of the Town, including significant increases in amounts owed to the school district, the county and the water company. We understand measures have been taken recently to further increase revenues, including rescinding the 2008-2009 tax commitment and replacing it with one using a much higher tax rate. Our 2007 and 2006 management letters recommended the Town's difficult financial situation be addressed immediately. We continue to recommend the Town's financial status be closely monitored and that further action be taken as necessary.

\* \* \* \* \*

This communication is intended solely for the information and use of management, selectmen and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Edwards, Faust + Smith*

January 14, 2009



**TOWN OF HARTLAND, MAINE**

**Table of Contents**

June 30, 2008

**Independent Auditors' Report**

**Required supplementary information**  
**Management Discussion and Analysis**

**Basic Financial Statements**

*Government-wide Financial Statements:*  
**Statement of Net Assets**

**Statement of Activities**

*Fund Financial Statements:*  
**Balance Sheet – Governmental Funds**

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances – Governmental Funds**

**Statement of Net Assets – Proprietary Fund**

**Statement of Revenues, Expenses, and Changes in  
Fund Net Assets – Proprietary Fund**

**Statement of Cash Flows – Proprietary Fund**

**Statement of Net Assets – Fiduciary Funds**

**Statement of Revenues, Expenses, and Changes in  
Fund Net Assets – Fiduciary Fund**

**Notes to Basic Financial Statements**

**Supplementary Schedules**  
**Budgetary Comparison Schedule – General Fund**  
**Operating Expenses - Proprietary Fund**

**Efs Edwards, Faust & Smith**  
**Certified Public Accountants**  
716 Union Street Bangor, ME 04401-3156  
207-947-4575 / FAX 947-7892  
www-efs-cpa.com

**INDEPENDENT AUDITORS' REPORT**

To the Selectmen  
Town of Hartland, Maine

We have audited the financial statements of the Town of Hartland, Maine, of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Town of Hartland, Maine. 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 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.

Because of the inadequacy of accounting records to substantiate trust principal (contributed equity) prior to 1993, we were unable to form an opinion regarding the classification of amounts at which trust principal (contributed equity) and reinvested trust income (designated for future expenditures) are recorded in the accompanying statement of net assets – fiduciary funds at June 30, 2008 (stated at \$55,914).

In our opinion, except for the effect of such reclassifications, if any, as might have been determined to be necessary had prior year records concerning trust principal been adequate, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hartland as of June 30, 2008, and the respective changes in financial position and cash flows where applicable for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Town of Hartland, Maine will continue as a going concern. As discussed in Note 14 to the financial statements, the Town has incurred deficits for several years, primarily as a result of the 2005 Irving bankruptcy and under budgeting when determining required property taxes. The Town has both a current deficit and a significant unrestricted net deficit. These conditions raise substantial doubt about the Town's ability to continue as a going concern. Management's plans regarding those matters are also described in Note 15. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The management's discussion and analysis and budgetary comparison information 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 made for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Hartland's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Edwards, Faust + Smith*

January 14, 2009

## **Management Discussion and Analysis Period Ending June 30, 2008**

This narrative provides an overview and analysis of our financial activities for the fiscal year ended June 30, 2008. It should be read in conjunction with the financial statements.

### **Financial Highlights**

- The Town provides services for highways and streets, protection, sanitation, public improvements, education, and health and welfare. In prior years the Town has operated on a calendar year, but in 2007 the year end was changed to June. As a result, the 2007 fiscal year contains 6 months.
- The Town also owns and operates a pollution control facility and related landfill that primarily serves the Town's most significant industry, the Irving Tanning Company. Prior to 2005, The Tannery paid approximately 20% of the Town's property taxes and 95% of the costs of operating the pollution control facility. The Tannery has filed for bankruptcy in the past and most recently emerged from bankruptcy in 2005. In connection with the plan to emerge from bankruptcy, the Town agreed to reduce property taxes to \$202,000 per year, not to be changed until 2010, and to reduce pollution facility charges by \$100,000 per year. Currently, the Tannery is responsible for approximately 13% of the Town's property taxes and 79% of the direct operating costs of the pollution control facility.
- The Town's budget for 2008 totaled \$1,862,000, of which \$1,609,000 was planned to be covered by local taxes and the remainder covered by state revenue sharing, excise taxes and other income. However, the tax abatement to the Irving Tanning Company of \$47,000 and increases over budget in the following categories resulted in a governmental fund deficit of \$277,000 before considering financing and transfers to other funds:
  - Health and sanitation, primarily pollution control facility costs
  - Interest costs
  - Purchase of fire truck and construction of new swimming pool

The Town also incurred a deficit of \$219,000 in its government-wide statement of activities. The 2008 deficit did not allow the Town to repay its \$480,000 tax anticipation note from December 2006, and it was refinanced into a five year note. In addition, the Town did not fully pay its regular creditors, including its education and county assessments, its water bills, and other services. Accounts payable increased to \$433,000 from \$226,000 in 2007.

- The pollution control facility enterprise fund incurred a loss of \$445,000 in 2008, primarily from depreciation of \$240,000 and a \$255,000 addition to the estimated landfill closure costs. Because these are non cash charges, they did not require current additional funding.
- The total assets for governmental activities, including infrastructure after January 1, 2004, and all capital assets, exceeded total liabilities by \$780,000 in 2008, and \$998,000 in 2007, but there were no net assets available for current operations. In fact, the Town reflected an unrestricted deficit of \$910,000 in 2008 and \$698,000 in 2007.
- For business-like activities (treatment plant and landfill enterprise fund), net assets were a positive \$1,405,000 in 2008 and \$1,850,000. That decrease results from the 2008 operating loss as discussed above.

- Going forward into 2008 – 2009, the Town intends to do the following to remedy its deficit problem:
  - Increase property taxes by way of increasing the mil rate. The initial 2009 mil rate was rescinded at a special Town meeting and replaced by a higher rate of \$22 versus \$16 in 2008.
  - Negotiate with TD BankNorth to obtain additional interim funding.
  - Properly budget obligated expenditures going forward.

### **Overview of the Financial Statements**

The Town of Hartland's basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

### **GOVERNMENT WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Hartland's finances in a manner similar to a private sector business.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Town of Hartland's financial position is improving or deteriorating.

The statement of activities presents information showing how the Town's net assets change during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the time of related cash requirements. This means that revenue and expenses are reported in this statement even if the resulting cash related movement does not occur until future fiscal periods (e.g. uncollected taxes).

The statements distinguish between activities of the Town of Hartland that are principally supported by taxes and intergovernmental revenue (governmental activity) and those activities that are intended to recover all or a significant portion of their costs through user fees (e.g. the treatment plant). Governmental activities include Administration, Education, County Tax, Ambulance & Fire, Public Works, Highway, Solid Waste, Library, Recreation, Cemetery Care, Charitable Aid, Debt Service and Capital Maintenance.

### **FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hartland, like other state and local governments, uses fund accounting to insure and demonstrate compliance with finance related legal requirements. All of the funds of the town can be divided into these categories: government funds, proprietary funds and fiduciary funds.

GOVERNMENTAL FUNDS are used to account for essentially the same functions as are reported in the government-wide financial statements. However, the fund financial statements focus on near-term cash flows as well as balances of spendable resources. This type of accounting is called modified accrual, which means it focuses on cash and all other financial assets that can readily be converted to cash.

To allow the reader to better understand the fund financial statements in relation to the government-wide financial statements, reconciliations are provided between the two.

PROPRIETARY FUNDS are used to report activities that are supported primarily through charges to customers for services provided by the town. Proprietary funds are reported in the Statement of Net Assets and the Statement of Activities. The Treatment Plant and Landfill activities are reflected in the Proprietary Funds.

FIDUCIARY FUNDS are used to account for monies held for the benefit of parties outside the town. Fiduciary funds are found in our financial statements as cemetery trust funds and as funds that are to be turned over to outside organizations.

#### Financial Analysis

##### TOWN AS A WHOLE

The Town's net assets decreased by \$664,000 in 2008 and \$377,000 in 2007.

The 2008 decrease resulted from deficits in both the Town and the enterprise funds as discussed above. The 2007 decrease resulted from similar reasons, but was smaller because year 2007 was a 6 month year.

Following is a summary of the Town's net assets as of June 30, 2008 with comparative 2007 amounts:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total 2008</u>	<u>Total 2007</u>
Current and other assets	\$ 208,641	\$ 32,279	\$ 240,920	\$ 494,495
Capital assets	<u>1,818,631</u>	<u>4,319,092</u>	<u>6,137,723</u>	<u>6,231,557</u>
Total assets	<u>2,027,272</u>	<u>4,351,371</u>	<u>6,378,643</u>	<u>6,726,052</u>
Long-term debt	775,607	873,750	1,649,357	1,295,330
Estimated landfill closure costs	-	1,991,500	1,991,500	1,736,500
Tax anticipation note	-	-	-	480,000
Other liabilities	<u>471,813</u>	<u>80,725</u>	<u>552,538</u>	<u>365,392</u>
Total liabilities	<u>1,247,420</u>	<u>2,945,975</u>	<u>4,193,395</u>	<u>3,877,222</u>
Net assets				
Invested in capital assets, net	1,682,509	4,319,092	6,001,601	6,231,557
Restricted	7,132	-	7,132	7,323
Unrestricted (deficit)	<u>(909,789)</u>	<u>(2,913,696)</u>	<u>(3,823,485)</u>	<u>(3,390,050)</u>
Total net assets (deficit)	\$ <u>779,852</u>	\$ <u>1,405,396</u>	\$ <u>2,185,248</u>	\$ <u>2,848,830</u>

Following is a summarization of the changes in net assets for 2008 with comparative 2007 amounts:

	Governmental	Business-type	Total 2008	Total 2007
Program revenues (charges)	\$ 47,865	\$ 703,360	\$ 751,225	\$ 339,269
Grant and contribution revenues	819	14,703	15,522	10,847
General revenues (taxes & other)	<u>2,040,286</u>	<u>-</u>	<u>2,040,286</u>	<u>958,686</u>
Total revenues	<u>2,088,970</u>	<u>718,063</u>	<u>2,807,033</u>	<u>1,308,802</u>
Program expenses – General	2,246,345	970,362	3,216,707	1,557,205
Depreciation	-	239,970	239,970	127,863
Program expenses – Grant	-	-	-	66
Transfers	<u>61,247</u>	<u>(47,309)</u>	<u>13,938</u>	<u>918</u>
Total expenses and transfers	<u>2,307,592</u>	<u>1,163,023</u>	<u>3,470,615</u>	<u>1,686,052</u>
Net change	(218,622)	(444,960)	(663,582)	(377,250)
Balance, beginning of year	<u>998,474</u>	<u>1,850,356</u>	<u>2,848,830</u>	<u>3,226,080</u>
Balance, end of year	<u>\$ 779,852</u>	<u>\$ 1,405,396</u>	<u>\$ 2,185,248</u>	<u>\$ 2,848,830</u>

#### BUDGET VS ACTUAL FOR 2008

For the 2008 fiscal year, the Town reported a much smaller surplus than budgeted (a \$386,000 shortfall). The main reasons for the shortfall were the unbudgeted tax abatement to Irving Tanning, interest and debt payments that were not budgeted, additional amounts expended on health and sanitation, and unfunded purchases of a fire truck and construction of a swimming pool.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

The Town's capital assets totaled \$1,818,000 in its governmental activities as of June 30, 2008. These assets are primarily buildings and equipment because most of Town infrastructure (Roads, Bridges, Sewer Lines, Sidewalks) are not included in the assets. The Town may include all infrastructure in future financial statements.

Major capital asset expenditures for the year 2008 included a new fire truck and new swimming pool. The fire truck cost \$176,000, of which \$106,000 was funded with a long term loan. There were no major capital asset expenditures in 2007.

The Town's business-like capital assets totaled \$4,319,000 at June 30, 2008 and \$4,542,000 as of June 30, 2007. The current treatment plant upgrade is essentially complete in 2008 and cost approximately \$1,000,000, all of which was covered by federal and state grants. Depreciation on the current upgrade is included in the 2008 financial statements.

### LONG TERM DEBT

The Town's long term Bond Debt relates primarily to the Hartland Pollution Control Facility, with a 1997 Bond remaining to be paid with a balance of \$607,750 at 1.33% interest. The Tannery was responsible for 95% of this debt in 2004, but in 2005 the Town agreed to relieve the Tannery of that responsibility. In 2005, the Town issued a new General Obligation bond to BankNorth for \$358,672 to fund various obligations taken over from the Tannery. The 2005 Bond is repayable ratably over 10 years and has a balance of \$287,000 at 8.5% interest.

In 2004 \$380,000 of dump closure cost was left for the town to pay when the Tannery went through Chapter 11 proceedings. This amount has been refinanced into 10 payments with a principle balance of \$38,000 to be paid each year. The balance at June 30, 2008 was \$266,000 at 5% interest.

In August 2007 the Town refinanced a \$480,000 tax anticipation note over five years with a 5.75% interest, due in annual installments of \$110,000. The balance at June 30, 2008 was \$386,000. In March 2008 the Town purchased a fire truck, funded partially with long-term debt. The amount financed was \$105,840 over five years with a 10.395% interest rate. Payments of \$2,269 are due monthly. The balance at June 30, 2008 was \$103,000

### ECONOMIC FACTORS AND FUTURE BUDGETS

The Hartland Selectmen and the Town's SAD 48 School Board Director's are working together to try to keep the Town's mil rate down. In addition, the Town is coordinating with the State of Maine to reduce the Town's valuation because of the agreement with the Tannery to reduce its property taxes. Nevertheless, taxes will need to increase to help finance the shortfall created by the Tannery in 2005, and prior year's unfunded deficits. The increase will be implemented primarily through an increase in the mil rate. As noted above, the Town held a special meeting to rescind the taxes initially assessed and to increase taxes based on a \$22 mil rate.

### FIDUCIARY NON-TOWN ACCOUNTS

The Town acts as the fiduciary for non-expendable trust funds, the income of which may be used for cemetery maintenance. The balance in those funds is approximately \$55,000.

### FEDERAL AND STATE GRANTS

The Town of Hartland has completed the State of Maine Community Development Block Grant for Housing Rehabilitation. Certain funds are being received when housing property is sold, and these funds are used for other rehabilitation projects. In addition to this Grant, the Town secured a Grant from EDA for \$700,000 with an additional \$300,000 from a community development block grant for renovations at the Hartland Pollution Control Facility. The Town expended funds on this project in 2005 and 2006. Most of these grant funds have been expended through June 30, 2008.

### INDUSTRY IN HARTLAND

When Irving Tanning filed for bankruptcy under Chapter 11 in 2004 and again in 2005, the Town of Hartland saw many changes. The workforce dropped to about 250 workers, the Town's General Assistance Program increased, and the Commercial Businesses started losing business. When employees see layoff or hours are reduced, it takes a toll on both the Town and its commercial properties.

Under the 2005 agreement with Irving to allow it to emerge from bankruptcy, the Town agreed to significant reductions of future payments it would receive from Irving. This shortfall must be covered by general increases in the tax rate, which occurred in 2008 and will occur again in 2009.

### COMMERCIAL PROPERTIES

Since 2004, the Town has lost one grocery store, seen one garage close, later to reopen, and has seen several small shops close. Landlords in the community are now using a new approach, making sure that the rent is paid, and also making sure that other bills such as utility bills are paid by the tenant. This is helping the Town and keeping the General Assistance Program under control.



**TOWN OF HARTLAND, MAINE**

Statement of Net Assets

June 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,786	\$ 1,518	\$ 20,304
Cash held for enterprise fund	132		132
Accounts receivable, net of allowance for doubtful accounts of \$20,000			
Taxes	117,173		117,173
Liens	56,162		56,162
Other	5,584	20,458	26,042
Due from general fund		10,303	10,303
Grants receivable	4,299		4,299
Prepaid expenses	6,505		6,505
Capital assets	<u>1,818,631</u>	<u>4,319,092</u>	<u>6,137,723</u>
 Total assets	 <u>\$ 2,027,272</u>	 <u>\$ 4,351,371</u>	 <u>\$ 6,378,643</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 435,279	\$ 72,487	\$ 507,766
Accrued expenses	12,195	8,238	20,433
Due to enterprise fund	10,303		10,303
Due to (from) other governments	5,328		5,328
Deferred revenue	4,299		4,299
Due to trust funds	4,409		4,409
Bonds and notes payable	775,607	873,750	1,649,357
Estimated land fill closure costs		<u>1,991,500</u>	<u>1,991,500</u>
 Total liabilities	 <u>1,247,420</u>	 <u>2,945,975</u>	 <u>4,193,395</u>
<b>NET ASSETS</b>			
Unrestricted			
Invested in capital assets	1,682,509	4,319,092	6,001,601
Unrestricted	<u>(909,789)</u>	<u>(2,913,696)</u>	<u>(3,823,485)</u>
 Total unrestricted	 <u>772,720</u>	 <u>1,405,396</u>	 <u>2,178,116</u>
Temporarily restricted			
Restricted grants	<u>7,132</u>		<u>7,132</u>
 Total temporarily restricted	 <u>7,132</u>		 <u>7,132</u>
 Total net assets	 <u>779,852</u>	 <u>1,405,396</u>	 <u>2,185,248</u>
 Total liabilities and net assets	 <u>\$ 2,027,272</u>	 <u>\$ 4,351,371</u>	 <u>\$ 6,378,643</u>

See accompanying notes to the basic financial statements.

# TOWN OF HARTLAND, MAINE

## Statement of Activities

Year ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
Administration	\$ 191,259	\$ 5,222	\$	\$	(186,037)
County tax	186,289				(186,289)
Other assessments	14,802				(14,802)
Protection	237,739				(237,739)
Education	868,855				(868,855)
Highways	254,144	30,627			(223,517)
Health and sanitation	299,052	8,607			(290,445)
Recreation	44,103	1,059			(43,044)
Charity	29,531				(29,531)
Cemeteries	19,073	2,350			(16,723)
Community development programs	1,010		819		(191)
Unclassified	46,991				(46,991)
Interest expense	53,497				(53,497)
Total governmental activities	2,246,345	47,865	819		(2,197,661)
Business-type activities:					
Landfill and treatment plant	1,210,332	703,360		14,703	(492,269)
Total	\$ 3,456,677	\$ 751,225	\$ 819	\$ 14,703	\$ (2,689,930)
Changes in Net Assets			Governmental Activities	Business-type Activities	Total
Net (Expense) / Revenue (See above)			\$ (2,197,661)	\$ (492,269)	\$ (2,689,930)
General revenues:					
Real estate and personal property taxes			1,574,958		1,574,958
Excise taxes			227,026		227,026
Intergovernmental			210,111		210,111
Investment			769		769
Unclassified			27,422		27,422
Transfers					
Ambulance donation			(13,938)		(13,938)
Enterprise fund			(47,309)	47,309	
Total general revenues and transfers			1,979,039	47,309	2,026,348
Change in net assets			(218,622)	(444,960)	(663,582)
Net assets - beginning of year			998,474	1,850,356	2,848,830
Net assets - end of year		\$	779,852	\$ 1,405,396	\$ 2,185,248

See accompanying notes to the basic financial statements.

# TOWN OF HARTLAND, MAINE

## Balance Sheet - Governmental Funds

June 30, 2008

	General	Special Revenue	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 11,654	\$ 7,132	\$ 18,786
Cash held for enterprise fund	132		132
Accounts receivable	5,584		5,584
Taxes receivable, net of allowance for doubtful accounts of \$25,000	117,173		117,173
Tax liens and tax acquired property	56,162		56,162
Receivable from granting agencies and other		4,299	4,299
Prepaid expenses	6,505		6,505
<b>Total assets</b>	<b>\$ 197,210</b>	<b>\$ 11,431</b>	<b>\$ 208,641</b>
<b>LIABILITIES</b>			
Due to (from) other governments	\$ 5,328	\$	\$ 5,328
Due to enterprise fund	10,303		10,303
Accounts payable	435,278		435,278
Accrued interest	12,195		12,195
Deferred revenue	123,000	4,299	127,299
Due to fiduciary fund	4,409		4,409
<b>Total liabilities</b>	<b>590,513</b>	<b>4,299</b>	<b>594,812</b>
<b>FUND EQUITY</b>			
Restricted for future expenditures		7,132	7,132
Unrestricted	(393,303)		(393,303)
<b>Total fund equity (deficit)</b>	<b>(393,303)</b>	<b>7,132</b>	<b>(386,171)</b>
<b>Total liabilities and fund equity</b>	<b>\$ 197,210</b>	<b>\$ 11,431</b>	
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Real estate taxes not collectible within 60 days are reported as deferred revenue on the balance sheet.			123,000
Capital assets used in governmental activities are not reported on the balance sheet.			1,818,631
Long-term liabilities not due and payable in the current period			(775,608)
Net assets of governmental activities			\$ 779,852

See accompanying notes to the basic financial statements.

**TOWN OF HARTLAND, MAINE**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds**

Year Ended June 30, 2008

	General	Special Revenue	Total
<b>Revenues</b>			
Real estate and personal property taxes	\$ 1,597,958	\$	\$ 1,597,958
Excise taxes	227,026		227,026
Intergovernmental revenues	210,111		210,111
General government	5,222		5,222
Highways	30,627		30,627
Health and sanitation	8,607		8,607
Recreation	1,059		1,059
Cemeteries	2,350		2,350
Unclassified	27,422	639	28,061
Investment income	769	180	949
<b>Total revenues</b>	<u>2,111,151</u>	<u>819</u>	<u>2,111,970</u>
<b>Expenditures</b>			
Administration	160,219		160,219
County tax	186,289		186,289
Other special assessments	14,802		14,802
Protection	206,922		206,922
Education	868,855		868,855
Highways	254,144		254,144
Health and sanitation	297,552		297,552
Recreation	41,006		41,006
Charities	29,531		29,531
Cemeteries	19,073		19,073
Federal grant expenditures		1,010	1,010
Unclassified	46,991		46,991
Building and equipment purchases	209,650		209,650
Interest expense	53,497		53,497
<b>Total expenditures</b>	<u>2,388,531</u>	<u>1,010</u>	<u>2,389,541</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(277,380)	(191)	(277,571)
<b>Other financing sources (uses)</b>			
New borrowing	585,840		585,840
Fund transfers	(47,309)		(47,309)
Payments on bonds	(133,037)		(133,037)
<b>Excess (deficiency) of revenues over expenditures and other financing</b>	128,114	(191)	127,923
<b>Fund balances, beginning of year</b>	<u>(521,417)</u>	<u>7,323</u>	<u>(514,094)</u>
<b>Fund balances, end of year</b>	<u>\$ (393,303)</u>	<u>\$ 7,132</u>	<u>\$ (386,171)</u>

See accompanying notes to the basic financial statements.

**TOWN OF HARTLAND, MAINE**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds**

**Year Ended June 30, 2008**

Reconciliation of the change in fund balances - total governmental funds  
to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds \$ 127,923

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

Governmental funds report capital outlays as expenditures while governmental  
activities report depreciation expense to allocate those expenditures over  
the life of the assets:

Capital asset purchases capitalized	209,650
Remaining cost basis of asset sold	(13,938)
Depreciation expense	(66,454)

Governmental funds report long-term borrowing payments as other  
uses and new borrowing as other sources:

New borrowing	(585,840)
Payments on borrowing	133,037

Governmental funds do not report real estate taxes  
expected to be collected after 60 days

Change in deferred revenue	<u>(23,000)</u>
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Change in Net Assets of Governmental Activities	<u>\$ (218,622)</u>
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See accompanying notes to the basic financial statements.

**TOWN OF HARTLAND-Enterprise Fund**

**Statement of Net Assets - Proprietary Fund**

June 30, 2008

	Proprietary Fund Type Enterprise Fund
<b>ASSETS</b>	
Cash and equivalents	\$ 1,518
Accounts receivable - Tannery	20,458
Due from general fund	10,303
Capital assets	<u>4,319,092</u>
Total assets	<u>\$ 4,351,371</u>
<b>LIABILITIES</b>	
Notes payable	\$ 266,000
Bonds Payable	607,750
Accounts payable	72,487
Accrued expense	8,238
Estimated landfill closure costs	<u>1,991,500</u>
Total liabilities	<u>2,945,975</u>
<b>NET ASSETS</b>	
Invested in capital assets	4,319,092
Unrestricted	<u>(2,913,696)</u>
Total net assets	<u>1,405,396</u>
Total liabilities and net assets	<u>\$ 4,351,371</u>

# **TOWN OF HARTLAND-Enterprise Fund**

## **Statement of Revenues, Expenses, and Changes in Fund Net Deficit - Proprietary Fund**

Year Ended June 30, 2008

	Proprietary Fund Type <u>Enterprise Fund</u>
Revenues	
Irving Tanning Co. - Regular	\$ 554,394
Town of Hartland	143,381
Miscellaneous	<u>5,585</u>
Total operating revenues	703,360
Interest and other operating expenses	
Operating expenses (See schedule)	957,301
Depreciation	239,970
Interest expense	<u>13,061</u>
Operating loss	<u>(506,972)</u>
Non-operating revenues (expenses)	
Transfers from the Town	47,309
Grant revenue	<u>14,703</u>
	<u>62,012</u>
Net loss	(444,960)
Net assets, beginning of year	<u>1,850,356</u>
Net assets, end of year	<u>\$ 1,405,396</u>

**TOWN OF HARTLAND-Enterprise Fund**  
**Schedule of Operating Expenses - Proprietary Fund**  
**Year Ended June 30, 2008**

	Proprietary Fund Type <u>Enterprise Fund</u>
<b>Landfill</b>	
Wages and benefits	\$ 27,317
Supplies	930
Other expenses	2,634
Services	126,202
Estimated landfill closure and post-closure costs	255,000
<b>Treatment plant</b>	
Wages and benefits	254,677
Utilities	181,752
Insurance	7,808
Supplies	25,136
Other expenses	16,011
Services	30,522
Contingency	<u>29,312</u>
<b>Total operating expenses</b>	<u>\$ 957,301</u>



**TOWN OF HARTLAND, MAINE**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2008**

			Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Real estate and personal property taxes	\$ 1,608,921	\$ 1,597,958	\$ (10,963)
Excise taxes	116,000	227,026	111,026
Intergovernmental revenues	172,095	210,111	38,016
General government		5,222	5,222
Highways		30,627	30,627
Health and sanitation		8,607	8,607
Recreation		1,059	1,059
Cemeteries		2,350	2,350
Donations			
Unclassified		27,422	27,422
Investment income		769	769
<b>Total revenues</b>	<b>1,897,016</b>	<b>2,111,151</b>	<b>214,135</b>
<b>Expenditures</b>			
Administration	195,130	160,219	34,911
County tax	164,754	186,289	(21,535)
Other special assessments	10,600	14,802	(4,202)
Protection	162,500	206,922	(44,422)
Education	823,090	868,855	(45,765)
Highways	256,000	254,144	1,856
Health and sanitation	160,000	297,552	(137,552)
Recreation	44,100	41,006	3,094
Charities	19,960	29,531	(9,571)
Cemeteries	12,000	19,073	(7,073)
Unclassified	13,800	46,991	(33,191)
Building and equipment purchases		209,650	(209,650)
Interest expense		53,497	(53,497)
<b>Total expenditures</b>	<b>1,861,934</b>	<b>2,388,531</b>	<b>(526,597)</b>
<b>Excess/(deficit) of revenues over expenditures</b>	<b>35,082</b>	<b>(277,380)</b>	<b>(312,462)</b>
<b>Other financing sources (uses)</b>			
Proceeds from issuance of debt	480,000	585,840	105,840
Transfers from (to) other funds		(47,309)	(47,309)
Payment on bonds		(133,037)	(133,037)
<b>Deficiency of revenues over expenditures &amp; other financing sources</b>	<b>\$ 515,082</b>	<b>128,114</b>	<b>\$ (386,968)</b>
<b>Fund balance, beginning of year</b>		<b>(521,417)</b>	
<b>Fund balance, end of year</b>		<b>\$ (393,303)</b>	

See accompanying notes to the basic financial statements.

## TOWN OF HARTLAND, MAINE

### Notes to Financial Statements

June 30, 2008

#### 13. Transfers

• Income on the nonexpendable trust funds transferred to the general fund	\$	-
• Contribution of ambulance to Sebasticook Valley Hospital		(13,938)
• Transfers to the proprietary fund to cover bond and note payments as well as other expenses not covered by the Tannery		(47,309)

Through July 31, 2007, the Town maintained an ambulance service in conjunction with the Town of St Albans. At that time, the Town contributed its ambulance to the Sebasticook Valley Hospital, which assumed responsibility for ambulance services. The Town has an agreement with Sebasticook to pay \$10,000 per year to help subsidize these services.

#### 14. Going Concern

As discussed in Note 5, the Irving Tanning Company has had a significant impact on the Town's property tax base and on the operation of the treatment plant and related landfill. As part of Irving's plan to emerge from bankruptcy in 2005, the Town agreed to significantly reduce amounts it received from Irving. As a result, the Town borrowed an additional \$358,000 in 2006 under a Tax Anticipation note and had a current resources deficit of \$298,000. In 2007, the Town incurred another current resources deficit of \$106,000 as a result of the Irving bankruptcy, the effects of interest on short term borrowing, increased health and sanitation costs, and a county tax assessment that was not included in the tax calculations for the six months ended June 30, 2007. In 2008, another deficit resulted from similar factors in addition to the purchase of a fire truck and construction of a swimming pool. In general, tax increases have not factored in sufficiently the impacts of the Irving bankruptcy or the requirements of certain budget line items. Further, it is expected that these deficits will continue in 2008-2009 unless significant changes occur in the sources of Town funding.

In 2008, the deficit was funded by using cash from 2007 that was originally intended to fund a fire truck and swimming pool and by increasing payables. In particular, the school district was owed \$237,000 at June 30, 2008, and that liability continued to increase after year end. The district threatened to sue for collection, and agreement has been reached on how payments are to be processed.

In 2008, the Town manager became ill and was sent on administrative leave, and the Town hired an interim manager to deal with its fiscal affairs. The Town attempted to dismiss the former manager but then rescinded that action. The Town manager is still being compensated but is not expected to return. A special town meeting was held in the fall, and the 2008-2009 property tax commitment was rescinded and replaced with a new commitment at a substantially higher mill rate. The new rate is \$22 versus the 2008 rate of \$16. In addition, the Town is negotiating with its bank to obtain additional interim financing. Substantial doubt remains at this time, however, about whether the Town can continue as a going concern until the results of the changes become known. No adjustments have been made to the accompanying financial statements should the Town no longer be considered a going concern.

## TOWN OF HARTLAND, MAINE

### Notes to Financial Statements

June 30, 2008

#### 10. Grants

Hartland receives a variety of grants from the Maine Department of Economic and Community Development primarily to assist low-income residents with housing needs. All grant funds are accounted for in special revenue funds. In addition, the Town has proprietary fund grants to cover current upgrades to the treatment plant.

Grant revenues are as follows:

<u>Governmental grants</u>	\$ -
<u>Business-type grants</u>	
Maine Department of Economic and Community Development and US Department of Commerce 2003 Public Infrastructure Grant	<u>14,703</u>
	\$ <u>14,703</u>

Certain housing rehabilitation recipients repay to the town a portion of grant funds received. Notes receivable are recorded to reflect amounts expected to be received. These funds are available to provide additional grants to assist those with home repair needs.

The infrastructure grants above are for an upgrade to the treatment plant. Total grants of \$1,002,500 have been received to cover the costs of this upgrade, which was completed in 2008.

#### 11. Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town covers these risks through the purchase of commercial insurance, which is accounted for in the General Fund or Proprietary Fund, as appropriate. The uninsured portion of the expenditures and claims is recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. No such events are known to have occurred as of June 30, 2008.

#### 12. Commitments

The Town of Hartland is a member of the Kennebec Regional Development Authority. As a member, the Town has agreed to contribute a portion of the budgeted expenses and obligations of the Authority for a period of twenty years. The annual assessment was \$14,802 for 2008. Assessments are offset in part by revenues realized by the Authority from the sale of land and from tax sharing with the Town of Oakland.

## TOWN OF HARTLAND, MAINE

### Notes to Financial Statements

June 30, 2008

#### 7. Notes and Bonds Payable

As required by the State of Maine and bond issuers, the Town's debt is limited as follows:

Total debt outstanding may not exceed 15% of the Town's most recent state valuation. Total debt allowed was \$14,584,288.

Total debt outstanding, exclusive of debt incurred for school, storm or sanitary sewer purposes, energy facility purposes or municipal airport facilities, may not exceed 7.5% of the Town's most recent state valuation. This allowable amount was \$7,292,144.

The Town was in compliance with all of the above covenants during 2008.

Changes in short-term debt:

Balance at 06/30/2007	\$	480,000
Additions to debt		-
Refinance to long-term debt		(480,000)
		<hr/>
Balance at 06/30/2008	\$	-

#### 8. Leases

The Town has a five-year lease agreement on a photocopier. Lease payments are \$154 per month through August of 2011.

#### 9. Municipal Solid Waste Landfill Closure Costs

The Town of Hartland operates a secure sludge landfill which is licensed for an indefinite period of time. At present, one section of the landfill, about one-fifth of the available capacity, is in use. As each section reaches capacity, the top and part of the slope are closed and another section is opened next to it.

State and federal laws and regulations require that the Town of Hartland place a final cover on each section of the landfill when it is closed and perform certain maintenance and monitoring functions on each section for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the time when the currently active section of the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the portion of this section used during the year.

The estimated liability for closure and post-closure care has a balance of \$1,991,500 based on 87% usage (filled) of Phase I and Phase II, and post-closure monitoring costs of the old landfill that was closed in 1990 and 1994.

The estimated total current costs of closure and post-closure monitoring are \$2,300,000 and are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain Phase I and Phase II and monitor the old landfill were acquired as of June 30, 2008. However, the actual cost of closure and post-closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations. Of the total costs, the estimated monitoring costs from 2008 through June 20, 2015, the date Phase II is expected to be filled to capacity, are \$350,000.

# TOWN OF HARTLAND, MAINE

## Notes to Financial Statements

June 30, 2008

### 7. Notes and Bonds Payable

*Bonds payable:*

	<u>Town</u>	<u>Proprietary Fund</u>	<u>Total</u>
General obligation serial bonds issued October 27, 1997 in the amount of \$1,215,500 through the Maine Bond Bank. Due in annual installments of \$60,775 thru October 27, 2017. Interest paid semi-annually at 1.33%	-	607,750	607,750
Total debt	\$ <u>775,607</u>	\$ <u>873,750</u>	\$ <u>1,649,357</u>

Principal and interest payments on long-term debt are due as follows:

	<u>Town</u>		<u>Proprietary Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ 141,500	\$ 55,093	\$ 98,775	\$ 17,252	\$ 312,620
2010	148,364	45,183	98,775	14,836	307,158
2011	155,860	34,637	98,775	12,420	301,692
2012	163,858	23,591	98,775	10,004	296,228
2013	58,423	11,982	98,775	7,588	176,768
2014-2018	107,602	13,719	379,875	10,250	511,446
	\$ <u>775,607</u>	\$ <u>184,205</u>	\$ <u>873,750</u>	\$ <u>72,350</u>	\$ <u>1,905,912</u>

The \$480,000 note resulted from refinancing the 2007 tax anticipation note to a 5 year note. It was refinanced because the terms of the 2005 Irving Tannery bankruptcy caused a cash shortfall.

The \$304,000 note resulted from unfunded dump closure costs incurred in 1999. It was refinanced annually, but in 2004 it was refinanced on a term basis to be repaid over 10 years.

The \$322,805 BankNorth note resulted from a financial shortfall caused by the 2005 Irving Tannery bankruptcy.

The \$1,215,500 serial bond resulted from building the aeration upgrade at the plant. Irving Tannery was committed to payment of 95% for these bonds prior to the 2005 bankruptcy filing. As part of the bankruptcy agreement the Tannery is no longer liable for any payments on the bond.

Changes in long-term debt:

Balance at 06/30/2007	\$ 1,295,330
Refinance of short-term debt	480,000
Additions to debt to purchase fire truck	105,840
Principal payment on debt	<u>(231,813)</u>
Balance at 06/30/2008	\$ <u>1,649,357</u>

# TOWN OF HARTLAND, MAINE

## Notes to Financial Statements

June 30, 2008

### 6. Fixed Assets

Fixed assets are as follows as of June 30, 2008:

Governmental activities	Cost	Accumulated Depreciation
Machinery, equipment, and vehicles	\$ 582,138	\$ 226,410
Buildings	2,030,163	609,639
Roads	45,200	2,821
	<u>2,657,501</u>	<u>838,870</u>
Business-type activities		
Treatment Plant	8,268,536	3,949,444
Landfill	359,775	359,775
	<u>\$ 8,628,311</u>	<u>\$ 4,309,219</u>

### 7. Notes and Bonds Payable

At June 30, 2008 the Town had the following notes and bonds outstanding:

	Town	Proprietary Fund	Total
<i>Notes payable</i>			
5.00% note payable, BankNorth, due in annual installments of \$38,000 plus interest through July 2014	\$ -	\$ 266,000	\$ 266,000
5.75% note payable, BankNorth, due in annual installments of \$110,630 including interest through April 2012	385,547		385,547
10.395% note payable, Interstate Bank, due in monthly installments of \$2,269 including interest through May 2013	103,123		103,123
8.50% note payable, BankNorth, due in annual installments of \$35,867 plus interest through December 2015	286,937	-	286,937
	<u>775,607</u>	<u>266,000</u>	<u>1,041,607</u>

## TOWN OF HARTLAND, MAINE

### Notes to Financial Statements

June 30, 2008

#### 5. Irving Tanning Company Economic Dependency

The Town has historically had significant economic dependence on Irving Tanning Company. Through 2004, approximately 20% of property taxes were paid by Irving, and Irving also paid approximately 95% of all operating costs, including bond payments, associated with the pollution control facility and sludge landfill. However, beginning in 2005, approximately 13 - 14% of property taxes and 75 - 80% of pollution control operating costs have been paid by Irving. These reductions are discussed below.

Irving has had financial difficulty in recent years, and most recently sought bankruptcy protection in 2005. In connection with the 2005 plan to emerge from bankruptcy, the Town agreed in July to the following significant concessions to Irving:

- Property taxes were reduced by \$90,000 per year from the 2004 level to a total of \$202,000 per year, not to be changed until 2010.
- Operating cost payments for the treatment plant and landfill were reduced by \$100,000 per year.
- Irving no longer had an obligation to pay any amounts related to the Bonds Payable for the treatment plant.
- All amounts previously owed by Irving to the Town were reclassified to unsecured liabilities.

As a result of the 2005 agreement, the Town had to write-off, in 2005, a total of \$850,806 in receivables from Irving. In 2008, the Town abated \$47,000 of property taxes billed to Irving, and in 2007, the Town abated \$30,000 of Irving taxes. In addition the Town continued to make increased payments to cover the treatment plant and landfill operating costs. Finally, the Town transferred funds to the enterprise fund to pay debt service and other liabilities. Deficits since 2005 have essentially resulted from the Irving Bankruptcy. In 2008, additional costs associated with the purchase of a fire truck and the construction of a swimming pool added to the deficit.

To fund the agreement, the Town issued a new General Obligation Bond in December 2005 for \$385,000. The Bond is repayable over 10 years. In 2006, a Tax Anticipation note of \$480,000 was obtained that was extended to August 31, 2007, and at that time was refinanced into a 5 year long-term loan. There was no additional borrowing in 2007 or 2008 because the deficit was funded by the 5 year loan.

## TOWN OF HARTLAND, MAINE

### Notes to Financial Statements

June 30, 2008

#### 3. Deposits and Investments

Statutes authorize the Treasurer of the Town, as directed by the municipal officers, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment, in financial institutions as described in Section 5706 MRSA, and securities as described in Section 5711 through Section 5717 MRSA.

The Town considers highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Long-term investments are stated at fair market value.

Following is a reconciliation of deposits to Government-wide Statement of Net Assets:

Cash equivalents	\$	18,918
Business-type activities		1,518
Fiduciary funds cash		<u>10,469</u>
	\$	<u>30,905</u>

Investments made by the Town are classified as to credit risk within the following three categories:

Category 1 - Insured or registered or securities held by the Town or its agent in the Town's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name.

Category 3 - Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the Town's name.

	Category <u>1</u>	Category <u>2</u>	Carrying Value	Market Value
Fiduciary Fund				
Equity Investments	\$ <u>41,036</u>	\$ <u>-</u>	\$ <u>41,036</u>	\$ <u>41,036</u>

#### 4. Taxes, Tax Liens and Tax Acquired Property

Tax liens and tax acquired property consist of the following:

2007 tax liens	\$	21,456
2006 tax liens		24,729
Prior tax liens		5,260
Tax acquired property		16,717
Less allowance for unrecoverable amounts		<u>(12,000)</u>
	\$	<u>56,162</u>

An allowance of \$20,000 has been provided at June 30, 2008 to cover estimated uncollectible amounts of taxes in addition to the \$12,000 provided above to cover tax liens and tax acquired property.



# TOWN OF HARTLAND, MAINE

## Notes to Financial Statements

June 30, 2008

### 1. Summary of Significant Accounting Policies

#### F. Use of Estimates

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

#### 2. Fixed Assets

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

##### *Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. Fixed assets are defined as assets with an initial cost of \$5,000 and a life of two years or more. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Infrastructure is capitalized when additions are made and when major improvements occur that significantly upgrade and extend the life of the property involved.

Prior to January 1, 2004, governmental fund infrastructure assets were not capitalized. The Town has elected not to record these assets at this time. Infrastructure added after that date is capitalized and depreciated in the government-wide statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

##### **Town**

Buildings, improvements and infrastructure	25 – 50	years
Machinery and equipment	3 – 20	years

##### **Enterprise fund**

Treatment plant	50	years
Landfill and miscellaneous operating equipment	20	years

##### *Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

## **TOWN OF HARTLAND, MAINE**

### **Notes to Financial Statements**

June 30, 2008

#### **1. Summary of Significant Accounting Policies**

##### **C. Measurement Focus and Basis of Accounting**

Government fund financial statements are reported using the current financial resources focus or the economic resources measurement focus, as appropriate. Governmental funds utilize the current resources approach and the modified accrual basis of accounting. Their revenues are recognized when they become "measurable and available" as net current assets. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Property taxes are recorded as revenue when levied and include property tax receivables expected to be collected within sixty days after year end.

Intergovernmental revenue and interest are accrued when their receipt occurs soon enough after the end of the accounting period to be both measurable and available. Miscellaneous revenues are recorded when received because they are not generally measurable until that point. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except for transfers for principal payments and interest on bonds, which are recognized as expense as each payment is made.

The accrual basis of accounting is utilized for proprietary fund types and the non-expendable trust funds, except for the accounting for fixed assets which are not recorded prior to January 1, 2004. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

##### **D. Budgetary Control**

The budget for the General Fund is approved at the Town Meeting in March each year. Selected appropriations are carried to subsequent years based on financial requirements and related resources. The Budgetary comparison Schedule presents a comparison of budgetary data to actual results of operations.

##### **E. Property Taxes**

Property taxes for the fiscal year ended June 30, 2008 were levied July 7, 2007, on assessed values of real and personal property as of July 1 and were due November 1, 2007, and April 1, 2008. Interest at 12.00% is charged on overdue unpaid balances.

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

Property taxes are recognized in the fund financial statements when they become available. To implement this rule, The National Council on Governmental Accounting (N.C.G.A.) Interpretation No. 3 requires that property tax revenue be recognized to the extent it will be collected within 60 days following the year end. The deferred tax revenue of \$123,000 in 2008 and \$146,000 in 2007 shown on the governmental funds balance sheet represents an estimate of property taxes not expected to be collected within 60 days after year end. An allowance for estimated uncollectible real estate taxes is provided in the government-wide financial statements based on historical experience and an analysis of the aging of receivables.

## **TOWN OF HARTLAND, MAINE**

### **Notes to Financial Statements**

June 30, 2008

#### **I. Summary of Significant Accounting Policies**

##### **Fund Financial Statements**

The accounts of the Town of Hartland, Maine, are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: major governmental, proprietary, and fiduciary. The various funds are grouped in the following fund categories in the financial statements in this report:

##### **Governmental Funds**

**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for financial resources except those legally or administratively required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Special Revenue** - The Special Revenue Fund is used to account for specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The Town's special revenue funds account for grant activities.

##### **Proprietary Funds**

**Enterprise Fund** - This fund is used to account for operations of the waste water treatment plant and a related landfill along with a closed dump site that are operated in a manner similar to a private business. The costs of providing treatment services to Irving Tanning Company and the general public and operating the landfill are financed through user fees to Irving and Town appropriations. Fees paid by Irving and appropriations from the Town are recorded as revenues by the enterprise fund since they provide the funds necessary to operate the facility. The measurement of financial activity focuses on net income similar to the private sector.

##### **Fiduciary Funds (Not included in government-wide statements)**

Fiduciary funds account for assets held by the Town in a trustee or agency capacity. Expendable trust funds are used to account for donations received for town related organizations which will be used by those organizations. Non-expendable trust funds are held for investment with the interest only available for cemeteries and education.

#### **C. Measurement Focus and Basis of Accounting**

The government-wide financial statements (i.e., the Statement of net assets and activities) report information on the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows.

## **TOWN OF HARTLAND, MAINE**

### **Notes to Basic Financial Statements**

June 31, 2008

#### **1. Summary of Significant Accounting Policies**

The Town of Hartland, Maine, incorporated in 1820, operates under a Town Meeting - Selectmen form of government and provides the following services: highways and streets, sanitation, public improvements, education, and health and welfare.

The Town complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncement, in which case GASB prevails. For enterprise funds, GASB statement Nos. 20 and 34 provide the Town the option of electing to apply FASB pronouncements issued after November 30, 1989. The Town has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

The Town has implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. Certain of the significant changes from prior reporting include:

- A Management Discussion and Analysis (MD&A) provides an analysis of the Town's overall financial position and results of operations.
- The statements of net assets and activities of the governmental activities are prepared on the full accrual basis of accounting.

The Town has elected to implement reporting of its general infrastructure prospectively. That is, new infrastructure is capitalized and depreciated, but amounts as of January 1, 2004 are not reflected. In the future, the Town may obtain sufficient information to report its infrastructure retroactively.

#### **A. Financial Reporting Entity**

The financial statements of the Town of Hartland, Maine, consist of the accounts of all Town operations, and no other entities are considered to be controlled by, or dependent on, the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of respective governing boards.

#### **B. Basis of Presentation**

##### **Government-wide Financial Statements**

The Statement of Net Assets and Statement of Activities display information about the Town as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**TOWN OF HARTLAND, MAINE**

**Statement of Revenues, Expenditures and Change in Net Assets - Fiduciary Funds**

**Year Ended June 30, 2008**

	<u>Non-Expendable Trust Fund</u>
Revenues	
Investment income	<u>\$ (4,066)</u>
Total revenues	<u>(4,066)</u>
Other financing sources-fund transfers	<u>                    </u>
Excess (deficiency) of revenues over transfers	(4,066)
Net assets, beginning of year	<u>59,980</u>
Net assets, end of year	<u>\$ 55,914</u>

See accompanying notes to the basic financial statements.

**TOWN OF HARTLAND, MAINE**  
**Statement of Net Assets - Fiduciary Funds**  
June 30, 2008

	Non-Expendable Trust Fund
<b>ASSETS</b>	
Cash and equivalents	\$ 10,469
Investments	41,036
Due from general fund	<u>4,409</u>
Total assets	<u>\$ 55,914</u>
<b>NET ASSETS</b>	
Restricted for future expenditures	\$ 26,228
Contributed equity	<u>29,686</u>
Total net assets	<u>\$ 55,914</u>

See accompanying notes to the basic financial statements.

**TOWN OF HARTLAND-Enterprise Fund**

**Statement of Cash Flows - Proprietary Fund**

Year ended June 30, 2008

	Proprietary Fund Type <u>Enterprise Fund</u>
Cash flows from operating activities	
Operating income (loss)	\$ (506,972)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	239,970
(Increase) decrease in	
Accounts receivable, net of bad debts	7,079
Increase (decrease) in	
Accounts payable	34,328
Accrued liabilities	510
Estimated landfill closure costs	<u>255,000</u>
Net cash provided by operating activities	<u>29,915</u>
Cash flows from capital and related financing activities	
Additions to property	(16,878)
General fund advances	40,030
Transfers from the general fund	47,309
Principal paid on bonds and notes payable	<u>(98,775)</u>
Net cash used by capital and related financing activities	<u>(28,314)</u>
Net change in cash	1,601
Cash and cash equivalents, beginning of year	<u>(83)</u>
Cash and cash equivalents, end of year	<u>\$ 1,518</u>

See accompanying notes to the basic financial statements.





