

Town of Hardwick

2004

Town Report

DEDICATION



Cecile Dyke, served as Trustee and Treasurer of the Jeudevine Library from 1989 until 2004. In her role as Treasurer, she managed an increasingly complex job with true professionalism and a positive attitude. Cecile was a pleasure to deal with and was always extremely competent and reliable. Many also know Cecile in her position as a Para educator at Hazen Union since 1987. In 2003 she was honored with an NEA Award for outstanding contribution to public education. The rest of us know her as wife, mother, neighbor and friend, a Hardwickian whom we appreciate.



Al has dedicated a lot of his adult life to the Town of Hardwick. He was a selectman from 1969 until he became town manager. He filled in for Clarence Barcomb for approximately three months in 1974 and continued for four years after Clarence's death. During his tenure he was active along with the Kiwanis club in restoring the swinging bridge, which keeps Hardwick connected. He has filled a spot on the Board of Civil Authority and Justice of the Peace for 20 years until his resignation this year. He has performed many marriages and always taken an active part in clubs and town activities.

Front Cover Picture:
Veteran's Memorial

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Town Officials

(All terms expire Town Meeting 2005 unless otherwise noted)

Moderator.....Roger LeCours
Town Clerk, expires 2007.....Alberta Miller
Town Treasurer, expires 2007.....Alberta Miller

Select Board

Term expires 2005.....Charles Volk
Term expires 2005.....Kristina Michelsen
Term expires 2005.....Patricia Coultas
Term expires 2005.....Todd Deuso
Term expires 2007.....M.Tod Delaricheliere

Listers

Term expires 2005.....Marc Delaricheliere
Term expires 2005.....Jan Howard
Term expires 2007.....Jean Hackett

School Directors

Term expires 2005.....Scott McWherter
Term expires 2005.....Russell Shopland
Term expires 2005.....Karen Richardson
Term expires 2006.....Steve Coultas
Term expires 2007.....Lee Ann Lee

Auditors

Term expires 2005.....Vacant
Term expires 2006.....Michael Morin
Term expires 2007.....Brad Ferland
First Constable.....Arthur Chase
Second Constable.....Erwin Gilcris
Delinquent Tax Collector.....Town Manager
Town Agent.....Constance Bellavance
Surveyor of Wood, Bark and Lumber.....Laurent Bellavance
Tree Warden.....Laurent Bellavance

Cemetery Trustee

Main Street.....Trustees
Maple Street.....Trustees
Fairview.....Trustees
Sanborn.....Trustees
West Hill.....Select Board
Hardwick Street.....David Brochu
Hardwick Center.....Select Board

Hazen Union Directors-Hardwick

Term expires 2005.....Kenneth Leslie
Term expires 2006.....Anne Galloway
Term expires 2006.....Mary Wheeler
Term expires 2007.....James Lovinsky

Fire Department

Chief.....Ronald Bellavance
1st Assistant Chief.....Tom Fadden
2nd Assistant Chief.....David Hale
Captain.....Mike Gravel
1st Lieutenant.....Mike Hall
2nd Lieutenant.....Ken LaCasse
3rd Lieutenant.....Bob Mayhew
Foreman.....James Dailey
Assistant Foreman.....Steve Parkhurst
Pipeman.....Dave Thompson
Assitant Pipeman.....Danny Hale
Ax Man.....Dave Colburn
Safety Officer.....Mike Foran
Secretary/Treasurer.....Jennifer Greaves
Dispatcher.....Sharlene Speir

Library Trustees

Term expires 2005.....Joyce Merrill
Term expires 2006.....Lenore Renaud
Term expires 2007.....Dawn Dreschler
Term expires 2008.....Anne Batten
Term expires 2009.....Eleanor McQuillen
Town Grand Juror.....Vacant
Trustee of Public Funds.....George Whitney
Trustee of Public Funds.....Mario Fradette
Trustee of Public Funds.....Lorraine Hussey
Fence Viewers.....Listers

Hardwick Electric Commissioners

Term expires June 30, 2005.....William Richardson
Term expires June 30, 2006.....Joe Wood
Term expires June 30, 2006.....Nancy Stevens
Term expires June 30, 2006.....Warren Hill
Term expires June 30, 2007.....Robert Chaffee

Hardwick Planning Commission/Zoning Board of Adjustment

Term expires June 30, 2005.....Stephen Meyer
Term expires June 30, 2005.....Paul Cillo
Term expires June 30, 2006.....Kenneth Davis
Term expires June 30, 2006.....W. Averell Brown
Term expires June 30, 2007.....George Hemmens
Term expires June 30, 2007.....Kristina Michelsen
Term expires June 30, 2008.....Ed Keene

Recreation Committee Members

Co-Chairperson.....Sally Ansty
Co-Chairperson.....Vacant
Committee Member.....Tracey Gilblair
Committee Member.....Ron Weisen
Committee Member.....Janet Howard
Secretary.....Diane Grenkow
Treasurer.....Marie LaPre-Grabon

ATTENTION

PLEASE NOTE THE FOLLOWING CHANGES THAT WERE TYPOGRAPHICAL ERRORS:

On page 4 "Town Officials":

Select Board

Todd Deuso.....Term expires 2006 (not 2005)

Listers

Jan Howard.....Term expires 2006 (not 2005)

Select Board Report

Before we get into the past years work let me first say thank you to our Town employees. It's no easy job working for the Town and we have some great people and the Board would like to again thank everyone.

One of the first discussions this Town meeting will be whether or not we eliminate the discount expense we offer on our property tax bills. Currently tax bills go out in July and are due to be paid in full by May 10th. If you pay your bill in full by November 10th you can take a 3% discount. Last year we had \$32,400 in discounts taken. The Board is proposing eliminating the discount expense and making the tax bills due in 3 equal payments (Sept. 10, Feb. 10, May 10). By eliminating the discount our budget will not have to absorb the approximate \$32,000 expense. If we decide at Town meeting to eliminate offering the discount we can delete a \$32,000 expense line to our budget. As this will be voted on and discussed early at Town meeting please don't be late if you want to participate on this issue.

Hardwick was beneficiary of Senator Leahy's hard work recently as well. Senator Leahy secured \$100,000 for Hardwick to be used in historical renovation projects around Town. The money is going toward the Library, Memorial Building, and Town House.

Hardwick also received \$75,000 from the State that is being used for downtown improvements. With part of this grant the Board hired Lucian Avery and Jack Corley of Hardwick to build a hand made wrought iron fence. The concrete wall between the diner and Gazette building will be coming down and the new fence installed by Spring festival with any luck. This should allow us to see the river and look real nice.

It also appears the State Agency of Transportation will be fixing the land slide area on Rt. 15 this summer. The cost for this project could total \$750,000 or more before it is done. The AOT folks have done a great job and we really appreciate the effort on this. It was also good to hear AOT will pay for this work.

The Board looks forward to a busy and active discussion at Town Meeting. This is your chance to voice your opinion, select candidates, vote on where your money goes, and generally have a say in local government. Please make every effort to attend Town meeting in March and let us know what you would like.

Todd Deuso, Hardwick Selectboard, Chair'

Public Works Foreman's Report

The last few months have been very busy for the road crew. We have worked on brush cutting, upgrading of several culverts and ditch work. The upcoming year should also be very busy as well. We are scheduled to do work on Good Place, Dusty Swamp Road and Bailey Hazen Road. We will continue the upgrading of our roads by adding more gravel, doing ditch work and brush cutting. Flushing our water system and upgrading our fire hydrants will also be projects that we plan on working on.

The road crew will do their very best to get everything accomplished in the upcoming year, weather permitting. If anyone has any questions please feel free to call the Town Garage; we will do our very best to give you an immediate answer or find one out for you.

Many thanks go to the members of the road crew for a job well done, and for the amount of work that was done in a short period of time during this past fall. We appreciate all the cooperation from the citizens of Hardwick. Thank you!

Tom Fadden, Public Works Foreman
Mike Gravel Valerie Kinsey Scott Brown Perley Allen Ken LaCasse

Brent Hodgdon

Town Manager's Report

Hardwick is on the move. This year has been one of economic development, infrastructure improvements, personnel changes and financial challenges.

The Daniels Building is now home to two successful businesses with others starting soon. Main St. has a zero vacancy rate for retail business. Our businesses seem to be thriving and adding employment. We hope to have a new soy processing plant in our

industrial park this summer and other potential business ideas are being floated in our town.

We have made several major infrastructure improvements this year. Bellavance Construction installed a new box culvert on Smith Farm Road which completes our flood mitigation projects from all of the issues of the nineties. We also replaced a section of our main sewer line on Wolcott St. and put in a new storm drain system there. We made major improvements to the sidewalks in East Hardwick, finished paving in Hideaway Acres and paved the road leading to the depot. Roadside brush cutting was a priority and we completed several roads this year and will continue next summer. Ditch work will also be a big part of our summer work this year along with improving the drainage and entrance to Good Place.

Our police department is fully staffed and all fully certified. Our department has now stabilized and we are seeing the benefits of their work. It does create a financial challenge as we will have to fully fund the department this year as COPS funding will end. We continue to look for creative ways to continue providing excellent coverage while controlling costs. Regional policing may be part of the answer.

We have several new initiatives growing. The community television station is getting ready to go online this year. Reparative justice has been active in hearing cases and is poised to hire a part-time director and become even more active. The Community Coalition has also hired a director and is ready to start providing help in educating our youth about the dangers of substance abuse. We have a trash and recycling depot up and running in our industrial park and we are actively looking for a permanent home for it. We just signed a lease agreement to have a new 4 season trail leading from Carey Road into Woodbury and the rec committee is now responsible for maintaining the Hazen trails. We hope to begin construction of the new walking path along the river from the swinging bridge to the community gardens. We hope to use grant funds we have received to make improvements to the downtown such as a new railing along the river and more new streetlights. We also received money to continue the restoration work at the Memorial Building, Jeudevine library and Town House.

We do have challenges facing us. Our surplus has been depleted due to an ice jam and getting the police department fully certified. We are going to have to deal with reducing phosphorus releases in our sewer plant, control storm water runoff and may have to build a shelter over our sand pile. Insurance costs continue to go higher. All of these things will make it an ongoing priority to control costs wherever possible while still providing the level of service that you expect.

Lastly, we have had several personnel changes this year. Tom Fadden has taken over as the Public Works Supervisor and is doing a great job. Alberta Miller and her assistant, Sue Cross, have moved into the Town Clerk's office and have also done a great job. We are fortunate to have high quality staff in all departments. Thank you for your ongoing support of our efforts.

Hardwick Fire Department

Once again, the Hardwick Fire Department had a very busy year for 2004. We responded to a total of 78 calls, consisting of 42 structure fires; 33 vehicle accidents and 3 -Haz-mats; a total of 1047 man hours.

Another Homeland Security Grant was received in the amount of \$18,765.00. This grant purchased specified equipment needed for vehicle accidents, structure fires and Haz-mat responses.

To better serve the community year round, we have sold the Polaris snow machine with the trailer and purchased a Polaris Sportsman 500 4-wheeler with tracks from Lanphear Sales & Service.

A sincere thank you goes out to the Hardwick Rescue Squad, Hardwick Police Department and the community for all of your continuous support. Remember to use smoke detectors, they save lives!

Fire Chief, Ron Bellavance

HARDWICK-GREENSBORO POLICE DEPARTMENT

To the Citizens of the Town of Hardwick:

As we approach Annual Town Meeting-2005 and look back upon 2004, I would like to start off by expressing my deepest appreciation for all the assistance, support, guidance and understanding given to the police department by the many citizens, elected officials and town employees over this past year.

The Hardwick-Greensboro Police Department provides 24/7 law enforcement functions to nearly 3220 residents of Hardwick as well as 1353 residents and seasonal residents within Greensboro/Greensboro Bend.

Funding law enforcement has increased over the past several years. As a result, the Hardwick Select Board has been actively exploring ways to lower the cost of law enforcement, yet continue to provide a professional, modern, stable, competitive and affordable department.

The concept of a "Regional Police Force" at this time appears to be the most logical approach needed to address increasing law enforcement costs. Talks have been actively underway with the Towns of Craftsbury, Walden, Wolcott and Woodbury to consider joining to form a collaborative with Hardwick and Greensboro to fund a Regional Police Force. At this point in time, the possible creation of this law enforcement entity is at least several years away.

This past year has been a historical turning point for the department as it has been the first time within the history of the department that all (7) seven, full-time officers have been full-time certified by the State of Vermont, Criminal Justice Training Council. As a result of this professional achievement the department now has a stable force with no other focus other than community oriented law enforcement.

Community oriented law enforcement means many things to many different people, but within the Hardwick-Greensboro communities it translates to various programs such as the ChildSafe Program, D.A.R.E., Bicycle Safety, Car Seat Program, Citizen Police Academy, Reparative/Restorative Justice Project and the Hardwick Area Community Coalition, as well as the Domestic Violence Law Enforcement Advocate program.

From a community perspective, substance abuse continues to be the primary concern facing law enforcement nation wide. All indicators point to substance abuse as being the primary cause of crime within our communities.

Currently, law enforcement across the State of Vermont is following the threat and invasion of a drug called "Methamphetamine" which has only started invading a small percentage of our communities. Public education and awareness concerning this very addictive and dangerous drug has begun statewide.

During the past year, Officer Wade Cochran and Officer William "Bill" Field

became certified as D.A.R.E. (Drug Abuse Resistance Education) and School Resource Officers. As a result, the officers have been teaching the D.A.R.E. curriculum to the students in the 6th grade at the Hardwick Elementary School. In the near future, the department anticipates that a Junior and Senior High School D.A.R.E. curriculum will be introduced.

The department has continued to take advantage of various grant programs in which equipment and training has been provided at no cost to the town. One such grant involves issues associated with Homeland Security. This past year, the department was awarded about \$120,000.00 to purchase equipment and upgrade existing critical support systems. Yet a different grant provided the department with state of the art "Night Vision" equipment.

Traffic safety will continue to be a prime focus of the department in our attempt to reduce fatal accidents.

In conclusion, thank you for your support of our efforts.

Respectfully yours,
James C. Dziobek, Jr., Chief of Police

OFFICE HOURS: Monday - Friday 8am to 4pm E-Mail: hardwickpolice@yahoo.com

2004 LAW INCIDENT SUMMARY

Consent Search 02, Suicide 01, Sex Offense Other 01, Robbery 02 *01, Aggravated Assault 07 *7, Assault Simple 23 *13, Stalking 05, Burglary 13 *02, Larceny 69 *03, Theft Automobile 03 *01, Forgery 22 *03, Embezzlement 01, Stolen Property 05 *03, Vandalism 51 *11, Carry Deadly Weapon 02 *01, Convicted Person W/weapon 01 *01, Other Illegal Weapons 01 *01, Lewd Improper Proposal 04, Sex Offender Failure To Reg. 01, Con. Subst/sale/manu/marijuana 04 *04, Mistreatment Of A Child 01, Mistreatment Of Elderly 01 *01, Contributing To Minor 01, Runaway Juvenile 02, Domestic Abuse Order Violation 04 *02, DUI Of Liquor 31 *30, Illegal Possession By A Minor 04 *04, Disturbing The Peace 07 *03, Quarrels 01, Family Disturbance 33 *11, Disorderly Conduct 14 *10, Conditions Of Release Violation 13 *10, Impeding Police Officer 03 *03, Discharging Firearms 02, Annoying, Harass, Susp. Phone Call 07 *01, Threatening Phone Calls 04 *01, False Information To Police 04 *04, Probation Parole Violations 03 *01, Trespassing Violation 12 *04, Fireworks 01, Cruelty To Animals 01 *01, Fugitive 01 *01, Arrest On Warrant 10 *08, Accident Injury 11, Accident Damage 32, Snowmobile Accident 01, Motor Vehicle Disturbances 60 *01, C&N Motor Vehicle 02 *02, Attempting To Elude 03 *02, DLS - Criminal 08 *07, LSA Motor Vehicle 07 *01, Littering 03, Hunting Related Shooting Injury 01, Public Outreach Programs 03, Abandoned Vehicle 01, Alarm 04, Ambulance Or Medical Asst. 01, Animal Problem 49, Agency Assist 202 *01, Registrations Required 01 *01, Attempt To Locate 03, Attempted Suicide 01, ATV Incident 07, Background Investigation 01, Burglary Alarm 04, Citizen Dispute 54 *04, Citizen Assist 167, Communications Offense 10, Dead Body 02, E911 Hang-up 47, Escort 13, False Alarm 39, Fire 01, Obedience To Enforcement Officer 01 *01, Following To Closely 01, Stop And Yield 01 *01, Intoxicated Person 04 *02, Juvenile Problem 76, Lost Or Found Property 19, Residence Vehicle Lockout 03, Motorist Assistance 12, Mental Health Assistance 01, Message Delivered 01, Missing Person 10, Noise Disturbance 15, Parking Problem 39, Suspicious Person/circumstances 123, Property Watch 05, Recovered Stolen Property 04 *02, Snowmobile Incident 06, Speeding 02 *02, Search Warrant 02 *01, Traffic Hazard 06, Threatening 05 *01, Unsecured Premises 01, Vehicle Serial # Inspection 75, Welfare Check 30.

Total 1630 • *Means Arrest/criminal Charge • Traffic Tickets 547 • Traffic Warnings 481

2005-2006 Hardwick Town Budget

	ACTUAL 2003-2004	BUDGET 2004-2005	PROPOSED 2005-2006	DIFFERENCE	% DIFF.
Projected Revenues					
Greensboro Police					
Contract	\$100,020	\$110,097	\$121,131	\$11,034	10.02%
State Highway Aid	\$130,474	\$130,433	\$130,433	\$0	0.00%
Zoning Permits	\$3,686	\$4,500	\$4,000	-\$500	-11.11%
Interest on Investments	\$4,155	\$5,000	\$4,000	-\$1,000	-20.00%
Licenses and Fees	\$29,395	\$25,000	\$25,000	\$0	0.00%
Delinquent Late Charge	\$22,866	\$22,000	\$23,000	\$1,000	4.55%
Copier/Computer Fees	\$5,501	\$2,500	\$4,000	\$1,500	60.00%
Miscellaneous Income	\$2,213	\$2,000	\$2,000	\$0	0.00%
Police--Hardwick	\$10,239	\$25,000	\$25,000	\$0	0.00%
Water and Sewer Transfers	\$48,124	\$54,811	\$50,078	-\$4,733	-8.63%
Gas Tax Rebate	\$5,581	\$0	\$1,400	\$1,400	100.00%
Green Up Day Grant	\$301	\$0	\$0	\$0	0.00%
Current Use Hold Harm.	\$64,024	\$0	\$0	\$0	0.00%
Sale of Vehicles	\$51	\$0	\$0	\$0	0.00%
Hard. Area Comm. Work	\$0	\$0	\$0	\$0	0.00%
COPS Grant	\$33,876	\$28,000	\$0	-\$28,000	-100.00%
Land Use Withdrawal	\$8,168	\$0	\$0	\$0	0.00%
Library Roof Grant	\$0	\$0	\$0	\$0	0.00%
LLEBG	\$1,639	\$0	\$0	\$0	0.00%
Homeland Sec. Grant	\$40,288	\$0	\$0	\$0	0.00%
DMV Fees	\$243	\$0	\$750	\$750	100.00%
Rent	\$30	\$0	\$0	\$0	0.00%
Interest on Cemeteries	\$83	\$60	\$60	\$0	0.00%
PILOT	\$50,966	\$50,663	\$51,000	\$337	0.67%
Property Taxes	\$1,082,391	\$1,165,901	\$1,284,378	\$118,477	10.16%
	\$1,644,314	\$1,625,965	\$1,726,231	\$100,266	6.17%

2005-2006 Hardwick Town Budget

Budget Summary	ACTUAL 2003-2004	BUDGET 2004-2005	SELECTBOARD'S PROPOSED 2005-2006	DIFFERENCE	% DIFF.
Highway/Garage	\$392,858	\$402,206	\$444,363	\$42,157	10.48%
Police Department	\$571,380	\$496,214	\$551,627	\$55,413	11.17%
Office Expenses	\$175,828	\$206,548	\$212,214	\$5,666	2.74%
Fire Department	\$69,708	\$50,904	\$51,784	\$880	1.73%
Memorial Building	\$21,819	\$22,069	\$24,168	\$2,099	9.51%
Payroll (Part-time and Elected)	\$32,138	\$31,287	\$33,573	\$2,286	7.31%
County Taxes	\$11,619	\$11,619	\$15,659	\$4,040	34.77%
Rescue Squad	\$7,294	\$8,755	\$8,687	-\$68	-0.78%
Line Items	\$427,468	\$396,363	\$384,155	-\$12,208	-3.08%
Grand Totals	\$1,710,102	\$1,625,965	\$1,726,231	\$100,266	6.17%
Highway/Garage					
Base Payroll	\$137,627	\$134,110	\$154,692	\$20,482	15.35%
Overtime	\$10,714	\$14,000	\$12,000	-\$2,000	-14.29%
Social Security Expense	\$11,639	\$11,330	\$12,752	\$1,422	12.55%
Streetscape Salary	\$5,511	\$0	\$0	\$0	0.00%
Streetscape FICA	\$451	\$0	\$0	\$0	0.00%
Streetscape Maintenance	\$2,351	\$1,750	\$2,200	\$450	25.71%
Workers' Compensation	\$12,275	\$12,564	\$18,300	\$5,736	45.65%
Unemployment Insurance	\$1,077	\$1,113	\$1,733	\$620	55.73%
VLCT/PACIF	\$6,635	\$7,223	\$8,307	\$1,084	15.01%
Health Insurance	\$54,191	\$67,799	\$56,070	-\$11,729	-17.30%
Dental Insurance	\$4,688	\$5,345	\$3,934	-\$1,411	-26.39%
Life Insurance	\$1,807	\$316	\$2,090	\$1,774	561.39%
Retirement Expense	\$7,482	\$7,406	\$8,335	\$929	12.54%
Operating Expenses/Supplies	\$10,479	\$8,500	\$9,500	\$1,000	11.76%
Telephone	\$654	\$750	\$750	\$0	0.00%
Culverts	\$1,702	\$2,000	\$3,000	\$1,000	50.00%
Uniforms	\$5,448	\$4,900	\$5,100	\$200	4.08%
Line Painting/Sidewalks	\$301	\$500	\$500	\$0	0.00%
Radio Service	\$120	\$1,500	\$2,000	\$500	33.33%
Storm Drains	\$3,638	\$2,000	\$2,000	\$0	0.00%
Bridges	\$0	\$0	\$0	\$0	0.00%
Equipment Expense	\$28,869	\$27,500	\$29,000	\$1,500	5.45%
Brush Cutting	\$0.00	\$0.00	\$5,000	\$5,000	100.00%
Diesel Fuel	\$17,766	\$15,000	\$19,000	\$4,000	26.67%
Gasoline Fuel	\$1,445	\$1,750	\$1,750	\$0	0.00%
Utilities	\$2,864	\$3,000	\$3,500	\$500	16.67%
Summer Gravel	\$15,849	\$15,000	\$17,000	\$2,000	13.33%
Chloride	\$9,131	\$14,000	\$14,000	\$0	0.00%
Paving/Patching	\$1,211	\$2,000	\$2,000	\$0	0.00%
Guardrails	\$0	\$350	\$350	\$0	0.00%
Winter Sand	\$12,396	\$8,500	\$9,000	\$500	5.88%
Salt	\$18,032	\$21,000	\$23,000	\$2,000	9.52%
Ditching	\$1,625	\$1,500	\$2,500	\$1,000	66.67%
Road Signs	\$766	\$2,000	\$2,000	\$0	0.00%
Capital Outlay	\$0	\$2,000	\$2,700	\$700	35.00%
Street Sweeping	\$3,000	\$3,000	\$3,500	\$500	16.67%
Safety/Training	\$922	\$1,000	\$2,000	\$1,000	100.00%
Bldg Repairs/Maintenance	\$100	\$1,000	\$1,000	\$0	0.00%
Mowing	\$82	\$500	\$3,800	\$3,300	660.00%
Totals	\$392,848	\$402,206	\$444,363	\$42,157	10.48%

2005-2006 Hardwick Town Budget

	ACTUAL 2003-2004	BUDGET 2004-2005	SELECTBOARD'S PROPOSED 2005-2006	DIFFERENCE	% DIFF.
Police Department					
Base Payroll	\$249,395	\$271,075	\$290,221	\$19,146	7.06%
Overtime	\$15,632	\$15,000	\$15,000	\$0	0.00%
Special Officers	\$55,363	\$10,000	\$10,000	\$0	0.00%
Social Security Expense	\$24,858	\$22,650	\$24,114	\$1,464	6.47%
Workers' Compensation	\$14,601	\$16,403	\$26,877	\$10,474	63.86%
Unemployment Insurance	\$1,698	\$1,855	\$2,889	\$1,034	55.73%
VLCT/PACIF	\$5,898	\$6,420	\$8,307	\$1,887	29.39%
Health Insurance	\$61,819	\$78,145	\$92,273	\$14,128	18.08%
Dental Insurance	\$5,054	\$6,090	\$6,749	\$659	10.81%
Life Insurance	\$2,568	\$3,041	\$3,256	\$215	7.08%
Retirement Expense	\$22,944	\$22,817	\$27,470	\$4,653	20.39%
Homeland Security Grant	\$9,783	\$0	\$0	\$0	0.00%
Operating Expense/Supplies	\$3,629	\$5,300	\$4,000	-\$1,300	-24.53%
Training	\$7,916	\$4,500	\$4,000	-\$500	-11.11%
Telephone	\$5,969	\$6,268	\$6,420	\$152	2.43%
Cruiser Repairs/Maintenance	\$6,275	\$6,000	\$6,000	\$0	0.00%
Advertising	\$0	\$250	\$200	-\$50	-20.00%
Radio Service	\$1,352	\$1,300	\$1,300	\$0	0.00%
Investigation Expense	\$1,350	\$2,000	\$2,000	\$0	0.00%
Uniforms (Cleaning)	\$162	\$500	\$500	\$0	0.00%
Uniform Purchases	\$4,484	\$1,500	\$2,500	\$1,000	66.67%
Gasoline and Oil	\$13,075	\$9,250	\$12,000	\$2,750	29.73%
Utilities	\$1,874	\$1,800	\$2,000	\$200	11.11%
Tires	\$1,337	\$850	\$850	\$0	0.00%
Education	\$144	\$200	\$200	\$0	0.00%
Equipment	\$2,182	\$3,000	\$2,500	-\$500	-16.67%
Capital Outlay	\$39	\$0	\$0	\$0	0.00%
Task Force Grant	\$141	\$0	\$0	\$0	0.00%
LLEBG	\$1,296	\$0	\$0	\$0	0.00%
Cops Grant Share	\$50,542	\$0	\$0	\$0	100.00%
Total	\$571,380	\$496,214	\$551,627	\$55,413	11.17%

* Proposed Police Budget	\$551,627
Less Greensboro Police Contract	\$121,131
Hardwick's Expense for Police Coverage	\$430,496

Office Expenses					
Town Manager Salary	\$26,577	\$30,886	\$33,981	\$3,095	10.02%
Office Manager Salary	\$19,744	\$20,648	\$22,368	\$1,720	8.33%
Clerk/Treasurer Salary	\$13,750	\$23,910	\$26,067	\$2,157	9.02%
Assistant Town Clerk/Aide	\$17,626	\$9,248	\$10,944	\$1,696	18.34%
Administrative Assistant	\$16,206	\$18,154	\$19,762	\$1,608	8.86%
Social Security Expense	\$7,376	\$8,895	\$9,723	\$828	9.30%
Workers' Compensation	\$705	\$698	\$1,144	\$446	63.86%
Unemployment Insurance	\$673	\$696	\$1,083	\$387	55.65%
VLCT/PACIF	\$2,212	\$2,408	\$2,461	\$53	2.21%
Health Insurance	\$38,925	\$58,127	\$47,541	-\$10,586	-18.21%
Dental Insurance	\$2,960	\$4,693	\$3,311	-\$1,382	-29.44%
Life Insurance	\$1,582	\$1,793	\$1,973	\$180	10.04%
Retirement Expense	\$3,988	\$5,142	\$5,656	\$514	10.00%
TM Operating Expenses/Supplies	\$3,479	\$3,500	\$3,750	\$250	7.14%
Town Clerks Office					
Operating Expenses/Supplies	\$4,512	\$5,000	\$5,000	\$0	0.00%
Town Report Expense	\$4,124	\$3,400	\$3,250	-\$150	-4.41%
Conferences/Dues	\$972	\$600	\$2,500	\$1,900	316.67%
Tax Billing Expense	\$583	\$500	\$1,100	\$600	120.00%
Telephone	\$1,988	\$2,200	\$2,200	\$0	0.00%
Advertising	\$243	\$500	\$500	\$0	0.00%

2005-2006 Hardwick Town Budget

	ACTUAL 2003-2004	BUDGET 2004-2005	SELECTBOARD'S PROPOSED 2005-2006	DIFFERENCE	% DIFF.
Office Expenses (Cont.)					
Copier	\$1,393	\$1,400	\$1,400	\$0	0.00%
Computer Software/Services	\$1,954	\$1,800	\$2,000	\$200	11.11%
Education Reimbursement	\$0	\$350	\$350	\$0	0.00%
Planning/Zoning	\$2,623	\$1,500	\$2,500	\$1,000	66.67%
Lister Supplies	\$659	\$400	\$500	\$100	25.00%
Health Officer Supplies	\$123	\$100	\$150	\$50	50.00%
Capital Outlay	\$851	\$0	\$1,000	\$1,000	100.00%
Totals	\$175,828	\$206,548	\$212,214	\$5,666	2.74%
Fire Department					
Labor	\$13,783	\$13,000	\$13,520	\$520	4.00%
Social Security	\$1,055	\$995	\$1,034	\$39	3.95%
Workers' Compensation	\$1,410	\$1,396	\$2,287	\$891	63.86%
VLCT/PACIF	\$3,686	\$4,013	\$3,692	-\$321	-8.00%
Operating Exp./Supplies	\$700	\$2,000	\$2,000	\$0	0.00%
Telephone	\$2,569	\$2,700	\$2,700	\$0	0.00%
Gasoline	\$592	\$700	\$700	\$0	0.00%
Utilities	\$1,861	\$2,100	\$2,100	\$0	0.00%
Homeland Security	\$30,769	\$0	\$0	\$0	0.00%
Fuel Oil	\$3,454	\$2,500	\$3,000	\$500	20.00%
Equipment Purchases	\$2,187	\$6,000	\$5,500	-\$500	-8.33%
Clothing	\$0	\$3,500	\$3,000	-\$500	-14.29%
Fire Station Repair	\$79	\$2,000	\$1,500	-\$500	-25.00%
Equipment Repair	\$7,337	\$4,000	\$5,000	\$1,000	25.00%
Training	\$226	\$1,000	\$750	-\$250	-25.00%
Capital Outlay	\$0	\$5,000	\$5,000	\$0	0.00%
Totals	\$69,708	\$50,904	\$51,784	\$880	1.73%
Miscellaneous					
Memorial Building					
Custodian Salary	\$5,700	\$6,169	\$6,416	\$247	4.00%
Social Security Expense	\$442	\$472	\$491	\$19	3.98%
Workers' Compensation	\$705	\$698	\$1,144	\$446	63.86%
Unemployment Insurance	\$34	\$46	\$72	\$26	57.00%
VLCT/PACIF	\$1,475	\$1,605	\$1,846	\$241	15.01%
Operating Expenses/Supplies	\$1,835	\$1,800	\$2,000	\$200	11.11%
Building Repair	\$1,135	\$1,500	\$1,300	-\$200	-13.33%
Utilities	\$3,748	\$3,619	\$4,000	\$381	10.53%
Fuel Oil	\$5,492	\$5,000	\$5,500	\$500	10.00%
Elevator/Fire Alarm	\$1,253	\$1,160	\$1,400	\$240	20.69%
Totals	\$21,819	\$22,069	\$24,168	\$2,099	9.51%

2005-2006 Hardwick Town Budget

	ACTUAL 2003-2004	BUDGET 2004-2005	SELECTBOARD'S PROPOSED 2005-2006	DIFFERENCE	% DIFF.
Miscellaneous (Cont.)					
Payroll (Part-time and elected)					
Listers	\$7,445	\$4,842	\$5,036	\$194	4.00%
Election Officials	\$468	\$1,000	\$1,000	\$0	0.00%
Zoning Administrator	\$12,275	\$13,433	\$13,970	\$537	4.00%
Zoning and Planning Board	\$1,600	\$1,700	\$2,500	\$800	47.06%
Board of Civil Authority	\$250	\$200	\$200	\$0	0.00%
Moderator	\$30	\$50	\$50	\$0	0.00%
Select Board	\$5,083	\$5,000	\$5,000	\$0	0.00%
Solid Waste Representative	\$500	\$500	\$500	\$0	0.00%
Social Security Expense	\$2,139	\$2,006	\$2,123	\$117	5.85%
Workers' Compensation	\$352	\$309	\$572	\$263	85.07%
Public Officials Liability	\$1,996	\$2,247	\$2,622	\$375	16.69%
Totals	\$32,138	\$31,287	\$33,573	\$2,286	7.31%
Taxes					
County Tax	\$11,619	\$11,619	\$15,659	\$4,040	34.77%
Total	\$11,619	\$11,619	\$15,659	\$4,040	34.77%
Rescue Squad					
Pro-rated Share	\$7,294	\$8,755	\$8,687	-\$68	-0.78%
Totals	\$7,294	\$8,755	\$8,687	-\$68	-0.78%
Line Items					
Auditing	\$4,825	\$4,900	\$6,000	\$1,100	22.45%
Dog Control	\$1,230	\$1,800	\$1,500	-\$300	-16.67%
Professional Services	\$807	\$2,000	\$5,000	\$3,000	150.00%
NVDA	\$1,040	\$1,333	\$1,333	\$0	0.00%
VLCT	\$2,377	\$2,568	\$2,958	\$390	15.19%
Interest Expense	\$1,579	\$780	\$0	-\$780	-100.00%
Dept Principal	\$21,667	\$21,666	\$0	-\$21,666	-100.00%
Jeudevine memorial Library	\$35,780	\$40,025	\$48,300	\$8,275	20.67%
Memorial Day	\$3,768	\$3,500	\$3,750	\$250	7.14%
Caspian Lake	\$1,850	\$1,850	\$1,850	\$0	0.00%
Cemeteries	\$9,565	\$11,000	\$10,000	-\$1,000	-9.09%
Equipment Replacement Fund	\$65,000	\$69,000	\$72,000	\$3,000	4.35%
Solid Waste District	\$6,766	\$6,665	\$6,766	\$101	1.52%
Insurance Deductibles	\$2,100	\$1,000	\$1,500	\$500	50.00%
Streetlights	\$22,432	\$24,000	\$25,500	\$1,500	6.25%
Tax Mapping	\$0	\$750	\$1,000	\$250	33.33%
Green Up Day/Grant	\$902	\$0	\$0	\$0	0.00%
Insurance Pool	\$14,570	\$9,000	\$0	-\$9,000	-100.00%
Discount Expense	\$32,423	\$26,000	\$32,000	\$6,000	23.08%
Capital Improvements	\$166,500	\$166,500	\$161,500	-\$5,000	-3.00%
Employment Practices	\$1,937	\$2,026	\$2,848	\$822	40.57%
Flexible Benefits	\$0	\$0	\$350	\$350	0.00
Town Clerk Retirement	\$518	\$0	\$0	\$0	0.00
Land Purchase	\$2,102	\$0	\$0	\$0	0.00
Ice Jam Clean-Up	\$27,730	\$0	\$0	\$0	0.00
Total	\$427,468	\$396,363	\$384,155	-\$12,208	-3.08%

**Town of Hardwick
Capital Improvements Three Year Plan
FY2006 - FY2008**

Project	Due From Other Funds	Previously Set Aside	FY 2006	FY 2007	FY 2008	Future Years	Total Project Cost
GENERAL GOVERNMENT							
Record Restoration	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$6,000
Reappraisal	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Library	\$0	\$0	\$0	\$10,000	\$10,000	\$80,000	\$100,000
Memorial Bldg. Repairs	\$0	\$0	\$0	\$5,000	\$2,000	\$0	\$7,000
Subtotal	\$0	\$0	\$52,000	\$17,000	\$14,000	\$80,000	\$163,000
PUBLIC WORKS							
Roads/Sidewalks	\$52,400	\$0	\$13,100	\$0	\$0	\$0	\$65,500
Betty Road (class 2)	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$0	\$45,000
Ward Hill (class 3)	\$0	\$0	\$35,400	\$0	\$0	\$0	\$35,400
Brickhouse Road (class 3)	\$0	\$0	\$18,700	\$0	\$0	\$0	\$18,700
Good Place (class 3)	\$67,500	\$0	\$0	\$0	\$0	\$0	\$67,500
Center Road (class 2)	\$100,000	\$25,500	\$0	\$20,300	\$60,000	\$294,200	\$500,000
Grader	\$0	\$0	\$0	\$0	\$0	\$140,000	\$160,000
General Paving	\$0	\$0	\$47,500	\$0	\$0	\$0	\$47,500
Gravel Pit Reclaim	\$8,000	\$8,000	\$0	\$0	\$0	\$0	\$8,000
West Church Street (class 3)	\$200,000	\$84,875	\$14,000	\$37,000	\$0	\$0	\$335,875
Subtotal	\$352,400	\$110,375	\$104,500	\$139,500	\$142,500	\$561,700	\$1,283,475
Bridges							
Bridge #67/Rte. 15	\$950,000	\$32,500	\$0	\$5,000	\$5,000	\$7,500	\$1,000,000
Bridge #9/Porter bk	\$360,000	\$15,000	\$5,000	\$5,000	\$5,000	\$10,000	\$400,000
Subtotal	\$1,310,000	\$47,500	\$5,000	\$10,000	\$10,000	\$17,500	\$1,400,000
GENERAL FUND							
	\$1,662,400	\$157,875	\$161,500	\$166,500	\$166,500	\$659,200	\$2,846,475

TOWN OF HARDWICK CAPITAL EQUIPMENT PURCHASE SCHEDULE

YEAR	Dump Truck 1	Dump Truck 2	Dump Truck 3	Dump Truck 4	Ton Truck	Loader 1	Backhoe Loader 2	Skid Steer	Grader*	Fire Vehicles	Police Cruiser	EQUIPMENT TOTALS	FUND REVENUES	ACCOUNT BALANCE
2006											\$31,582	\$31,582	\$0	\$13,344
2007	\$95,414				\$44,350						\$33,529	\$139,764	\$72,000	\$55,106
2008											\$35,535	\$33,529	\$90,000	\$5,476
2009				\$97,546				\$39,500				\$172,581	\$100,000	\$73,745
2010												\$0	\$100,000	\$1,193
2011											\$37,601	\$37,601	\$110,000	\$180,525
2012		\$105,050			\$51,500						\$39,729	\$196,279	\$110,000	\$96,602
2013			\$142,600									\$142,600	\$120,000	\$75,852
2014											\$41,921	\$41,921	\$120,000	\$157,779
2015	\$118,313					\$117,450					\$44,179	\$162,492	\$125,000	\$123,295
2016											\$46,504	\$117,450	\$125,000	\$134,116
2017					\$59,800						\$48,899	\$227,261	\$130,000	\$37,776
2018							\$116,000	\$53,078			\$48,899	\$48,899	\$145,000	\$137,224
2019											\$51,833	\$169,078	\$150,000	\$121,100
2020		\$130,262									\$54,388	\$182,095	\$150,000	\$91,230
2021			\$176,824								\$57,651	\$231,212	\$150,000	\$10,268
2022					\$68,770						\$59,381	\$68,770	\$150,000	\$93,786
2023	\$146,708										\$57,651	\$204,359	\$150,000	\$40,412
2024											\$59,381	\$59,381	\$150,000	\$134,307
2025				\$149,987								\$149,987	\$150,000	\$137,678

ASSUMPTIONS :

- 1) 3% annual cost inflation.
- 2) 2.5% annual interest on fund balance (money is not in account for a full year)
- 3) Trade-in value subtracted from prices of equipment, except for cruisers, ton-truck, and cab/chassis of dump trucks transferred to fire dept. for tanker trucks.
- 4) Cruisers replaced on 18 month cycle.
- 5) Grader replaced in FY98, a Champion, estimated life 15 years.
- 6) Loader #1 purchased Spring 1999. Last 15-20 years.
- 7) Fire pumpers purchased in FY'85 and FY'94 and they are assumed to have a 20 year life.
Money is not set aside in equipment fund and needs to be separate article on Town Meeting Warning.
- 8) W1 1985 International Tanker - New tank put on in FY93 (life expectancy of 20 years.)
W2 1985 Chassis/ 1980 tank (life expectancy 20 yrs.).
Cost of tanks and transfer are not included in the equipment fund and need to be set aside in General Fund Budget.
- 9) Dump trucks are traded every eight years.

TOWN OF HARDWICK ELECTRIC DEPARTMENT
2004 ANNUAL REPORT

BOARD OF COMMISSIONERS REPORT

The year 2004 continued the trend of increasing energy costs for Hardwick Electric Department. Purchase power expense is now 64% of the cost of service. The year 2004 saw a \$472,362 increase in power over 2003. The budget for 2005 purchase power is another \$87,863 increase to this two-year period, 2003-2005 (budget). Over two years purchase power increased by \$560,225 or 24%.

This resulted in the need for a rate increase on July 1, 2004 of 7.14% and on November 1, 2003 of 9.8%.

During the year we have been aggressive in reducing operating costs begin mindful of also improving reliability of electric supply and customer service.

Annual operating costs have been reduced by approximately \$90,000 this year. The major portion of this total savings is in adjusting staffing level requirements by reassigning responsibilities among employees and acquiring lower insurance coverage through the Vermont League of Cities & Towns. Even with these cost reduction measures the Right of Way brush and tree-clearing budget was increased by 75% from approximately \$50,000 to \$88,000.

Verizon typically contributes 1/3 more for poles they are on for maintenance trimming. The major portion of cycle trimming was done in Woodbury, this year. Also, priority was placed on main circuits feeding your service area towns.

Another area of focus this year was improving customer service for line extensions and service upgrades. This involved

setting up a business process where knowledgeable employees are immediately able to answer most inquiries by customers on requirements, stay on top of progress of projects, schedule appointments and inform the customer on when the project will be done. Customer satisfaction surveys returned indicate positive progress in this area.

Over the past three years the energy kWh load in the Hardwick Electric Department service area has grown at a healthy rate. This is expected to continue into the foreseeable future.

From 2002-2003, % change was 3.2% and from 2003-2004 is expected to be at 1.9%. Historically the load forecast is based on a 2% growth rate. This growth in energy use is closely split between residential and commercial/industrial use. This growth is evident from the number of customer supported projects this year (65 line extensions and 20 service upgrades).

Hardwick Electric Department employees take pride in serving our customers and the community on a personal level. Your utility Board of Commissioners support and challenge. Management towards continuous improvement in service to customers.

Nancy Stevens, Chairperson
Robert Chaffee, Commissioner
Warren Hill, Commissioner
William Richardson, Commissioner
Joe Wood, Commissioner

TOWN OF HARDWICK, VERMONT ELECTRIC DEPARTMENT

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December 31, 2003**

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Independent Auditors' Report

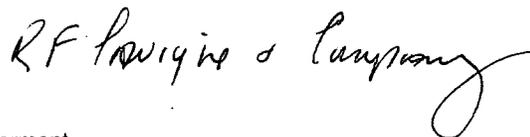
Board of Commissioners
Town of Hardwick, Vermont
Electric Department:

We have audited the accompanying balance sheet of the Town of Hardwick, Vermont Electric Department (the Department) (a component unit of the Town of Hardwick, Vermont) as of December 31, 2003, and the related statements of operations and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Town of Hardwick, Vermont Electric Department as of December 31, 2002, were audited by other auditors whose report dated March 7, 2003, expressed an unqualified opinion on those statements.

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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the December 31, 2003 financial statements referred to above present fairly, in all material respects, the financial position of the Town of Hardwick, Vermont Electric Department as of December 31, 2003, the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Williston, Vermont
March 4, 2004
License #222

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Balance Sheets
December 31, 2003 and 2002

ASSETS

	<u>2003</u>	<u>2002</u>
Utility Plant in Service		
Hydro-Electric Plant	\$ 1,458,069	\$ 1,456,842
Diesel Plant	142,216	142,216
Transmission Plant	187,858	187,858
Distribution Plant	5,349,730	5,208,112
General Plant	<u>1,039,093</u>	<u>917,751</u>
	8,176,966	7,912,779
(Less) Accumulated Depreciation	<u>(5,157,622)</u>	<u>(4,971,711)</u>
Net Utility Plant in Service	3,019,344	2,941,068
Construction Work in Progress	76,701	67,151
Current Assets		
Cash	98,905	45,366
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$38,668 in 2003 and \$30,168 in 2002	297,176	297,941
Estimated Unbilled Revenue	297,668	254,691
Inventories	126,462	122,205
Other Current Assets	<u>2,412</u>	<u>-0-</u>
Total Current Assets	822,623	720,203

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Balance Sheets
December 31, 2003 and 2002

		<u>2003</u>	<u>2002</u>
Other Assets			
Other Investments	Note 3	85,702	84,090
Deferred Charges, Net of Accumulated Amortization	Note 4	<u>32,665</u>	<u>44,182</u>
Total Other Assets		118,367	128,272
Restricted Assets			
Short-Term Investments - Reserve and Contingency Fund	Note 5	<u>309,600</u>	<u>307,226</u>
Total Assets		<u>\$ 4,346,635</u>	<u>\$ 4,163,920</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Current Liabilities			
Line of Credit	Note 6	\$ 75,000	\$ -0-
Installments of Long-Term Debt	Note 7	98,507	264,375
Installment of Capital Lease Obligation	Note 8	20,428	2,819
Accounts Payable		351,195	154,758
Accrued Expenses		132,431	140,390
Customer Deposits and Advances		42,412	39,824
VPPSA Financing	Note 9	<u>40,303</u>	<u>51,212</u>
Total Current Liabilities		760,276	653,378
Long-Term Liabilities			
Long-Term Debt, Excluding Current Installments	Note 7	2,434,770	2,340,604
Capital Lease Obligation, Excluding Current Installments	Note 8	<u>79,225</u>	<u>2,968</u>
Total Long-Term Liabilities		<u>2,513,995</u>	<u>2,343,572</u>
Total Liabilities		3,274,271	2,996,950
Commitments and Contingencies	Note 11		
Fund Equity			
Retained Earnings		<u>1,072,364</u>	<u>1,166,970</u>
Total Liabilities and Fund Equity		<u>\$ 4,346,635</u>	<u>\$ 4,163,920</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Statements of Operations and Retained Earnings
Years ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Operating Revenues	\$ 3,815,247	\$ 3,670,003
Total Revenues	3,815,247	3,670,003
Operating Expenses		
Purchased Power	2,288,061	1,880,859
Distribution	281,138	273,611
Hydro Production	53,224	58,117
Customer Accounts	152,895	135,086
Administrative and General	349,851	345,896
Depreciation	196,239	235,152
Amortization	11,517	12,866
Property and Other Taxes	246,828	234,229
Employee Pension and Benefits	201,902	160,105
Total Operating Expenses	<u>3,781,655</u>	<u>3,335,921</u>
Operating Income	33,592	334,082
Non-Operating Income (Expense)		
Interest and Dividends	13,110	13,789
Other Non-Operating Income	7,441	(1,093)
Gain on Disposal of Vehicles	<u>-0-</u>	<u>506</u>
Total Non-Operating Income, Net	20,551	13,202
Interest Charges		
Interest on Long-Term Debt	146,209	160,408
Other Interest Expense	<u>2,540</u>	<u>2,087</u>
Total Interest Charges	<u>148,749</u>	<u>162,495</u>
Net Income (Loss)	(94,606)	184,789
Retained Earnings, Beginning of Year	<u>1,166,970</u>	<u>982,181</u>
Retained Earnings, End of Year	<u>\$ 1,072,364</u>	<u>\$ 1,166,970</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Statements of Cash Flows
Years ended December 31, 2003 and 2002

	2003	2002
Cash Flows from Operating Activities:		
Operating Income	\$ 33,593	\$ 334,082
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation	196,239	235,152
Amortization	11,517	12,866
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable and Unbilled Revenues	(42,212)	(21,252)
(Increase) Decrease in Prepaid Expenses	(2,412)	-0-
(Increase) Decrease in Inventories	(4,257)	(11,779)
(Increase) Decrease in Deferred Charges	-0-	20,930
Increase (Decrease) in Accounts Payable	196,437	(27)
Increase (Decrease) in Accrued Expenses	(7,959)	15,183
(Increase) Decrease in Customer Deposits and Advances	2,588	(5,684)
Total Adjustments	349,941	245,389
Net Cash Provided by Operating Activities	383,534	579,471
Cash Flows from Noncapital Financing Activities:		
Proceeds from Line of Credit	75,000	-0-
Interest Expense on Line of Credit and Other Sources	(2,540)	(2,087)
Increase in Reserve and Contingency Fund	(2,374)	(4,512)
Net Cash Provided by (Used in) Noncapital Financing Activities	70,086	(6,599)
Cash Flows from Capital and Related Financing Activities:		
Additions to Utility Plant in Service and Construction Work in Progress	(351,270)	(346,266)
Contributions in Aid of Construction	67,204	150,522
Proceeds from Issuance of Long-Term Debt	800,278	55,000
Principal Payments of Long-Term Debt	(871,980)	(258,836)
Proceeds from VPPSA Debt	-0-	57,400
Principal Payments on VPPSA Debt	(10,909)	(6,188)
Increase in Capital Leases	102,900	-0-
Principal Payments on Capital Lease	(9,034)	(2,439)
Interest Expense on Long-Term Debt	(146,209)	(160,408)
Net Cash (Used in) Capital and Related Financing Activities	(419,020)	(511,215)
Cash Flows from Investing Activities:		
Purchase of Investments	(2,900)	(61,400)
Return of Capital on Investments	1,288	3,864
Interest and Dividends on Investments	13,110	13,789
Other Nonoperating Income (Expense)	7,441	(1,093)
Net Cash Provided by (Used in) Investing Activities	18,939	(44,840)
Net Increase in Cash	53,539	16,817
Cash, Beginning of Years	45,366	28,549
Cash, End of Years	\$ 98,905	\$ 45,366
Supplemental Cash Flow Information:		
Cash Paid During Year for Interest	\$ 102,900	\$ 162,769

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Notes to Financial Statements
December 31, 2003 and 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hardwick, Vermont Electric Department (the "Department") is a municipally owned utility providing electric power to the residents of Hardwick, Vermont, and surrounding towns. The Department is a component unit of the Town of Hardwick. The Selectboard of the Town of Hardwick appoints the board of commissioners of the Department and the Town of Hardwick is liable for the debt of the Department. The Department maintains its accounting records in the manner prescribed by the Federal Energy Regulatory Commission (FERC). The Department is regulated by the Public Service Board of Vermont (VPSB). Approval by the VPSB is required for changes in the Department's rate structure. In accordance with Statement of Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation, the Department records certain assets and liabilities in accordance with the economic effects of the rate-making process.

The Department applies all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 to the extent these pronouncements do not conflict with GASB pronouncements.

UTILITY PLANT IN SERVICE AND DEPRECIATION

Utility plant in service is stated at cost. The Department follows the policy of charging to operating expenses annual amounts of depreciation which allocate the cost of the utility plant over its estimated useful life. The Department employs the straight-line method of depreciation. When assets are retired or otherwise disposed of, the costs are removed from utility plant, and such costs, plus removal costs, are charged to accumulated depreciation. Additions to utility plant are reduced by any salvage incurred. The depreciable lives of utility plant are as follows:

	<u>Depreciable Lives</u>
Hydro-Electric Plant	25-75 Years
Diesel Plant	25 Years
Transmission Plant	25-33 Years
Distribution Plant	25-33 Years
General Plant	5-33 Years

ESTIMATED UNBILLED REVENUE

The Department records an estimate of unbilled energy revenue. This amount includes revenue earned between the last meter reading dates and the end of the year.

INVESTMENTS

Investments in stock of associated companies and other investments are stated at cost. Because these investments are not publicly traded, market values are not readily determinable.

INVENTORIES

Inventories are valued at the lower of cost or market under the average cost or specific identification method of valuation.

AMORTIZATION

The Department charges to operating expense annual amounts of amortization to allocate the cost of various deferred charges over the periods established by management for rate-making purposes. The straight-line method is employed in determining the annual charge. Bond issue costs (included in

deferred charges) are amortized using the straight-line method over the term of the bonds.

TAXES

As a component unit of the Town of Hardwick, the Department is exempt from Federal income taxes pursuant to Section 115 of the Internal Revenue Code.

The Department pays both property and weatherization taxes on a yearly basis. Weatherization taxes are paid directly to the State of Vermont on a quarterly basis as a percentage of sales to assist in weatherization needs of low income Vermonters.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

NOTE 2 CASH

There are three categories of credit risk that apply to a department's bank balances:

1. Insured by the FDIC or collateralized with securities held by the department or by the department's agent in the department's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the department's name.
3. Uncollateralized.

The cash deposits of the Town's Funds as of December 31, 2003 consisted of the following:

	Book Balance	Bank Balance
Time Deposits		
Insured (FDIC)	\$ 98,005	\$ 100,000
Uninsured	-0-	41,179
Cash on Hand	900	-0-
Total Deposits	<u>\$ 98,905</u>	<u>\$ 141,179</u>

NOTE 3 INVESTMENTS

Investments are held by the Department in its name and include the following, at cost, at December 31, 2003 and 2002:

	2003	2002
Cooperative Finance Corporation (CFC) Capital Term Certificates	\$ 4,636	\$ 4,636
Vermont Electric Power Company Preferred Stock, Class C	4,561	5,849
Vermont Electric Power Company Common Stock, Class C	64,300	61,400
Vermont Electric Power Company Common Stock, Class B	1,300	1,300
Land	<u>10,905</u>	<u>10,905</u>
Total	<u>\$ 85,702</u>	<u>\$ 84,090</u>

(Continued)

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Notes to Financial Statements
December 31, 2003 and 2002

NOTE 3 INVESTMENTS Continued

The Vermont Electric Power Company preferred and common stock and the CFC capital term certificates are not publicly traded; therefore, no quoted market value is available.

NOTE 4 DEFERRED CHARGES

Deferred charges include the following at December 31, 2003 and 2002:

	2003	2002
Demand Side Management	\$ 18,643	\$ 28,711
Bond Issue Costs	<u>14,022</u>	<u>15,471</u>
	<u>\$ 32,665</u>	<u>\$ 44,182</u>

Amortization of deferred charges totaled \$11,517 and \$12,866 for the years ended December 31, 2003 and 2002, respectively.

Demand Side Management

Demand side management charges were incurred to assist members in utilizing energy saving devices and are recoverable in rates through June 30, 2005.

Bond Issue Costs

Bond issue costs were incurred to issue revenue bonds and are recoverable in rates through October 31, 2019.

NOTE 5 RESERVE AND CONTINGENCY FUND

Provisions of the 1989 Electric System Revenue Bond Agreement (the "Agreement") require that the Department make varying monthly deposits to a reserve fund. The balance of the reserve fund is determined based upon a formula contained in the Agreement. As of December 31, 2003 and 2002, the Department has met the reserve requirement.

The reserve fund consists of short-term investments that are uninsured and unregistered and are held by a trustee in the name of the Town of Hardwick. The reserve fund may be used for operation or emergency expenses of the Department. The carrying values of \$309,600 and \$307,226 for December 31, 2003 and 2002, respectively, were equal to market value.

NOTE 6 LINE OF CREDIT

The Electric Department has a line of credit available in the amount of \$300,000. At December 31, 2003, the outstanding balance on the line of credit was \$75,000, with interest at 3.64%.

NOTE 7 LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Note Payable - Banknorth, Quarterly payments of principal and interest of \$1,471, Due June 15, 2013 at a variable interest rate of 6.3% at December 31, 2003 and 2002	\$ 41,813	\$ 44,938
1989 Electric System Revenue Bond - Vermont Municipal Bond Bank, Variable annual principal payments between \$10,000 - \$130,000 through 2019, variable interest rates from 6.9% - 14.9%, (7.2% at December 31, 2003 and 2002)	1,169,661	1,199,396

Note Payable - Union Bank, Monthly payments of principal and interest of \$4,635, balloon payment due on May 30, 2003, at a fixed rate of 4.13% -0- 160,733

Note Payable - Union Bank, Monthly payments of \$15,014, balloon payment due May 30, 2003, at a fixed interest rate of 4.13% \$ -0- \$ 649,263

Note Payable - Union Bank, quarterly payments of \$2,908, due on November 18, 2009, at a fixed interest rate of 5.125% 59,709 68,021

Note Payable - 1999 Union Bank, quarterly payments of \$11,066 at a fixed interest rate of 5.6%, Maturing December 30, 2019 469,455 482,628

Note Payable - Union Bank, monthly payments of \$3,704 beginning October 2, 2003, balloon payment due August 31, 2004, at a variable interest rate (2.1% at December 31, 2003) 718,347 -0-

Note Payable - Union Bank, monthly payments of \$384 beginning October 2, 2003, balloon payment due August 31, 2004, at a variable interest rate (2.1% at December 31, 2003) 74,291 -0-

	<u>2,533,277</u>	<u>2,604,979</u>
Less: Current Portion	(98,507)	(264,375)
Total Long-Term Debt	<u>\$ 2,434,770</u>	<u>\$ 2,340,604</u>

The Union Bank notes in the amounts of \$718,347 and \$74,291 were issued with an original maturity of one year from the date of issue. On the anniversary of the notes, the Department has the option to pay the note in full, or refinance the note at prevailing interest rates. The Department has the ability and intent to refinance these notes upon their anniversary dates in 2004. Accordingly, they are presented as long-term debt in the accompanying balance sheets.

All of the Department's long-term debt is secured by the full faith and credit of the Town of Hardwick and the Department, with the exception of the 1989 Revenue Bond, which is secured by revenues of the Town of Hardwick and the Department. The 1989 Revenue Bond requires the Department to meet certain covenants. The Department has met these covenants as of December 31, 2003 and 2002.

Future maturities of debt for each of the next five years and later years are as follows:

<u>Year Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 98,507	\$ 128,571	\$ 227,078
2005	105,173	127,386	232,559
2006	107,685	121,992	229,677
2007	115,316	116,481	231,797
2008	133,862	110,486	244,348
2009-2014	670,643	449,837	1,120,480
2015-2018	950,725	197,073	1,147,798
2019	<u>351,366</u>	<u>20,801</u>	<u>372,167</u>
	<u>\$ 2,533,277</u>	<u>\$ 1,272,627</u>	<u>\$ 3,805,904</u>

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Notes to Financial Statements
December 31, 2003 and 2002

NOTE 8 LEASES

Capital Leases

The Department leases certain office equipment and a vehicle under agreements that are classified as capital leases. In 2003, the Department leased a 2003 International Truck, with a lease term of seven years and an interest rate approximating 5.81%.

Leased equipment and vehicles under capital lease are included in utility plant and equipment, in the following amounts at December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Vehicle	\$ 102,900	\$ -0-
Equipment	<u>10,500</u>	<u>10,500</u>
Total	113,400	10,500
Less: Accumulated Depreciation	<u>(7,840)</u>	<u>(4,025)</u>
Net Book Value	<u>\$ 105,560</u>	<u>\$ 6,475</u>

The following is a schedule by year of the present value of the net minimum capital lease payments at December 31, 2003:

Year Ending December 31:	
2004	\$ 20,428
2005	18,110
2006	17,820
2007	17,820
2008	17,820
Thereafter	<u>28,215</u>
Total Minimum Lease Payments	120,213
Less: Amount Representing Interest	<u>(20,560)</u>
Total Obligations Under Capital Leases	99,653
Less: Current Portion	<u>(20,428)</u>
Obligation Under Capital Leases, Less Current Portion	<u>\$ 79,225</u>

NOTE 9 VPPSA FINANCING

On April 27, 2002, the Department entered into an agreement with Vermont Public Power Supply Authority ("VPPSA") whereby VPPSA agreed to advance the Department \$57,400 at 3.52% interest for the purpose of acquiring 574 share of Vermont Electric Power Company's Class common stock. The Department was required to make monthly payments of principal and interest in the amount of \$1,045 for a period of twelve months with an option to renew for another 48 months. At December 31, 2003 \$40,303 remained outstanding on the financing agreement.

NOTE 10 EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Department has a contributory defined contribution plan, for which all full-time employees are eligible. Participants in the plan are vested 100% immediately. Employer contributions to this plan for the years ended December 31, 2003 and 2002 were \$8,588 and \$8,171, respectively.

Defined Benefit Plan

All eligible employees of the Department also participate in the Vermont Municipal Employees' Retirement System, a cost sharing multiple-employer, contributory defined benefit pension plan. The plan is broken down into Group A, Group B and Group C members.

Group A members are those members who have either not been offered the other groups by their employers, or do not elect to join the other groups. Group B and C members are those members who elect their group after an employer vote to offer that plan, plus all employees subsequently hired to that group. In February 1996, the Hardwick Electric Department board of commissioners voted to cease offering plan C to its employees. Employees already enrolled in this plan were allowed to continue participating; however, the plan will not be offered to any new employees. As of January 1, 2003, all employees were members in Group A.

Members are automatically eligible to participate in the plan immediately. Members who terminate service after 5 or more years of creditable service, at least 2.5 years of which was as a contributing member of the system, may leave their contributions on deposit with the system and receive monthly retirement benefits at normal retirement age. Normal retirement is 65, 62, and 55 years, for Group A, B, and C members, respectively.

Group A members are entitled to a retirement benefit, payable monthly for life, equal to 1% of the average final compensation (AFC) times the number of years of creditable service prior to July 1, 1975, plus 1.1% of the AFC times the number of years of creditable service after June 30, 1975 and prior to July 1, 1987, plus 1.4% of the AFC times the number of years of creditable service after July 1, 1987. Group B members have the same formula as Group A members plus 1.7% of AFC times the number of years of creditable service as a Group B member. Group C members have the same formula as Group B members, plus 3.5% of AFC times the number of years of creditable service as a Group C member. Retirement benefits, in all groups, are reduced for early retirement.

The Department's total payroll expense was \$647,099 and \$615,014 for the years ended December 31, 2003 and 2002, respectively. These amounts represent salaries paid to employees covered under the plan for the years ended December 31, 2003 and 2002, respectively. Employer contributions to this plan for the years ended December 31, 2003 and 2002 were \$25,884 and \$24,600, respectively.

Financial statements for the Plan are available from the Vermont Municipal Employees' Retirement System, Montpelier, Vermont 05602.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Power Contracts

The Department has its own contractual power supply, which is administered by the Vermont Public Power Authority (VPPSA). Under the terms of various power contracts, the Department is obligated to take and pay for all power they have contracted for during the year. A brief summary of the major agreements is provided below:

The Department has a contract for 1743 KW from the Stony Brook Combined Facility. The contract with the three generating units constituting this facility terminates in 2009. The facility has the capability of generating electricity from either natural gas or fuel oil. Hardwick pays its pro-rata share of the plant's charges.

TOWN OF HARDWICK, VERMONT
ELECTRIC DEPARTMENT
(A Component Unit of the Town of Hardwick, Vermont)
Notes to Financial Statements
December 31, 2003 and 2002

NOTE 11 COMMITMENTS AND CONTINGENCIES (Continued)

In 2002, Hardwick contracted with Mirant for a capacity only transaction and an energy transaction. Both contracts began in 2003. The capacity only ends in 2005 and the energy transaction ends in 2007. The energy transaction is only for the winter months and delivers 593 KW during the on-peak hours, Monday through Friday, on a must-take basis, beginning in October and ending in March. The Mirant capacity only transaction covers three years during which Hardwick receives 2600 KW.

In 2003, Hardwick contracted with Morgan Stanley Capital Group for an average take of 493 KW per month energy transaction, which begins in January 2004 and ends December 2008. The energy is delivered during all hours of the day, all year long, on a must-take basis.

The New York Power Authority ("NYPA") provides power to the utilities in Vermont under two contracts. Hardwick's share of the first contract is a 11 KW entitlement to the Robert Moses Project (a.k.a. St. Lawrence). Hardwick's share of the second contract is a 744 KW entitlement to the Niagara Project. Recently, Vermont, through its bargaining agent, the Vermont Department of Public Service, has been working the other states neighboring New York to negotiate an extension to the present contracts which expired on October 31, 2003. Based upon the latest information, the contract for St. Lawrence will be extended through 2053. The Niagara Contract has been extended through May 31, 2007.

Hardwick receives power from several independent power projects through a state mandated arrangement. All of these generation facilities are fueled by water, except for one, which is fueled by wood. Vermont Electric Power Producers, Inc. ("VEPPI") assigns power to all Vermont facilities. Hardwick is assigned 380 KW based upon its 2002 retail electric sales. Contracts between VEPPI and its constituent power producers begin to terminate in 2008, with the last contract scheduled to end in 2020.

The Department has an agreement with VPPSA to purchase 705 KW's of power produced by the McNeil Wood/Gas Burning Generating Facility. This agreement is expected to be available through 2014.

In 2003, Hardwick contracted with J. Aron, a subsidiary of Goldman Sachs, for 213 KW of energy and an additional 213 KW of energy from PSEG Power, and affiliate of Public Service of New Jersey. These transactions begin in January 2004 and go through December 2005, and are delivered during all hours of the day, all year long on a must-take basis.

Hardwick also purchases hydroelectric generation from Water Watts, a small IPP.

The Department is also a member of the New England Power Pool ("NEPOOL") with VPPSA as its representative. Electric power supply facilities in New England are operated under cooperative arrangements provided for by the NEPOOL agreement and ISO/New England. This agreement provides for joint planning and operation of generation and transmission facilities and also incorporates generating capacity reserve obligations and provisions regarding the use of major transmission lines and payment for such use.

In June 1996, the Department contracted with Enron Power Marketing, Inc. (Enron) for the purchase of power and energy for the period November 1997 through November 2003. The Vermont Public Power Supply Authority ("VPPSA") is the mandatary for the Department in the Enron contract, administering and representing the Department in contract matters. In December 2001, Enron filed for Chapter 11

bankruptcy protection, an event of default under the contract. The contract has a set-off provision for losses suffered in the event of a bankruptcy-related default. As of December 31, 2002, Enron filed a claim of \$66,491 against the Department for power and energy billed for the period November 2001 through January 2002. VPPSA, on behalf of the Department, has filed a claim against Enron using this contract-offset provision. The amount of the claim by VPPSA against Enron is \$748,193, of which \$149,160 is the Department's share. It is unlikely that the Department will be obligated to pay the amount of the claim by Enron, and it is unlikely that the Department will be able to collect on their counterclaim.

The Department's KW entitlement as a percentage of the total portfolio of resources that are available to meet the Department's load obligations are as follows at December 31:

	2003	2002	Expiration Date
Water Watts	0.6%	0.5%	2006
VEPPI	4.1%	4.2%	2008-2020
NYPA	8.9%	8.6%	2007
Hydro	8.8%	8.6%	---
PGET - 0307	27.9%	0.0%	See Note
PGET - VY Replacement	0.0%	7.2%	2002
PGET - Enron Replacement	0.0%	24.8%	2002
Stony Brook	20.9%	20.1%	2009
McNeil	7.9%	7.6%	2014
Mirant	4.5%	0.0%	2007
NYSEG Base	13.7%	13.0%	2003
GMP Peaking	2.7%	5.4%	2003
Total Energy Entitlement	<u>100.0%</u>	<u>100.0%</u>	

Other Commitments and Contingencies

As a member of VPPSA, the Department received power from the Vermont Yankee Nuclear Power Plant and was committed to pay its share of plant decommissioning costs for the Power Plant. In February 2002, the Department terminated its commitment to purchase power from Vermont Yankee and is under no obligation for future decommissioning costs. The Department paid a cumulative amount of \$-0- and \$121,173 through December 31, 2003 and 2002, respectively, for decommissioning after receiving a credit of \$1,359 in 2002.

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; stray voltage, and natural disasters. The Department manages these risks through commercial insurance packages purchased in the name of the Department. The Department has transferred the risk of loss to the commercial insurance carrier. Insurance settlements have not exceeded insurance coverage in any of the past three fiscal years.

Environmental Issues

On November 8, 1999, the Department released water from behind the Jackson Dam in a manner that resulted in the Vermont Agency of Natural Resources (ANR) issuing a notice of an alleged violation of state regulations because the release resulted in a discharge of silt into the Lamoille River.

The Department and ANR are involved in discussions on terms of a settlement agreement in regards to this event. The nature and amount of any proposed settlement are not known at this time, and it is not certain that any financial penalty will be involved in that settlement. Accordingly, no provision for loss related to this matter has been recorded in the accompanying financial statements.

Sullivan, Powers & Co.

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Independent Auditor's Report

Board of Selectmen
Town of Hardwick
P.O. Box 523
Hardwick, Vermont 05843

We have audited the accompanying general purpose financial statements of the Town of Hardwick, Vermont as of and for the year ended June 30, 2004. These general purpose financial statements are the responsibility of the Town of Hardwick, Vermont's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements. An audit also includes assessing the accounting principles used and 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.

The Town did not adopt Governmental Accounting Standards Board (GASB) Statement No.s 34, 37 and 38 as required by generally accepted accounting principles (GAAP). These statements would significantly change the accounting and reporting structure of the Town if adopted. These changes include

the presentation of government-wide financial statements, reporting major funds, utilization of the direct method on the cash flow statement, reporting of governmental capital assets, inclusion of the Electric Department Fund, increased detail in the notes to the financial statements, reporting the governmental activities on the full accrual basis of accounting and presenting management's discussion and analysis.

Because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town of Hardwick, Vermont, as of June 30, 2004 or the changes in its financial position for the year then ended.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as Schedules 1 through 10 in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Hardwick, Vermont. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on them.

Sullivan, Powers & Company

August 18, 2004
Montpelier, Vermont
Vt Lic. #92-000180

Members of The American Institute and Vermont Society of Certified Public Accountants.

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TOWN OF HARDWICK, VERMONT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE YEAR ENDED JUNE 30, 2004

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Group	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Trust Funds	General Long- Term Debt	
ASSETS							
Cash - Note 2	\$ 100,833	\$ 163,774	\$ 286,099	\$ 650,850	\$ 566	\$ 0	\$ 1,202,122
Investments - Notes 2 & 3	0	0	0	0	7,911	0	7,911
Receivables- Net of Allowance for Doubtful Accounts - Note 4	138,668	0	0	20,305	0	0	158,973
Loans Receivable - Note 5	0	1,136,474	0	0	0	0	1,136,474
Accrued Interest Receivable - Note 5	0	10,275	0	0	0	0	10,275
Prepaid Expenses	1,719	0	0	218	0	0	1,937
Due from Other Funds	0	76,511	8,190	4,736	349	0	89,786
Property, Plant and Equipment - Net of Accumulated Depreciation - Note 6	0	0	0	2,619,042	0	0	2,619,042
Amount to be Provided For Long-Term Debt	0	0	0	0	0	31,928	31,928
TOTAL ASSETS	\$ 241,220	\$ 1,387,034	\$ 294,289	\$ 3,295,151	\$ 8,826	\$ 31,928	\$ 5,258,448
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts Payable	\$ 29,239	\$ 0	\$ 0	\$ 8,067	\$ 0	\$ 0	\$ 37,306
Payroll Withholdings Payable	2,001	0	0	0	0	0	2,001
Accrued Interest	0	0	0	24	0	0	24
Due to Other Funds	82,655	13	150	6,968	0	0	89,786
Due to Others	3,860	0	0	0	0	0	3,860
Deferred Revenue - Note 7	91,762	1,146,749	0	165	0	0	1,238,676
Accrued Compensated Absences	0	0	0	0	0	10,262	10,262
Notes and Bonds Payable - Note 8	0	0	0	181,698	0	21,666	203,364
Total Liabilities	209,517	1,146,762	150	196,922	0	31,928	1,585,279
Fund Equity:							
Retained Earnings:							
Net Investment in Property, Plant and Equipment							
Restricted - Note 9	0	0	0	2,437,344	0	0	2,437,344
Unrestricted - Designated - Note 9	0	0	0	59,975	0	0	59,975
Fund Balance:							
Restricted - Note 10	1,719	156,323	0	0	8,826	0	166,868
Unrestricted:							
Designated - Note 10	0	83,962	294,139	0	0	0	378,101
Undesignated	29,984	(13)	0	0	0	0	29,971
Total Fund Equity	31,703	240,272	294,139	3,098,229	8,826	0	3,673,169
TOTAL LIABILITIES AND FUND EQUITY	\$ 241,220	\$ 1,387,034	\$ 294,289	\$ 3,295,151	\$ 8,826	\$ 31,928	\$ 5,258,448

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2004

	General Fund	Special Revenue Funds	Capital Projects Funds	Expendable Trust Fund - Memorial Planting Fund	Total (Memorandum Only)
Revenue:					
Property Taxes	\$ 1,082,391	\$ 0	\$ 0	\$ 0	\$ 1,082,391
Intergovernmental	321,568	32,195	7,920	0	361,683
Penalties and Interest	22,866	0	0	0	22,866
Charges for Services	163,884	0	0	0	163,884
Investment Income	4,155	1,740	1,040	3	6,938
Loan Interest Income	0	16,476	0	0	16,476
Licenses and Permits	33,324	0	0	0	33,324
Loan Repayments	0	84,846	0	0	84,846
Sale of Equipment	51	0	400	0	451
Miscellaneous Income	15,992	1,601	0	0	17,593
Total Revenue	<u>1,644,231</u>	<u>136,858</u>	<u>9,360</u>	<u>3</u>	<u>1,790,452</u>
Expenditures:					
General Government	368,781	0	0	0	368,781
Public Safety	648,382	2,605	0	0	650,987
Highways and Streets	392,848	0	0	0	392,848
Appropriations	38,290	0	0	0	38,290
Community Development	0	102,195	0	0	102,195
Culture and Recreation	45,345	13,301	0	0	58,646
Capital Projects	0	0	204,825	0	204,825
Debt Service:					
Principal	21,667	0	0	0	21,667
Interest	1,579	0	0	0	1,579
Total Expenditures	<u>1,516,892</u>	<u>118,101</u>	<u>204,825</u>	<u>0</u>	<u>1,839,818</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>127,339</u>	<u>18,757</u>	<u>(195,465)</u>	<u>3</u>	<u>(49,366)</u>
Other Financing Sources/(Uses):					
Operating Transfers In	83	12,200	231,500	0	243,783
Operating Transfers Out	(243,700)	0	0	0	(243,700)
Total Other Financing Sources/(Uses)	<u>(243,617)</u>	<u>12,200</u>	<u>231,500</u>	<u>0</u>	<u>83</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(116,278)	30,957	36,035	3	(49,283)
Fund Balances - July 1, 2003	<u>147,981</u>	<u>209,315</u>	<u>258,104</u>	<u>346</u>	<u>615,746</u>
Fund Balances - June 30, 2004	<u>\$ 31,703</u>	<u>\$ 240,272</u>	<u>\$ 294,139</u>	<u>\$ 349</u>	<u>\$ 566,463</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 1,095,155	\$ 1,082,391	\$ (12,764)
PILOT	49,761	50,966	1,205
Current Use Hold Harmless	64,116	64,024	(92)
Delinquent Late Charge	22,000	22,866	866
Land Use Withdrawal Assessment	0	8,168	8,168
Zoning Permits	4,500	3,686	(814)
DMV Fees	0	243	243
Licenses and Fees	20,000	29,395	9,395
State Aid to Highways	130,432	130,474	42
Copier Fees	2,000	5,501	3,501
Greensboro Police Contract	100,020	100,020	0
Gas Tax Rebate	0	5,581	5,581
Miscellaneous Police	12,000	10,239	(1,761)
Interest on Investments	7,000	4,155	(2,845)
Interest on Cemetery Fund-Transfer In	60	83	23
Sale of Vehicles	0	51	51
Miscellaneous Revenue	2,000	2,213	213
Rent	0	30	30
Water and Sewer Administrative Charges	48,124	48,124	0
Green-up Day Grant	0	301	301
Local Law Enforcement Block Grant	0	1,639	1,639
Homeland Security Grant	0	40,288	40,288
COPS Grant	0	33,876	33,876
Total Revenue	<u>1,557,168</u>	<u>1,644,314</u>	<u>87,146</u>
Expenditures:			
Office Expenditures:			
Town Manager- Salary	29,841	26,577	3,264
Office Manager- Salary	20,614	19,744	870
Town Clerk- Salary	14,021	13,750	271
Administrative Assistant	17,506	16,206	1,300
Town Clerk Aides	19,408	17,626	1,782
Social Security Expense	8,749	7,376	1,373
Health Insurance	37,273	38,925	(1,652)
Dental Insurance	3,611	2,960	651
Life/Disability Insurance	1,778	1,582	196
Retirement Expense	5,069	3,988	1,081
Town Manager's Office Supplies	3,500	3,479	21
Town Clerk's Office Supplies	4,500	4,512	(12)
Town Report Expense	3,000	4,124	(1,124)
Conferences/ Dues	1,000	972	28
Tax Collect Exp.	0	74	(74)
Tax Billing Expense	500	509	(9)
Telephone	2,200	1,988	212
Advertising	800	243	557

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Office Expenditures:/(Cont'd)			
Copier	\$ 1,200	\$ 1,393	\$ (193)
Computer Services	1,800	1,954	(154)
Lister Supplies	500	659	(159)
Capital Outlay	1,200	851	349
Health Officer Supplies	100	123	(23)
Education Reimbursement	350	0	350
Zoning	2,000	2,623	(623)
Worker's Compensation	562	705	(143)
Unemployment Insurance	707	673	34
VLCT PACIF	1,445	2,212	(767)
Total Office Expenditures	<u>183,234</u>	<u>175,828</u>	<u>7,406</u>
Payroll (Other):			
Listers	4,678	7,445	(2,767)
Zoning Administrator	12,979	12,275	704
Zoning and Planning Board	2,500	1,600	900
Board of Civil Authority	200	250	(50)
Moderator	30	30	0
Selectboard	5,000	5,083	(83)
Social Security Expense	1,973	2,139	(166)
Workers Compensation	281	352	(71)
Public Officers Liability	1,744	1,996	(252)
Election Officials	400	468	(68)
Solid Waste Representative	500	500	0
Total Payroll (Other)	<u>30,285</u>	<u>32,138</u>	<u>(1,853)</u>
Memorial Building:			
Custodian	5,960	5,700	260
Social Security Expense	456	442	14
Operating Supplies	1,800	1,835	(35)
Repairs/Maintenance to Building	1,500	1,135	365
Utilities	2,990	3,748	(758)
Fuel Oil	4,400	5,492	(1,092)
Worker's Compensation	562	705	(143)
Unemployment Insurance	47	34	13
VLCT PACIF	1,445	1,475	(30)
Elevator	1,110	1,253	(143)
Total Memorial Building	<u>20,270</u>	<u>21,819</u>	<u>(1,549)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Police Department:			
Base Payroll	\$ 229,962	\$ 249,395	\$ (19,433)
Overtime	20,000	15,632	4,368
Special Officers	7,500	55,363	(47,863)
Social Security Expense	19,696	24,858	(5,162)
Health Insurance	64,165	61,819	2,346
Dental Insurance	5,319	5,054	265
Life/Disability Insurance	2,580	2,568	12
Retirement Expense	19,243	22,944	(3,701)
Operating Supplies	5,500	3,629	1,871
Training	4,500	7,916	(3,416)
Telephone	5,500	5,969	(469)
Cruiser Repairs and Maintenance	6,000	6,275	(275)
Advertising	500	0	500
Radio Service	1,300	1,352	(52)
Homeland Security Grant	0	9,783	(9,783)
Investigation Expense	2,000	1,350	650
Uniforms - Cleaning	900	162	738
Uniforms Purchases	1,500	4,484	(2,984)
Gas	9,250	13,075	(3,825)
Utilities	1,500	1,874	(374)
Local Law Enforcement Block Grant	0	1,296	(1,296)
Tires	750	1,337	(587)
Education	300	144	156
Equipment	3,000	2,182	818
Workers Compensation	13,216	14,601	(1,385)
VLCT PACIF	6,019	5,898	121
Unemployment Insurance	1,886	1,698	188
Drug Task Force	0	141	(141)
COPS Grant Expenses	0	50,542	(50,542)
Capital Outlay	3,000	39	2,961
Total Police Department	435,086	571,380	(136,294)
Fire Department:			
Labor	13,000	13,783	(783)
Social Security Expense	995	1,055	(60)
Operating Supplies	2,000	700	1,300
Telephone	2,700	2,569	131
Gasoline	700	592	108
Utilities	1,650	1,861	(211)
Fuel Oil	2,500	3,454	(954)
Equipment Purchases	6,000	2,187	3,813
Clothing	3,500	0	3,500
Repairs and Maintenance to Fire Station	2,000	79	1,921
Equipment Repairs	4,000	7,337	(3,337)
Training	1,500	226	1,274
Worker's Compensation	1,125	1,410	(285)
VLCT PACIF	4,093	3,686	407
Capital Outlay	5,000	0	5,000
Homeland Security	0	30,769	(30,769)
Total Fire Department	50,763	69,708	(18,945)

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Highway/Garage/ Equipment:			
Payroll	\$ 132,568	\$ 137,627	\$ (5,059)
Overtime	14,000	10,714	3,286
Social Security Expense	11,212	11,639	(427)
Health Insurance	53,177	54,191	(1,014)
Dental Insurance	5,210	4,688	522
Life/Disability Insurance	1,801	1,807	(6)
Retirement Expense	7,328	7,482	(154)
Summer Gravel	15,000	15,849	(849)
Summer Chloride	16,000	9,131	6,869
Summer Mowing	500	82	418
Summer Paving	2,000	1,211	789
Summer Guardrail	350	0	350
Summer Ditching	500	1,625	(1,125)
Street Sweeping	3,500	3,000	500
Winter Sand	8,500	12,396	(3,896)
Winter Salt	21,000	18,032	2,968
Worker's Compensation	10,123	12,275	(2,152)
Unemployment Insurance	1,132	1,077	55
VLCT PACIF	6,260	6,635	(375)
Operating Supplies	9,000	10,479	(1,479)
Telephone	800	654	146
Culverts	2,000	1,702	298
Uniforms	4,800	5,448	(648)
Sidewalk Expense	500	301	199
Radio Service	1,500	120	1,380
Streetscape	1,750	2,351	(601)
Storm Drains	2,000	3,638	(1,638)
Bridges	500	0	500
Road Signs	2,000	766	1,234
Gasoline	1,750	1,445	305
Diesel Fuel	15,000	17,766	(2,766)
Utilities	2,600	2,864	(264)
Streetscape Salary	8,500	5,511	2,989
Streetscape FICA	650	451	199
Safety/Training	1,000	922	78
Building Repairs	2,000	100	1,900
Equipment Expense	25,000	28,869	(3,869)
	<u>391,511</u>	<u>392,848</u>	<u>(1,337)</u>
Total Highway/Garage/Equipment	<u>391,511</u>	<u>392,848</u>	<u>(1,337)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Appropriations:			
Senior Citizens Center	\$ 1,000	\$ 1,000	\$ 0
Recreation Committee	9,200	9,200	0
Caledonia Home Health Care Agency	3,500	3,500	0
Northeast Kingdom Mental Health Service	3,190	3,190	0
Adult Learning Center - Newport	200	200	0
A.W.A.R.E.	3,000	3,000	0
Area Agency on Aging	3,900	3,900	0
Lamoille Family Center	1,200	1,200	0
Railroad Depot	5,000	5,000	0
N.K.Y. Services	600	600	0
Lamoille Housing	750	750	0
Out & About	650	650	0
Greensboro CCC	1,500	1,500	0
NCAL	1,300	1,300	0
H.A.C.C.	1,000	1,000	0
Greensboro Nursing	3,000	3,000	0
Youth Center	5,000	5,000	0
OSSU Youth Council	3,000	3,000	0
Hardwick Boxing	2,000	2,000	0
Even Start	1,500	1,500	0
Total Appropriations	<u>50,490</u>	<u>50,490</u>	<u>0</u>
Rescue Squad:			
Pro-Rated Share	<u>7,294</u>	<u>7,294</u>	<u>0</u>
Taxes:			
County Tax	<u>12,600</u>	<u>11,619</u>	<u>981</u>
Other Expenses:			
Auditing	3,975	4,825	(850)
Dog Control	1,500	1,230	270
Professional Services	2,500	807	1,693
Northeastern Vermont Development Association	1,040	1,040	0
VLCT	2,377	2,377	0
Interest Expense	1,560	1,579	(19)
Judevine Memorial Library	35,780	35,780	0
Memorial Day	3,500	3,768	(268)
Caspian Lake	1,850	1,850	0
Cemeteries	11,000	9,565	1,435
Equipment Replacement Fund Transfer	65,000	65,000	0
Tax Mapping	1,000	0	1,000
Solid Waste District	6,665	6,766	(101)
Debt Principal	21,667	21,667	0
Streetlights	20,870	22,432	(1,562)
Health Insurance Deductibles	11,000	14,570	(3,570)
Capital Improvement Transfer	166,500	166,500	0
Tax Discount Expense	26,000	32,423	(6,423)

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other Expenses: (Cont'd)			
Employment Practices Insurance	\$ 1,848	\$ 1,937	\$ (89)
Town Clerk Retirement	0	518	(518)
Land Purchase	0	2,102	(2,102)
Ice Jam Clean-up	0	27,730	(27,730)
Green-up Day	0	902	(902)
Insurance Deductibles	1,000	2,100	(1,100)
Total Other Expenses	<u>386,632</u>	<u>427,468</u>	<u>(40,836)</u>
Total Expenditures - Note 11	<u>1,568,165</u>	<u>1,760,592</u>	<u>(192,427)</u>
Excess/(Deficiency) of Revenue			
Over Expenditures - Note 12	\$ <u>(10,997)</u>	(116,278)	\$ <u>(105,281)</u>
Fund Balance - July 1, 2003		<u>147,981</u>	
Fund Balance - June 30, 2004		<u>\$ 31,703</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
COMBINED STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Enterprise Funds	Nonexpendable Cemetery Trust Fund	Total (Memorandum Only)
Revenue:			
Charges for Services	\$ 361,666	\$ 0	\$ 361,666
Interest and Penalty on Delinquents	8,698	0	8,698
Miscellaneous	310	0	310
Interest Income	0	87	87
Impact Fees	2,000	0	2,000
Total Revenue	<u>372,674</u>	<u>87</u>	<u>372,761</u>
Expenses:			
Communications	2,241	0	2,241
Legal and Auditing	4,183	0	4,183
Insurance	7,000	0	7,000
Administrative	15,909	0	15,909
Salaries and Wages	119,443	0	119,443
Benefits	45,964	0	45,964
Maintenance	30,726	0	30,726
Utilities	43,724	0	43,724
Depreciation	135,848	0	135,848
Professional Services	270	0	270
Process Chemicals	2,029	0	2,029
Permit Fees	3,718	0	3,718
Miscellaneous	2,856	0	2,856
Equipment Charge	14,500	0	14,500
Water Testing	1,036	0	1,036
Capital Maintenance	20,009	0	20,009
Total Expenses	<u>449,456</u>	<u>0</u>	<u>449,456</u>
Net Operating Income/(Loss)	<u>(76,782)</u>	<u>87</u>	<u>(76,695)</u>
Non-Operating Revenues and (Expenses):			
Interest Income	4,638	0	4,638
Interest Expense	(1,203)	0	(1,203)
Total Non-Operating Revenues and (Expenses)	<u>3,435</u>	<u>0</u>	<u>3,435</u>
Net Income/(Loss) Before Transfers	<u>(73,347)</u>	<u>87</u>	<u>(73,260)</u>
Other Financing Sources/(Uses):			
Operating Transfers Out	0	(83)	(83)
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(83)</u>	<u>(83)</u>
Increase/(Decrease) in Retained Earnings/Net Income	(73,347)	4	(73,343)
Retained Earnings/Fund Balance - July 1, 2003 - Note 13	<u>3,171,576</u>	<u>8,473</u>	<u>3,180,049</u>
Retained Earnings/Fund Balance - June 30, 2004	<u>\$ 3,098,229</u>	<u>\$ 8,477</u>	<u>\$ 3,106,706</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Enterprise Funds	Nonexpendable Cemetery Trust Fund	Total (Memorandum Only)
Increase in Cash:			
Cash Flows from Operating Activities:			
Net Operating Income/(Loss)/Net Income	\$ (76,782)	\$ 4	\$ (76,778)
Add/Deduct: Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Depreciation Expense	135,848	0	135,848
Decrease in Accounts Receivable	9,661	0	9,661
Increase in Prepaid Expense	(115)	0	(115)
Increase in Due From Other Funds	(4,736)	0	(4,736)
Decrease in Accounts Payable	(2,784)	0	(2,784)
Increase in Due To Other Funds	6,968	0	6,968
Increase in Deferred Revenue	165	0	165
Decrease in Accrued Payroll	(1,441)	0	(1,441)
Net Cash Provided by Operating Activities	<u>66,784</u>	<u>4</u>	<u>66,788</u>
Cash Flows from Non-Capital Financing Activities:	<u>0</u>	<u>0</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:			
Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Purchase of Property, Plant and Equipment	(39,380)	0	(39,380)
Principal Paid on Notes and Bonds Payable	(21,593)	0	(21,593)
Interest Paid on Notes and Bonds	(1,211)	0	(1,211)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(62,184)</u>	<u>0</u>	<u>(62,184)</u>
Cash Flows from Investing Activities:			
Items Providing Cash			
Interest Received on Cash Deposits	4,638	0	4,638
Net Cash Provided by Investing Activities	<u>4,638</u>	<u>0</u>	<u>4,638</u>
Total Cash Provided	9,238	4	9,242
Cash - July 1, 2003	<u>641,612</u>	<u>562</u>	<u>642,174</u>
Cash - June 30, 2004	<u>\$ 650,850</u>	<u>\$ 566</u>	<u>\$ 651,416</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

The Town of Hardwick, Vermont (herein the "Town") operates under a Manager/Selectmen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, community/economic development, recreation, public improvements, planning and zoning, water, sewer, electric and general administrative services.

The Town, for financial reporting purposes, should include all of the funds and account groups relevant to the operations of the Town of Hardwick. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Hardwick.

The accounting policies of the Town do not conform with generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town did not adopt Governmental Accounting Standards Board (GASB) Statement No.'s 34, 37 and 38 as required by generally accepted accounting principles (GAAP). These statements would significantly change the accounting and reporting structure of the Town if adopted. These changes include the presentation of government-wide financial statements, reporting on major funds, utilization of the direct method on the cash flow statement, reporting of governmental capital assets, inclusion of the Electric Department Fund, increased detail in the notes to the financial statements, reporting the governmental activities on the full accrual basis of accounting and presenting management's discussion and analysis.

A. Reporting Entity

The criteria of oversight responsibility, special financing relationships and scope of public service was used in determining the agencies or entities which comprise the Town for financial reporting purposes. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations and accountability for fiscal matters. Based on these criteria, there is one (1) entity, the Hardwick Electric Department, which should be combined with the financial statements of the Town, but is not.

B. Fund Accounting

The accounts of the Town 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, revenue and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three (3) fund types and six (6) fund

categories, as follows:

Governmental Funds

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted or designated for expenditures for specific purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets or facilities (other than those financed by Proprietary Funds, Special Assessment Funds and Trust Funds).

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Types

Trust Funds - Trust Funds are used to account for assets held by the Town in a trustee capacity for individuals, other governments and/or other funds.

Expendable Trust Funds - These account for assets of which both principal and interest may be expended.

Nonexpendable Trust Funds - These account for assets of which the principal may not be expended.

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in Governmental Fund type operations (general fixed assets) should be accounted for in the General Fixed Asset Account Group and expensed when purchased.

TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Note 1:(Cont.)

The Town does not maintain the historical cost information needed for the establishment of a General Fixed Asset Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their fund equity (net total assets) is segregated into net investment in property, plant and equipment and retained earnings components.

Depreciation on all exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on the Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method.

Long-term liabilities expected to be financed from Governmental Funds are accounted for in the General Long-Term Debt Account Group, not in the Governmental Funds.

Because of their spending measurement focus, expenditure recognition for Governmental Fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

E. Basis of Accounting

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

All Governmental Fund types are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues available if they are collected within sixty (60) days after year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general

rule include principal and interest on general long-term debt, which is recognized when due.

All Proprietary Funds and Nonexpendable Trust Funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. As permitted by GASB, the Town has elected not to apply Statements of Financial Accounting Standards issued after November 30, 1989.

F. General Fund Budget

The General Fund budget is approved at Town Meeting and the Board of Selectmen set the tax rate based on the Grand List and approved budget.

G. Fund Balances/Retained Earnings

Fund Balances/Retained Earnings are classified in four separate categories. The categories, and their general meanings, are as follows:

Restricted - Indicates amounts that are not appropriable or are legally restricted for a specific use.

Unrestricted - Designated - Indicates that portion of fund equity for which the Town has made tentative plans.

Unrestricted - Undesignated - Indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

Net Investment in Property, Plant and Equipment - Indicates that portion of fund equity which the Town has invested in Property, Plant and Equipment.

H. Operating Transfers

Operating Transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

I. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

J. Estimates

The presentation of financial statements in conformity with 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.

K. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. These interfund balances have not been eliminated in the aggregation of this data. Short-term interfund loans are classified as interfund receivables/payables.

**TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 1:(Cont.)

L. Vacation, Personal and Sick Leave

Accumulated unpaid vacation leave is accrued when earned and is included in the General Long-Term Debt Account Group as well as sick leave for individuals that have worked for the Town more than 10 years. Upon retirement, termination, or death, unused vacation time, and certain individual's sick time, is paid.

M. Allowance for Uncollectible Accounts

The Town provides an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of all receivables. The estimated losses are based on the judgement of management and a review of the current status of existing receivables.

Note 2: CASH AND CASH EQUIVALENTS

Cash received by the Town is placed in the custody of the Town Treasurer who is elected. The cash deposits in the Town accounts as of June 30, 2004 consisted of the following:

	Book Balance	Bank Balance
Insured (FDIC)	\$ 104,350	\$ 135,596
Uninsured, Uncollateralized	1,105,283	1,105,344
Cash on Hand	<u>400</u>	<u>N/A</u>
Total	<u>\$1,210,033</u>	<u>\$1,240,940</u>

The difference between the book and bank balances is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amounts of uninsured, uncollateralized cash was much higher than at year end.

\$21,666 of the uninsured, uncollateralized cash could be offset by debt at that respective bank.

Cash and cash equivalents is comprised of the following:

Cash	\$1,202,122
Certificates of Deposit	7,911
Total	<u>\$1,210,033</u>

Note 3: INVESTMENTS

The Town's investments are categorized below to give an indication of the level of risk assumed. Category 1 includes investments that are insured or registered or for which the securities are held in the Town's name. Category 2 includes uninsured and unregistered investments for which securities are held by a countryparty's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by a counterparty, or by its trust department or agent, but not in the Town's name. The Town has only Category 1 investments. An analysis of the Town's investments by category at June 30, 2004 is as follows:

	Category			Market Value
	(1)	(2)	(3)	
Certificates of Deposits	\$7,911	\$0	\$0	<u>\$7,911</u>
Total Investments				<u>\$7,911</u>

Note 4: RECEIVABLES

The following is a summary of the receivables at June 30, 2004:

	General Fund	Water Fund	Enterprise Funds		Total
			Sewer Fund	Total	Total
Delinquent Taxes					
Receivable	\$117,482	\$ 0	\$ 0	\$ 0	\$117,482
Accounts					
Receivable	0	6,088	9,591	15,679	15,679
Penalties and Interest					
Receivable	12,062	1,991	3,360	5,351	17,413
Grants					
Receivable	6,074	0	0	0	6,074
Miscellaneous					
Receivables	3,550	275	0	275	3,825
Allowance for Doubtful					
Accounts	(500)	(500)	(500)	(1,000)	(1,500)
Total	<u>\$138,668</u>	<u>\$ 7,854</u>	<u>\$12,451</u>	<u>\$20,305</u>	<u>\$158,973</u>

Note 5: LOANS RECEIVABLE

Loans Receivable consist of a number of loans for community development as follows:

Note Receivable, Hardwick Housing Partnership, Payable on Demand on and after January 8, 2033, 2% Interest, Secured by a Mortgage	\$ 530,000
Note Receivable, Highland Hill Housing Limited Partnership, Payable on Demand on and After August 29, 2018, 0% Interest, Secured by Mortgage	327,820
Notes Receivable, 19 Small Business Loans, Monthly Principal and Interest Payments Required, Interest Ranging from 2.75% to 8.0%, Various Due Dates, All Secured by Business Assets. There is one (1) Loan that is in Arrears Totaling \$34,999	<u>278,654</u>
Total	<u>\$1,136,474</u>

An analysis of the change in notes receivable is as follows:

Balance				Balance
July 1, 2003	Additions	Deletions		June 30, 2004
<u>\$1,156,320</u>	<u>\$ 65,000</u>	<u>\$ 84,846</u>		<u>\$1,136,474</u>

Accrued Interest on the delinquent loan totals \$10,275.

**TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 6: PROPERTY, PLANT AND EQUIPMENT

An analysis of property, plant, and equipment at June 30, 2004 is as follows:

Water Utility Plant in Service

	Depreciation		
	Method	Life	
Land	N/A	N/A	\$ 7,937
Buildings	SL	30 Years	48,543
Reservoirs	SL	50 Years	50,047
Wells and Pipe Connections	SL	30 Years	639,149
Equipment	SL	10 Years	8,567
Hydrants	SL	30 Years	26,321
Meters	SL	30 Years	2,389
Total			782,953
Less: Accumulated Depreciation			<u>(375,155)</u>
Net Water Utility Plant in Service			<u>407,798</u>

Sewer Utility Plant in Service

	Depreciation		
	Method	Life	
Land	N/A	N/A	\$ 38,495
Buildings and Sewer System	SL	40 Years	4,128,799
Tools and Equipment	SL	10 Years	53,756
Combined Sewer Overflow Project	SL	40 Years	512,564
Construction in Progress	N/A	N/A	8,371
Total			4,741,985
Less: Accumulated Depreciation			<u>(2,530,741)</u>
Net Sewer Utility Plant in Service			<u>2,211,244</u>
Total Property, Plant and Equipment			<u>\$ 2,619,042</u>

Note 7: DEFERRED REVENUE

Deferred Revenue in the General Fund consists of \$87,000 of delinquent property taxes and penalty and interest on those taxes not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities, \$3,096 of fiscal year 2005 taxes received in advance, and \$1,666 of grant revenue received in advance. The revenue will be recognized as delinquent taxes are collected, fiscal year 2005 taxes are billed and as expenses are incurred for the grant. Total Deferred Revenue in the General Fund is \$91,762.

Deferred Revenue in the Special Revenue Funds consists of \$1,146,749 of grant funds loaned out and the related accrued interest as described in Note 5.

Deferred Revenue in the Enterprise Funds consists of \$165 of prepaid user fees.

Note 8: NOTES AND BONDS PAYABLE

Enterprise Funds

Sewer Bond Payable - Environmental Protection Agency - Pollution Control Revolving Fund - CSO Project - 0% Interest, Due April 1, 2015, Annual Payments of \$14,778	\$162,557
Sewer Bond Payable - Rural Economic and Community Development, Combined Sewer Overflow Project, Semi-Annual Principal and Interest Payments of \$4,013, Interest at 4.5%, Due December 20, 2025. Based on Current Payments, this Loan will be Paid in Full in December, 2006	19,141
Total	<u>\$181,698</u>

Maturities are as follows for the Enterprise Funds:

	Principal	Interest	Total
2005	22,023	781	22,804
2006	22,353	451	22,804
2007	19,099	98	19,197
2008	14,778	0	14,778
2009	14,778	0	14,778
2010-2014	73,890	0	73,890
2015	14,777	0	14,777
Total	<u>\$181,698</u>	<u>\$ 1,330</u>	<u>\$183,028</u>

An analysis of the change in the Enterprise Funds notes and bonds payable are as follows:

Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
<u>\$203,291</u>	<u>\$ 0</u>	<u>\$21,593</u>	<u>\$181,698</u>

General Long-Term Debt

Note Payable, Union Bank Fire Truck Purchase 3.6% Interest, Secured by Fire Truck, Annual Principal Payments of \$21,667 Plus Accrued Interest, Maturing April 18, 2005	\$21,666
Total	<u>\$21,666</u>

Maturities are as follows for the General Long-Term Debt:

	Principal	Interest	Total
2005	21,666	780	22,446
Total	<u>\$21,666</u>	<u>\$780</u>	<u>\$22,446</u>

An analysis of the change in General Long-Term Debt is as follows:

Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
<u>\$43,333</u>	<u>\$ 0</u>	<u>\$21,667</u>	<u>\$ 21,666</u>

**TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004**

RESTRICTED AND DESIGNATED RETAINED EARNINGS

Restricted:

Sewer Fund

Restricted for Sewer Expansion by Connection Fees \$ 59,975
Total Restricted Retained Earnings \$ 59,975

Designated:

Water Fund

Designated for Well Replacement \$ 52,715
Designated for Water Capital Expenses 212,194
Designated for Water Operations 15,215
Total Water Fund 280,124

Sewer Fund

Designated for Sewer Capital Projects 199,813
Designated for Sewer Operations 120,973
Total Sewer Fund 320,786
Total Designated Retained Earnings \$600,910

The following is an analysis of the activity for the Well Replacement Account, Water Capital Account, Sewer Capital Account and Sewer Connection Fee Account.

	Well Replacement Account	Water Capital Account	Sewer Capital Account	Sewer Connection Fee Account
Beginning Balance	\$ 47,369	\$193,129	\$209,218	\$57,563
Interest Earnings	346	1,801	1,306	412
Transfer In From Water Operating Fund	5,000	40,000	0	0
Transfer In From Sewer Operating Fund	0	0	25,000	0
New Connections	0	0	0	2,000
Capital Purchases/Expenses	0	(22,736)	(35,711)	0
Ending Balance	<u>\$ 52,715</u>	<u>\$212,194</u>	<u>\$199,813</u>	<u>\$59,975</u>

Note 10:

RESTRICTED AND DESIGNATED FUND BALANCES:

Restricted:

General Fund:

Restricted for Prepaid Expenses \$ 1,719
Total General Fund 1,719

Special Revenue Funds:

Restricted for Revolving Loan Fund
by Grant Agreement 156,323
Total Special Revenue Funds 156,323

Trust Funds:

Restricted for Cemetery Fund
by Trust Agreement \$ 8,477
Restricted for Memorial Planting Fund
by Trust Agreement 349
Total Trust Funds 8,826

Total Restricted Fund Balances \$166,868

Designated:

Special Revenue Funds:

Designated for DARE/Drug Seizure Expenses \$ 7,451
Designated for Recreation Expenses 2,728
Designated for Reappraisal Expenses 73,581
Designated for Child Car Seat Expenses 202

Total Special Revenue Funds 83,962

Capital Projects Funds:

Designated for Capital Purchases 202,287
Designated for Equipment Replacement 91,852

Total Capital Projects Funds 294,139

Total Designated Fund Balances \$378,101

The OSSU Youth Council Special Revenue Fund deficit of \$13 will be funded with future donations or a transfer from the General Fund.

Note 11:

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2004, expenditures exceeded appropriations in the General Fund by \$192,427. These were funded by excess revenues and available fund balance.

Note 12: BUDGETED DEFICIT

The Town elected to budget expenditures in excess of revenue by \$10,997 in the General Fund in order to utilize the prior year's surplus. This is reflected as a current year's budgeted deficiency of revenues over expenditures in Exhibit III.

TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Note 13: COMBINING OF EQUITY ACCOUNTS

The Town combined the equity accounts in the Enterprise Funds as follows:

	Water Fund	Sewer Fund	Total
Retained Earnings - July 1, 2003 - As Originally Reported	\$569,983	\$ 751,175	\$1,321,158
Contributed Capital - July 1, 2003 - As Originally Reported	123,710	1,726,708	1,850,418
Retained Earnings - July 1, 2003 - As Combined	<u>\$693,693</u>	<u>\$2,477,883</u>	<u>\$3,171,576</u>

Note 14:

RECONCILIATION OF BUDGETARY STATEMENTS

The "budget versus actual" statements of the following funds have been prepared to conform with their budgets. Therefore, to conform with Generally Accepted Accounting Principles (GAAP), certain adjustments are necessary. The following are the adjustments which reconcile the budgetary statements with the GAAP basis statements.

Water Fund

Net Income/(Loss) - Budgetary Basis - Schedule 8	\$ (20,675)
Adjustments:	
Depreciation	(16,057)
Well Replacement Transfer	5,000
Well Replacement Fund Income	346
Capital Fund Transfer	40,000
Capital Fund Income	1,801
Capital Fund Expenses	<u>(16,186)</u>
Net Income/(Loss) - GAAP Basis - Schedule 6	<u>\$ (5,771)</u>

Sewer Fund

Net Income - Budgetary Basis - Schedule 9	\$ 4,430
Adjustments:	
Principal Payments on Bond	21,593
Depreciation	(119,791)
Sewer Capital Fund Transfer	25,000
Sewer Connection Fees	2,000
Sewer Capital Interest	1,306
Decrease in Accrued Interest	8
Miscellaneous Income	310
Sewer Capital Fund Expenses	(2,844)
Sewer Connection Fee Interest	<u>412</u>
Net Income/(Loss) - GAAP Basis - Schedule 6	<u>\$ (67,576)</u>

Note 15: ENTERPRISE FUND SEGMENT INFORMATION

The Town maintains two Enterprise Funds. The Water Fund and Sewer Fund account for the basic utility services. Selected segment information for the year ended June 30, 2004 is as follows:

	Water Fund	Sewer Fund
Operating Revenues	\$156,606	\$ 215,768
Depreciation	16,057	119,791
Operating Income/(Loss)	(8,066)	(68,716)
Net Income/(Loss)	(5,771)	(67,576)
Fixed Asset Additions	6,550	32,830
Net Working Capital	280,124	358,738
Total Assets	698,577	2,596,574
Bonds and Notes Payable	0	181,698
Total Equity	687,922	2,410,307

Note 16: PROPERTY TAXES

Property taxes are due on May 10 and become delinquent on May 11. There is a 3% discount for taxes paid in full by November 10. A penalty of 8% is assessed on outstanding balances at May 11 with interest accruing at 1% per month. The Town of Hardwick bills and collects its own property taxes and also for education taxes for the State of Vermont. For the fiscal year ended June 30, 2004, the tax rate is as follows:

Education	1.8281
General Town	.8977
Highway	<u>.2809</u>
Total Tax Rate/per \$100 of Assessed Valuation	<u>3.0067</u>

Note 17: RETIREMENT PLAN

All applicable employees of the Town of Hardwick are covered under the State of Vermont Municipal Employees' Retirement Plan. Employees in Group B contribute 4.5% of their gross salary, and the Town contributes 5%. Employees in Group D contribute 11% of their gross salary and the Town contributes 9%.

The Town of Hardwick pays all costs accrued each year for the plan. The premise of this plan is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as present value of vested and nonvested plan benefits by municipality are not determinable.

Total payroll for the year was \$784,525 while covered payroll was \$667,921. Pension expense for the year was \$44,456.

Additional information regarding the State of Vermont Municipal Employees Retirement System is available upon request from the State of Vermont.

TOWN OF HARDWICK, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Note 18: RISK MANAGEMENT

The Town of Hardwick is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Hardwick maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Hardwick. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

In addition, the Town of Hardwick is a member of Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide

health insurance and wellness programs for Vermont municipalities and is owned by the participating members. The agreement does not permit the Health Trust to make additional assessments to its members.

The Town of Hardwick is also a member of the Vermont League of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

Note 19: LINE OF CREDIT/SUBSEQUENT EVENT

On July 8, 2004, the Town opened an operating line of credit at the Union Bank for \$200,000. Interest is at 2.2% and is due on or before June 30, 2005.

Sullivan, Powers & Co.

CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report on Supplementary Information

Board of Selectman
Town of Hardwick
P.O. Box 523
Hardwick, Vermont 05843

We have audited the accompanying general purpose financial statements of the Town of Hardwick, Vermont as of and for the year ended June 30, 2004. These general purpose financial statements are the responsibility of the Town of Hardwick, Vermont's management. Our responsibility is to express an opinion on these general purpose 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and 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.

The Town did not adopt Governmental Accounting Standards Board (GASB) Statement No.'s 34, 37 and 38 as required by generally accepted accounting principles (GAAP). These statements would significantly change the accounting and reporting structure of the Town if adopted. These changes include the presentation of government-wide financial statements, reporting major funds, utilization of the direct method on the cash flow statement, reporting of governmental capital assets, inclusion of the Electric Department Fund, increased detail in the notes of the financial statements, reporting of the governmental activities on the full accrual basis of accounting and presenting management's discussion and analysis.

Because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town of Hardwick, Vermont, as of June 30, 2004 or the changes in its financial position for the year then ended.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as Schedules 1 through 10 in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Hardwick, Vermont. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on them.

August 18, 2004
Montpelier, Vermont
Vt. Lic. #92,000180

Sullivan, Powers & Company

Members of The American Institute and Vermont Society of Certified Public Accountants.

TOWN OF HARDWICK, VERMONT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004

	DARE/ Drug Seizure Fund	Revolving Loan Fund	Recreation Committee Fund	Reappraisal Fund	OSSU Youth Council Fund	Lamoille Housing Fund	Child Car Seat Fund	Total
ASSETS								
Cash	\$ 7,451	\$ 156,323	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 163,774
Due From Other Funds	0	0	2,728	73,581	0	0	202	76,511
Loans Receivable	0	1,136,474	0	0	0	0	0	1,136,474
Accrued Interest	0	10,275	0	0	0	0	0	10,275
TOTAL ASSETS	\$ 7,451	\$ 1,303,072	\$ 2,728	\$ 73,581	\$ 0	\$ 0	\$ 202	\$ 1,387,034
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13	\$ 0	\$ 0	\$ 13
Deferred Revenue	0	1,146,749	0	0	0	0	0	1,146,749
Total Liabilities	0	1,146,749	0	0	13	0	0	1,146,762
Fund Balances/(Deficit):								
Restricted	0	156,323	0	0	0	0	0	156,323
Unrestricted:								
Designated	7,451	0	2,728	73,581	0	0	202	83,962
Undesignated	0	0	0	0	(13)	0	0	(13)
Total Fund Balances/ (Deficit)	7,451	156,323	2,728	73,581	(13)	0	202	240,272
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,451	\$ 1,303,072	\$ 2,728	\$ 73,581	\$ 0	\$ 0	\$ 202	\$ 1,387,034

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	DARE/ Drug Seizure Fund	Revolving Loan Fund	Recreation Committee Fund	Reappraisal Fund	OSSU Youth Council Fund	Lamoille Housing Fund	Child Car Seat Fund	Total
Revenue:								
Investment Income	\$ 40	\$ 1,132	\$ 48	\$ 518	\$ 0	\$ 0	\$ 2	\$ 1,740
Loan Interest Income	0	16,476	0	0	0	0	0	16,476
Grant Income	970	0	0	10,073	0	21,152	0	32,195
Miscellaneous Income	868	358	175	0	0	0	200	1,601
Loan Repayments	0	84,846	0	0	0	0	0	84,846
Total Revenue	1,878	102,812	223	10,591	0	21,152	202	136,858
Expenditures:								
Administration	0	766	0	0	0	0	0	766
Miscellaneous	0	0	0	0	3,013	0	0	3,013
Public Safety	2,605	0	0	0	0	0	0	2,605
Community Development	0	80,277	0	0	0	21,152	0	101,429
Recreation Expenses	0	0	10,288	0	0	0	0	10,288
Total Expenditures	2,605	81,043	10,288	0	3,013	21,152	0	118,101
Excess/(Deficiency) of Revenue Over Expenditures	(727)	21,769	(10,065)	10,591	(3,013)	0	202	18,757
Other Financing Sources:								
Operating Transfers In	0	0	9,200	0	3,000	0	0	12,200
Total Other Financing Sources	0	0	9,200	0	3,000	0	0	12,200
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(727)	21,769	(865)	10,591	(13)	0	202	30,957
Fund Balance - July 1, 2003	8,178	134,554	3,593	62,990	0	0	0	209,315
Fund Balance/(Deficit) - June 30, 2004	\$ 7,451	\$ 156,323	\$ 2,728	73,581	\$ (13)	\$ 0	\$ 202	\$ 240,272

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2004

	<u>0</u> Capital Fund	Equipment Replacement Fund	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 202,437	\$ 83,662	\$ 286,099
Due from Other Funds	<u>0</u>	<u>8,190</u>	<u>8,190</u>
 TOTAL ASSETS	 <u>\$ 202,437</u>	 <u>\$ 91,852</u>	 <u>\$ 294,289</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>150</u>	\$ <u>0</u>	\$ <u>150</u>
Total Liabilities	<u>150</u>	<u>0</u>	<u>150</u>
Fund Balances:			
Unrestricted:			
Designated	<u>202,287</u>	<u>91,852</u>	<u>294,139</u>
Total Fund Balances	<u>202,287</u>	<u>91,852</u>	<u>294,139</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 202,437</u>	 <u>\$ 91,852</u>	 <u>\$ 294,289</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	Capital Fund	Equipment Replacement Fund	Total
Revenue:			
Investment Income	\$ 575	\$ 465	\$ 1,040
Grant Revenue	7,920	0	7,920
Sale of Equipment	0	400	400
Total Revenue	8,495	865	9,360
Expenditures:			
Bridges	9,946	0	9,946
Buildings	30,294	0	30,294
Roads	72,685	0	72,685
Infrastructure	14,301	0	14,301
Equipment and Vehicles	6,360	70,278	76,638
Miscellaneous	961	0	961
Total Expenditures	134,547	70,278	204,825
Excess/(Deficiency) of Revenue Over Expenditures	(126,052)	(69,413)	(195,465)
Other Financing Sources:			
Operating Transfers In	166,500	65,000	231,500
Total Other Financing Sources	166,500	65,000	231,500
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	40,448	(4,413)	36,035
Fund Balance - July 1, 2003	161,839	96,265	258,104
Fund Balance - June 30, 2004	\$ 202,287	\$ 91,852	\$ 294,139

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Cash	\$ 282,925	\$ 367,925	\$ 650,850
Receivables- Net of Allowance for Doubtful Accounts	7,854	12,451	20,305
Prepaid Expenses	0	218	218
Due From Other Funds	0	4,736	4,736
Property, Plant and Equipment- Net of Accumulated Depreciation	407,798	2,211,244	2,619,042
TOTAL ASSETS	\$ 698,577	\$ 2,596,574	\$ 3,295,151
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	\$ 3,586	\$ 4,481	\$ 8,067
Due to Other Funds	6,968	0	6,968
Deferred Revenue	101	64	165
Accrued Interest	0	24	24
Bonds and Notes Payable	0	181,698	181,698
Total Liabilities	10,655	186,267	196,922
Fund Equity:			
Net Investment in Property, Plant and Equipment	407,798	2,029,546	2,437,344
Restricted	0	59,975	59,975
Unrestricted - Designated	280,124	320,786	600,910
Total Fund Equity	687,922	2,410,307	3,098,229
TOTAL LIABILITIES AND FUND EQUITY	\$ 698,577	\$ 2,596,574	\$ 3,295,151

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2004

	Water Fund	Sewer Fund	Total
Revenue:			
Charges for Services	\$ 153,277	\$ 208,389	\$ 361,666
Penalties and Interest	3,629	5,069	8,698
Impact Fees	0	2,000	2,000
Miscellaneous Income	0	310	310
	<u>156,906</u>	<u>215,768</u>	<u>372,674</u>
Total Revenue			
	<u>156,906</u>	<u>215,768</u>	<u>372,674</u>
Expenses:			
Communications	1,243	998	2,241
Legal and Auditing	1,513	2,670	4,183
Insurance	1,849	5,151	7,000
Administrative	7,630	8,279	15,909
Salaries and Wages	56,161	63,282	119,443
Benefits	17,199	28,765	45,964
Maintenance	10,543	20,183	30,726
Utilities	21,463	22,261	43,724
Depreciation	16,057	119,791	135,848
Professional Services	170	100	270
Process Chemicals	119	1,910	2,029
Permit Fees	3,718	0	3,718
Miscellaneous	85	2,771	2,856
Equipment Charge	10,000	4,500	14,500
Water Testing	1,036	0	1,036
Capital Maintenance	16,186	3,823	20,009
	<u>164,972</u>	<u>284,484</u>	<u>449,456</u>
Total Expenses			
	<u>164,972</u>	<u>284,484</u>	<u>449,456</u>
Net Operating Income/(Loss)	<u>(8,066)</u>	<u>(68,716)</u>	<u>(76,782)</u>
Non-Operating Revenue and (Expenses):			
Interest Income	2,295	2,343	4,638
Interest Expense	0	(1,203)	(1,203)
	<u>2,295</u>	<u>1,140</u>	<u>3,435</u>
Total Non-Operating Revenue and (Expenses)			
	<u>2,295</u>	<u>1,140</u>	<u>3,435</u>
Net Income/(Loss)	<u>(5,771)</u>	<u>(67,576)</u>	<u>(73,347)</u>
Retained Earnings - July 1, 2003 - Note 13	<u>693,693</u>	<u>2,477,883</u>	<u>3,171,576</u>
Retained Earnings - June 30, 2004	<u>\$ 687,922</u>	<u>\$ 2,410,307</u>	<u>\$ 3,098,229</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

	Water Fund	Sewer Fund	Total
Increase/(Decrease) in Cash:			
Cash Flows from Operating Activities:			
Net Operating Income/(Loss)	\$ (8,066)	\$ (68,716)	\$ (76,782)
Add/Deduct: Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Depreciation Expense	16,057	119,791	135,848
Decrease in Accounts Receivable	3,334	6,327	9,661
Increase in Prepaid Expenses	0	(115)	(115)
Increase in Due From Other Funds	0	(4,736)	(4,736)
Decrease in Accounts Payable	(1,057)	(1,727)	(2,784)
Increase in Due To Other Funds	6,968	0	6,968
Increase in Deferred Revenue	101	64	165
Decrease in Accrued Payroll	(398)	(1,043)	(1,441)
Net Cash Provided by Operating Activities	16,939	49,845	66,784
Cash Flows From Non-Capital Financing Activities:			
Net Cash Provided by Non-Capital Financing Activities	0	0	0
Cash Flows from Capital and Related Financing Activities:			
Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Purchase of Plant and Equipment	(6,550)	(32,830)	(39,380)
Principal Paid on Bonds and Notes Payable	0	(21,593)	(21,593)
Interest Paid on Notes and Bonds	0	(1,211)	(1,211)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(6,550)	(55,634)	(62,184)
Cash Flows from Investing Activities:			
Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Interest Received on Cash Deposits	2,295	2,343	4,638
Net Cash Provided by Investing Activities	2,295	2,343	4,638
Total Cash Provided	12,684	(3,446)	9,238
Cash - July 1, 2003	270,241	371,371	641,612

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Water Rents	\$ 155,630	\$ 153,277	\$ (2,353)
Penalties and Interest	2,500	3,629	1,129
Interest Income	<u>500</u>	<u>148</u>	<u>(352)</u>
Total Revenue	<u>158,630</u>	<u>157,054</u>	<u>(1,576)</u>
Expenses:			
General:			
Insurance:			
VLCT PACIF	482	492	(10)
Worker's Compensation	562	705	(143)
Insurance Deductible	500	293	207
Unemployment Insurance	<u>377</u>	<u>359</u>	<u>18</u>
Total Insurance	<u>1,921</u>	<u>1,849</u>	<u>72</u>
Miscellaneous:			
Audit	1,275	1,513	(238)
Communications	1,000	1,243	(243)
Administrative Charge	6,527	6,527	0
Administrative Supplies	<u>1,400</u>	<u>1,103</u>	<u>297</u>
Total Miscellaneous	<u>10,202</u>	<u>10,386</u>	<u>(184)</u>
Subtotal General	<u>12,123</u>	<u>12,235</u>	<u>(112)</u>
Operating:			
Salaries and Wages:			
Administration Salaries	28,527	33,446	(4,919)
Public Works Salaries	<u>17,742</u>	<u>22,715</u>	<u>(4,973)</u>
Total Salaries and Wages	<u>46,269</u>	<u>56,161</u>	<u>(9,892)</u>
Benefits:			
Health Insurance	9,045	9,045	0
Dental Insurance	882	882	0
Life Insurance	358	358	0
Retirement	2,313	2,675	(362)
Social Security	<u>3,540</u>	<u>4,239</u>	<u>(699)</u>
Total Benefits	<u>16,138</u>	<u>17,199</u>	<u>(1,061)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET(NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Maintenance:			
Line Maintenance	\$ 7,000	\$ 9,471	\$ (2,471)
Well Maintenance	1,500	0	1,500
Reservoir Maintenance	500	209	291
Pumphouse Maintenance	150	863	(713)
Total Maintenance	9,150	10,543	(1,393)
Miscellaneous Operating:			
Professional Services	500	170	330
Utilities	15,000	21,463	(6,463)
Training and Safety	500	85	415
Equipment Charge	10,000	10,000	0
Water Testing	1,250	1,036	214
Process Chemicals	0	119	(119)
Well Replacement	5,000	5,000	0
Capital Fund Transfer	40,000	40,000	0
Permit Fees	2,700	3,718	(1,018)
Total Miscellaneous Operating	74,950	81,591	(6,641)
Subtotal Operating	146,507	165,494	(18,987)
Total Expenses	158,630	177,729	(19,099)
Net Income/(Loss) - Note 14	\$ 0	\$ (20,675)	\$ (20,675)

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Sewer Charges	\$ 209,098	\$ 208,389	\$ (709)
Penalties and Interest	3,500	5,069	1,569
Interest Income	<u>1,200</u>	<u>625</u>	<u>(575)</u>
Total Revenue	<u>213,798</u>	<u>214,083</u>	<u>285</u>
Expenses:			
General:			
Debt Service:			
Bond and Interest	<u>22,804</u>	<u>22,804</u>	<u>0</u>
Total Debt Service	<u>22,804</u>	<u>22,804</u>	<u>0</u>
Insurance:			
VLCT PACIF	2,688	2,703	(15)
Worker's Compensation	1,125	1,410	(285)
Insurance Deductible	500	500	0
Unemployment Insurance	<u>566</u>	<u>538</u>	<u>28</u>
Total Insurance	<u>4,879</u>	<u>5,151</u>	<u>(272)</u>
Miscellaneous General:			
Legal and Accounting	2,250	2,670	(420)
Communications	1,250	998	252
Administrative Charge	6,527	6,527	0
Administrative Expenses	<u>1,500</u>	<u>1,752</u>	<u>(252)</u>
Total Miscellaneous General	<u>11,527</u>	<u>11,947</u>	<u>(420)</u>
Subtotal General	<u>39,210</u>	<u>39,902</u>	<u>(692)</u>
Operating:			
Salaries and Wages:			
Administration	28,527	33,292	(4,765)
Public Works	<u>41,399</u>	<u>29,990</u>	<u>11,409</u>
Total Salaries and Wages	<u>69,926</u>	<u>63,282</u>	<u>6,644</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Benefits:			
Health Insurance	\$ 18,217	\$ 18,528	\$ (311)
Dental Insurance	1,818	1,707	111
Life Insurance	674	647	27
Retirement	3,496	3,063	433
Social Security	<u>5,349</u>	<u>4,820</u>	<u>529</u>
Total Benefits	<u>29,554</u>	<u>28,765</u>	<u>789</u>
Maintenance:			
Lab Operations	2,250	3,587	(1,337)
Lift Station maintenance	1,500	762	738
Plant Operations	10,000	4,853	5,147
Collection System Maintenance	<u>5,000</u>	<u>10,981</u>	<u>(5,981)</u>
Total Maintenance	<u>18,750</u>	<u>20,183</u>	<u>(1,433)</u>
Utilities:			
Utilities - Plant	13,000	14,462	(1,462)
Utilities - Lift Station	3,500	4,105	(605)
Fuel Oil	2,500	1,974	526
Water Charge	<u>1,760</u>	<u>1,720</u>	<u>40</u>
Total Utilities	<u>20,760</u>	<u>22,261</u>	<u>(1,501)</u>
Miscellaneous:			
Uniforms	1,248	886	362
Training	250	428	(178)
Process Chemicals	2,900	1,910	990
Grit Disposal	450	612	(162)
Professional Services	750	100	650
Equipment Charge	4,500	4,500	0
Capital Outlay	0	977	(977)
Safety	<u>500</u>	<u>847</u>	<u>(347)</u>
Total Miscellaneous	<u>10,598</u>	<u>10,260</u>	<u>338</u>
Capital Fund Transfer	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Subtotal Operating	<u>174,588</u>	<u>169,751</u>	<u>4,837</u>
Total Expenses	<u>213,798</u>	<u>209,653</u>	<u>4,145</u>
Net Income - Note 14	<u>\$ 0</u>	<u>\$ 4,430</u>	<u>\$ 4,430</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF HARDWICK, VERMONT
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2004

	Nonexpendable Trust Fund	Expendable Trust Fund	
	Cemetery Fund	Memorial Planting Fund	Total
<u>ASSETS</u>			
Cash	\$ 566	\$ 0	\$ 566
Investments	7,911	0	7,911
Due From Other Funds	0	349	349
TOTAL ASSETS	\$ 8,477	\$ 349	\$ 8,826
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:	\$ 0	\$ 0	\$ 0
Fund Equity:			
Restricted	8,477	349	8,826
Total Fund Equity	8,477	349	8,826
TOTAL LIABILITIES AND FUND EQUITY	\$ 8,477	\$ 349	\$ 8,826

The accompanying notes are an integral part of this financial statement.

Northeast Kingdom Youth Services

NEKYS has provided essential support to 429 youth and families through the Family Connections and parent Education Programs. Through mediation, counseling, and parent and youth support groups, the Family Connections Program gives families the tools they need to cultivate safe, nurturing homes. Families learn problem-solving skills and develop plans designed to keep future conflicts from reaching a crisis.

The Caledonia and Essex Court Diversion Programs worked with 325 clients. The State's Attorney refers first-time criminal offenders, plus 48% of the juvenile delinquents in Caledonia County Family Court to Youth Services' Diversion Programs.

The Transitional Living Programs served over 313 youth and family members. Homeless and foster care youth, 15 to 21 years old, were given information, support and life-skills education to help them live productively on their own.

The Living Room, a day shelter, services 125 youth in 2004, an average of 10 youth a day. The Living Room is open 12:30-4:30 p.m., Monday through Friday. The JUMP Youth Mentoring Program is successfully matching at-risk 6th, 7th and 8th grade students with adult mentors once a week in the students' school.

In 2004: Youth Services served 174 in Hardwick.

Northeast Kingdom Learning Services, Inc

We are the Northeast Kingdom Adult Education and Literacy Program (formerly Adult Basic Education). We provide on-demand home and learning center educational services to Hardwick residents as well as to almost anyone in Caledonia, Essex or Orleans counties over the age of sixteen who want to improve basic education skills. In 2004, we provided over 16,952 hours of direct instruction to 768 students. We are currently serving 388 adults who are working on a high school diploma. Some of our other students are studying for the Commercial Driver license or working to improve job readiness or job skills. We now have 15 people in the program and last year 3 earned their diploma.

The Vermont Center For Independent Living

The Vermont Center for Independent Living (VCIL) teaches people with significant disabilities hope to gain more control over their lives and how to access tools and services to live more independently. We also conduct public education and systems change activities that promote the full inclusion of disabled people into community life.

During FY 2003, VCIL responded to 40 information & referral calls and provided direct services to 17 residents of the town of Hardwick utilizing the following services/programs: Home Access Program (HAP), Meals on Wheels (for people with disabilities under the age of 60), and Peer Advocacy Counseling (PAC).

Greensboro Nursing Home

Greensboro Nursing Home is a non profit facility that provides Long Term Care services to their community regardless of the ability to pay. The majority of our residents are on Medicaid which only covers about 78% of the actual cost of care. The balance of the cost needs to come from donations and Town support.

More than half of Greensboro Nursing Home employees live and shop in Hardwick. The majority of our residents resided in Hardwick or have family that live in Hardwick.

In addition, we provide meals on wheels to the community of Hardwick and to Maple Street Apartments in Hardwick. We also provide adult day care services at a minimal fee and loan medical equipment to the community at no cost.

Greensboro Early Learning Center

The Greensboro Early Learning Center, formerly known as the Greensboro Community Childcare Center, is a nonprofit early education facility and childcare provider licensed with the State of Vermont and accredited by the National Association for the Education of Young Children (NAEYC). The Early Learning Center serves families from 7:00 A.M. to 5:30 P.M. Mon.-Fri., 52 weeks a year, closing only for major holidays and severe weather. We have served 72 children from 49 families in the past year, of whom 22 children reside in Hardwick or East Hardwick. We employ a staff of eleven teachers, a director, and a cook.

Hardwick Recreation

The Recreation Committee was busy again this year creating opportunities for people of all ages to get together and learn to do things with each other. Activities this past year included: the skating rink at Atkins Field, Winter Day, Green Up Day hidden treasure bottles, Egg Hunt, swimming lessons, a movie series at Caspian Lake in conjunction with the Town House, Halloween at the Jeudevine Library, and hay rides with a visit from Santa Claus at the Town House. This year we are looking at increasing our budget for two reasons. The first is the rising cost of putting on swimming lessons, the second is in support of the Hazen Trails.

Swim lessons take place at Caspian Lake with instructors from the American Red Cross. The lessons are held each afternoon for two weeks and teach kids from ages 4-12 to swim and to be safe in the water. The increase in cost is due mostly to transportation; the cost of running a bus from Hardwick to the lessons is going up a bit this year and our increase in budget for it reflects that.

Hazen Trails are quickly becoming a wonderful asset for the Town of Hardwick and the Recreation Committee would like to play a role in seeing them really shine and live up to their potential. The trails are located behind Hazen Union and provide folks who want to enjoy them with 10k of trails for walking, running, skiing, or snow shoeing. There are also plans in the works for cross country ski races, moonlight snowshoe treks, birding walks, wildflower talks, butterfly walks, and more! There are many partners involved in making the trails the great resource they are becoming and we are looking at contributing \$4,000 to help maintain the trails. One of the partners involved is the forestry program at Hazen under the Green Mountain Technical and Career Center. They have added trail development and maintenance to their curriculum and will be using the trails as a hands on learning opportunity for the students.

Area Agency on Aging for Northeastern Vermont

The mission of the Area Agency on Aging is to help any person 60 and over to maintain a healthy, active life and to remain independent in their own homes and communities for as long as possible. Our professional advocates and case managers work closely with seniors to determine how to best meet their individual needs, which may include; offering assistance with Social Security, Medicaid, Food Stamps, fuel assistance, in-home services and many others. There is no charge for services provided by the Agency.

Your past funding has allowed us to provide important services to Hardwick seniors such as support of senior meal sites, delivery of meals to the homebound, health insurance counseling, transportation for medical and other appointments, legal services and companionship through the Senior Companion Program. In 2004, we served 58 Hardwick residents.

Lamoille Housing Partnership, Inc.

The Lamoille Housing Partnership (LHP) is a nonprofit, community-based affordable housing development organization. LHP's mission is to provide safe, decent, affordable rental and owner-occupied housing for residents of the Lamoille Valley area, including the residents of Hardwick in Caledonia County, whose incomes are primarily at or below 80% of county median.

LHP has helped 15 households to achieve the dream of home ownership, and has assisted Evergreen Manor Mobile Home Park residents in the purchase of 3 mobile homes.

Hardwick Senior Citizens Center

The Hardwick Senior Citizens Center was organized in 1968 to provide a place for senior citizens to meet and socialize. Many different activities have been held over the years. At present a lunch is served on Tuesdays to senior citizens and their guests and we have game time on Friday afternoons. Each month a birthday party is held with entertainment and cake and ice cream to celebrate birthdays during the month. We have a growing library with books on loan and we keep in touch with homebound members by signing and sending cards. We have about 55 members. During the year we have speakers on timely subjects helpful to seniors. We also open the building to other organizations for meetings.

For ten weeks during the summer we provided coverage for the information booth serving people from various states and countries. As a result of this, the Chamber of Commerce provided the Senior Center with money for a bus for two trips.

This year we had some patching done and replaced a pipe in the basement. Due to many springs in the area, we have an ongoing drainage problem that needs to be addressed.

The senior citizens really appreciate your past support of this program.

AWARE

As AWARE (Aid to Women, Men and Children in Abuse and Rape Emergencies) celebrates our 20th year of providing services to victims of sexual and domestic violence, emergency assistance is available to residents of Hardwick 24 hours a day. Last year AWARE served over 140 women, men and children, which included a total of over 550 visits to our agency.

Immediate assistance with protection orders, crisis counseling, emergency housing and provisions, is available 24 hours each and every day of the year. Continued advocacy, information and emotional support are available on an ongoing basis for individuals who need it. Support groups for adults and children are offered as well as education and prevention classes in your local ...schools.

Hardwick Emergency Rescue Squad, Inc.

We are coming to the end of another year with over 370 calls to date. This past year we conducted a First Responder course, which brought three new members into our group, First Aid classes and CPR classes throughout our communities.

This year we hired an Emergency Medical Technician-Basic to cover three weekday twelve-hour shifts per week, providing some much needed relief to our volunteer members. When not responding to calls, this person assumes responsibility for some of the collateral duties, including CPR and First Aid classes, previously handled by our members. We continue recruitment of new members and our current members are continuing their education's. Several volunteer members have increased their certification level to allow them to better serve their communities.

We remind everyone to please post his or her house number

on the house in view of the road or at the end of the driveway if the house number would not be visible from the road. Our non-Emergency number is 472-6343.

Lamoille Valley Even Start

Lamoille Valley Even Start mission is to break the inter generations cycle of poverty and low literacy in families in the Orleans Southwest and Lamoille North school districts.

Through group learning and intensive home based learning, Even Start assists families as they work to reach their own literacy, employment, parenting and early childhood education goals. Sample outcomes for parents include the attainment of a high school diploma, retaining meaningful employment, and increasing participation in their child's education. In addition to these services, Even Start serves the greater community by offering books to libraries and childcare centers, and hosting parenting workshops.

Out & About, Lamoille Area Adult Day Care Center

The Mission of Out & About is to support elders who are socially isolated and/or functionally impaired and adults with disabilities through activities and services that promote independence.

Out & About offers an individualized plan of care to meet the needs of each participant. Participants attend on a scheduled basis. Services may include the following: supervision, transportation, meals, personal care, nursing services, socialization, exercise, recreation, free flowing discussion groups, art workshops (writing, music/singing, drawing, painting, sculpture), information and referrals, medical and social evaluation, counseling, reality orientation, and care giver respite and support.

During this past year, 5 of the 69 participants we served resided in Hardwick. As the elder population continues to grow the projected need for our services will reach 50 clients per day by the year 2010. This past year we completed a major expansion project to insure we will be able to meet that projected need. So now more than ever, your Town allocation is crucial in helping us to continue funding services which support our mission.

Lamoille Family Center

The Lamoille Family Center celebrated its 30th anniversary at our annual meeting in October 2004. For three decades we have been serving the needs of children and families in Hardwick and throughout the Lamoille Valley with a variety of support and educational resources. During that time we have grown from a couple of staff persons to over thirty, and from one plan to almost twenty serving hundreds of families throughout this region. Out of more than 1200 people served during 2004, 179 were residents of Hardwick. In addition, we served another 238 Lamoille Valley residents including those in Hardwick with emergency rescues, 329 families with child care subsidy services, 381 child care providers, 414 children enrolled in the subsidized child care food program and 288 families seeking child care referral services.

North Country Animal League

In April of 2004 North Country Animal League (NCAL) completed our first year in the new shelter. In 2004, NCAL reached an all time record of 840 adoptions, which means the total is over 6,000 animal's lives saved in last 20 years! The top three counties utilizing NCAL's services were Lamoille, Chittenden and Washington. The combined towns with Lamoille County surrendered the largest number of animals to NCAL; however, over 100 towns in Vermont have either adopted from or surrendered animals to NCAL. Our number

one priority is to bring local stray animals and owner-surrendered animals into our adoption program. NCAL also helps other Vermont shelters when there is space. As well as helping animals from a few select out-of-state shelters and rescue groups. 2004 Highlights: NCAL's total building goal of \$1,629,000 was 91% complete at the end of 2004 with only \$145,000 remaining.

Rural Community Transportation, Inc.

RCT is a nonprofit corporation providing transportation to the elderly, handicapped and disabled through a volunteer service. RCT brings members in your community to dialysis, between all of our programs, RCT provides over 205,000 rides per year. Most of these rides are provided with our volunteer drivers that are reimbursed \$0.375 per mile for the use of their vehicles.

RCT'S volunteer drivers transport people of all ages to school, adult-daycare services, senior meal sights and necessary medical treatments such as dialysis, radiation therapy, chemotherapy, physical therapy, special medical skills and regular appointments. We currently have people use our services for transportation to medical appointments throughout the Northeast Kingdom, Burlington, VT, Hanover, NH and other medical facilities. RCT has even helped provide transportation to a local family to be with their son who was in a special care cancer unit in New York City.

RCT has provided 244 residents of Hardwick with 6,138 trips accumulating approximately 174,454 miles over the past year.

Northeast Kingdom Human Services, Inc.

The State of Vermont contracts with NKHS to provide a broad range of services to individuals with severe and persistent mental illness, children with severe emotional disturbance and their families, and individuals with developmental disabilities including mental retardation and autism. Services are also offered to individuals with alcohol and drug problems by the Tri-County Substance Abuse Program, a division of NKHS. NKHS provides emergency and outpatient services to individuals with various, less severe social, emotional and psychological problems. Persons serviced in Hardwick: 77.

Caledonia Home Health Care and Hospice

Fiscal Year 2004 was our third full year under the Medicare A Prospective Payment System. We were able to successfully provide our clients with qualified home care services and adjust to a new payment system. We were able to end the year in a financially sound position secondary to the financial support we received from towns, donated memorial contributions and providing fundraising events. Our mission continues to be to provide necessary services to individuals and their families regardless of an individual's ability to pay. We are very committed to this philosophy. We feel strongly that each resident of our service area is entitled to home care services if they meet the criteria for such services. To assure that this can continue to happen, your support to us is crucial. Town monies are used to counter losses we experience when we provide free care. Last year we made over 60,000 visits to your neighbors and relatives. In addition to our home care and hospice programs, we offered a variety of screenings and community clinics for flu shots, blood pressure evaluations, foot care and health education. In collaboration with CHHHCH, we conducted a Cancer Support Group. Our Private Duty program grew and our Healthy Baby Program experienced growth.

Town of Hardwick visit statistics for fiscal year 2004; Nursing visits 1,613, Home Health Aide 1,084, Therapy Visits 724, Social Services 101, Homemaking 777 and Hospice 274.

**Hardwick Recreation Committee
2005-2006 Budget**

Soccer Program.....	\$ 2,000.00
Whiffle Ball Program.....	\$150.00
Swimming Lessons.....	\$6,400.00
Halloween Haunted Library.....	\$200.00
Hay Rides/Winter Program.....	\$350.00
Skating Rink.....	\$1,200.00
Egg Hunt.....	\$200.00
Green Up Day Treasure Bottles.....	\$100.00
Memorial Day.....	\$100.00
Hazen Trails.....	\$ 4,000.00
Supplies.....	\$300.00
.....	15,000.00

**RECORDS FILED WITH
HARDWICK TOWN CLERK
JULY 1, 2003 TO JUNE 30, 2004**

Births.....	47
Deaths.....	21
Marriages.....	19
Civil Unions.....	2

**Vermont State House
of Representatives**

Rep. Lucy Leriche

House Health Care Committee

Please allow me to be of assistance to you.

During the Legislative Session you can contact me at:

115 State Street
Montpelier, Vermont 05633-5201
LLeriche@leg.state.vt.us
Phone: 828-2228 (Tues.-Fri.)

JEUDEVINE MEMORIAL LIBRARY

The Judevine Memorial Library has continued to see increased usage. The number of books and other materials checked out was 8350 which is a big increase compared to the number of materials checked out in 1999 which was 3642. An increase of +229%.

The library continued to do many children and adult programs. An adult book discussion group was started and is continuing with great success. Children's story times and holiday programs were given. The Summer Reading Program was called Summer Feast and kids got to do Kitchen Science, learn about Butterfly Feeding Habits with Jerry Schneider, and had a Taste of the Exotic, trying foods from other lands. The library presented 42 programs with an attendance of 996 people. There were 8136 patron visits during the fiscal year, which means an average of 26 people per day visited the library. The library recorded having dealt with 1102 reference questions. An average of 41 people used the computers every day.

The library received the second year of money from the Freeman Foundation Grant for a total of \$8,586. The money was used for books, provide programs and for paying staff to keep the library open on Tuesdays and Thursdays during the first part of the fiscal year.

The Friends of the Library had a spring cleaning day in April and ran a book sale during the May festival. Please call the library if you want to volunteer. Many people have been donating books, audio books on tape and CDs, videos, and books. We have two computers for public use connected to the Internet by a free cable connection from Adelphia.

The computers were obtained by a grant from the Bill & Melinda Gates Foundation.

We have had the help of Nancy Rogers who has worked long and steady for the library. George Larrabee works at the library through the National ABLE program that helps senior citizens find work. We have also had the services of Elizabeth Sager who is placed at the library through the Vermont Dept. Of Employment & Training.

I would like to thank two people who have been working on the Board of Library Trustees for a long time: Cecile Dyke who has been the treasurer for 15 years and Joyce Merrill, who has been on the Board for many years, many of which were spent as the Chair. Cecile continued working as treasurer up until Dec. 31, 2004 even though she had already resigned from the Board. This will be Joyce's last term. Thank you both for all you have done for the library and the town. Also, thank you to the Town of Hardwick for its continued support of the library.

Lisa A. Sammet
Library Director

**DOGS LICENSED AT HARDWICK TOWN CLERK'S OFFICE
JULY 1, 2003 TO JUNE 30, 2004**

61@	\$ 3.00.....	\$ 183.00
2@	3.50.....	7.00
2@	6.25.....	12.50
3@	6.50.....	19.50
217@	7.00.....	1,519.00
2@	9.00.....	18.00
53@	10.50.....	556.50
70@	11.00.....	770.00
2@	12.50.....	25.00
3@	16.50.....	49.50
415		\$3,160.00
Kennel Permits 5@	10.00.....	\$50.00
		\$3,210.00

DMV REPORT

On March 29, 2004 the Town Clerk's Office began doing registration renewals for the State of Vermont. Below is the report info from March 29, 2004 to June 20, 2004.

81 registrations @ \$3.00.....\$243.00

**PROCEEDINGS OF ANNUAL TOWN MEETING OF THE
TOWN OF HARDWICK HELD MARCH 2, 2004**

With more than 200 voters and guests attending, the annual meeting of the Town of Hardwick was called to order at 10:08 a.m. by Moderator Roger LeCours. He gave a history of some early town meetings in Hardwick and read the warning. He advised that Robert's Rules would be used in the conduct of the meeting.

Todd Deuso then took the podium and introduced the Selectboard, taking note that this was Sherry Lussier's last meeting as a Selectboard member after serving 9 years on the Board. A round of applause was given for her, and also Ivan Menard, former Board member now serving in Afghanistan in the military, and also Gerald Hall, Town Clerk & Treasurer, retiring this day after 25 years service to the Town.

Chairman Deuso also told the assembly that a legal matter involving a former police officer, upon advise of counsel, could not be discussed by the Board at this time.

He then took up...

Article 1. (Election of Moderator). Roger LeCours was so elected.

Moderator LeCours then took up...

Article 2. (Acceptance of Town Report). Article was moved, seconded and passed on voice vote.

Article 3. (Town Budget). The proposed budget of \$1,652,965.00 was moved and seconded. In discussion Town Manager Dan Hill gave a department by department summary of the 04-05 budget noting the budget called for a 7.14% increase in spending and a 5.15% increase in taxes. He noted the Town would have a deficit this year because of having to spend \$28,000 on ice jams in the river. Questions from the assembly were then answered by the Town Manager and Chair of the Selectboard about the roads, the Police Department, library expenses, health insurance costs, river work, the Greensboro Police contract, and town road equipment.

Jim Sholan then called the question and on voice vote the Moderator could not decide the question so he asked for a division of the house. Division of the house showed 138 voting yes and 105 voting no. When this result was announced by the Moderator, Gary Bellavance challenged the count and asked for a paper ballot to uphold the Moderator's announced result. Paper balloting resulted in a count of 104 voting not to sustain the count taken on the division of the house and 116 voting to sustain the count, thereby passing the budget.

Article 4. (Election of Town Officers) The following Town Officers were duly elected from the floor...

Lister - 3 year term - Jean Hackett
Auditor - 3 year term - Brad Ferland
First Constable - 1 year term - Arthur Chase
Second Constable - 1 year term - Erwin Gilcris, Jr.
Town Agent - 1 year term - Constance Bellavance
Surveyor of Wood, Bark & Lumber - 1 year term - Laurent Bellavance
Tree Warden - 1 year term - Laurent Bellavance
Cemetery Trustees - 1 year term - as listed in Town report
Fire Dept. - 1 year term - as listed in Town Report
Library Trustee - 5 year term - Eleanor McQuillen
Grand Juror - 1 year term - James Goodrich
Trustee of Public Funds - 1 year terms - George Whitney, Mario Fradette and Lorraine Hussey
Fence Viewers - 1 year term - Listers

Article 5. (Current taxes collected by Town Treasurer). So voted.

Article 6. (Collect taxes in installments) So voted.

Article 7. (Authorizing Selectboard to enter into tax stabilization agreements with industrial and commercial owners). So voted.

Article 8. (Authorizing Selectboard to enter into tax stabilization agreements with agricultural owners) So voted.

Art Williams then moved the Moderator take up Article 26 (\$2000 appropriation to boxing club) before taking up Article 9 (\$9200 to Recreation Committee) as he would like to see the accountability for these two appropriations given to the Recreation Committee. Motion carried on voice vote.

Article 26. (\$2000 appropriation to Hardwick Amateur Boxing Club.) Article moved and seconded. In discussion it was pointed out by Rec. Committee members that they did not know enough about the boxing program to take on the oversight responsibility for it or its' funds. A division of the house was called for to decide the question and there were 108 yes votes and 54 no votes. Article declared carried.

Article 9. (\$9200.00 to Town Recreation Committee). So voted.

Article 10. (\$3000.00 to Greensboro Nursing Home). So voted.

Article 11. (\$3000.00 to support A.W.A.R.E.) Lorraine Hussey moved to amend the amount to \$1500.00. Motion seconded. In discussion several people spoke in favor of the article and Lorraine Hussey withdrew her motion. Article then passed on voice vote.

Article 12. (\$600.00 to Northeast Kingdom Youth Services). So voted.

Article 13. (\$3500.00 to Caledonia Home Health Care & Hospice). So voted.

Article 14. (\$3190.00 to NEK Human Services, Inc.). So voted.

Article 15. (\$3900.00 for Area Agency on Aging). So voted.

Article 16. (\$1000.00 to Hardwick Senior citizens). Michael Brochu moved to amend the amount to \$3900.00 and motion seconded. Motion to amend passed on voice vote. Amount of appropriation increased to \$3900.00.

Article 17. (\$200.00 to Northeast Kingdom Learning Services, Inc.). So voted.

Article 18. (\$1200.00 to Lamoille Family Center). So voted.

Article 19. (\$1,500.00 to Greensboro Early Learning Center). Art Williams moved to pass over the article. Moderator asked for a division of the house on this motion. Motion to pass over defeated 75 to 47 in division of house voting. Article then passed on voice vote.

Article 20. (\$1200.00 to North Country Animal League). So voted.

Article 21. (\$1500.00 to Lamoille Valley Even Start) So voted.

Article 22. (\$750.00 to Lamoille Housing Partnership) So voted.

Article 23. (\$650.00 to Lamoille Area Adult Day Care Center). So voted.

Article 24. (\$1000.00 to Hardwick Area Chamber of Commerce). So voted.

Article 25. (\$8000.00 to Hardwick Area Food Pantry). So voted.

**PROCEEDINGS OF ANNUAL TOWN MEETING OF THE
TOWN OF HARDWICK HELD MARCH 2, 2004**

Article 27. (\$7500.00 to Hardwick Teen Center). Article moved and seconded and after discussion a paper ballot was requested by 7 voters. 78 voted "yes", 42 voted "no" and there was one spoiled ballot. Article passed.

Article 28. (\$200.00 to Vermont Center for Independent Living). So voted.

Article 29. (\$1073.60 to Rural Community Transportation). So voted.

Article 30. Other business...Some suggestions were made for next year's meeting, such as a cordless microphone, having a pot luck lunch and voting on appropriations by Australian Ballot. Voters were also invited to a Community Forum regarding the search for a new principal at Hazen Union. No further business. Meeting adjourned at 3:52 p.m.

Dated at Hardwick, Vermont this 6 day of March A.D. 2004.

Gerald S. Hall, Town Clerk

Roger J. LeCours, Moderator

Results of Australian Ballot voting for Town & School Officers

Selectboard - 3 year term -

M. Tod Delaricheliere 523 votes - elected

Selectboard - One year remaining on 3 year term -

Patricia Coultas - 475 votes - elected

Selectboard 1 year term

Kristina Michelsen - 319 votes - elected

Charles Volk - 419 votes - elected

Town Clerk - 3 year term -
Ronald Brochu - 70 votes

Alberta Miller -
408 votes - elected

Maureen Ormsby-Rowell - 103 votes

Town Treasurer - 3 year term -
Ronald Brochu - 73 votes

Alberta Miller - 378 votes - elected

Maureen Ormsby-Rowell - 123 votes

Hardwick Town School District Director - 3 year term -
Lee Ann Lee - 510 votes - elected

Hardwick Town School District Director - 1 year term -
Scott McWherter - 372 votes - elected

Russell Shopland - 427 votes - elected

Hazen Union High School #26 Director - 3 year term -
James Lovinsky - 313 votes - elected

Elizabeth Magoon - 187 votes

Attest: Gerald S. Hall, Presiding Officer

Susanne F. Cross, Other Election Official

**WARNING
FOR ANNUAL TOWN MEETING
MARCH 1, 2005**

The legal voters of the Town of Hardwick, Vermont are hereby notified and warned to meet at the Hardwick Town House in said Town of Hardwick on Tuesday, March 1, 2005 at 10:00 o'clock in the forenoon to act on the following business: (Election of Town Select Board, Hardwick Town School District Directors, and Union School District No. 26 Directors shall be voted on by Australian ballot. The polls will be open from 9:00 a.m. until 7:00 p.m.). If special accommodations are necessary because of physical disabilities, please contact the Town Manager's Office (472-6120).

Article 1. To elect a moderator to govern said Town Meeting and for the year ensuing.

Article 2. Shall the Town accept the Town Report, year ending June 30, 2004?

Article 3. Commencing with the fiscal year beginning on July 1, 2005, shall the Town amend it's collection of property taxes to three equal mandatory installments on the dates of September 10, February 10 and May 10 without discount and subject to a one percent (1%) interest charge for each month or fraction thereof that a payment is delinquent as provided for in sections 4871 and 4872 Title 32 VSA?

Article 4. To vote a budget of one million seven hundred twenty-six thousand two hundred thirty-one dollars (\$1,726,231) to meet the expenses and liabilities of the Town and authorize the Select Board to set a new tax rate sufficient to provide the same?

Article 5. Shall the voters authorize the Town to purchase a fire truck in an amount not to exceed two hundred and twenty-five thousand dollars (\$225,000.00) to be financed over a period not to exceed 10 years? (Per Title 24, VSA, Section 1786A this article will be voted by Australian ballot.)

Article 6. Shall the Town authorize the Select Board to borrow a sum not to exceed twenty five thousand dollars (\$25,000.00) for a term of three (3) years to buy a tractor and brush mower?

Article 7. Shall the voters authorize the Town to apply for a Community Development Planning Grant in conjunction with area towns to do a feasibility study of regional policing?

Article 8. Shall the Town loan the contents of the museum in the Memorial Building to the Hardwick Historical Society, said contents to include the display cases and the artifacts in those cases?

Article 9. To elect all Town Officers and School District Directors as required by the public laws of Vermont and the Town Charter. (Select Board, Hardwick Town School District Directors, and Union School District No. 26 Directors, to be voted by Australian Ballot).

- One Lister.....3 year term
- One Auditor.....3 year term
- First Constable.....1 year term
- Second Constable.....1 year term
- One Town Agent.....1 year term
- Surveyor of Wood, Bark and Lumber.....1 year term
- Tree Warden.....1 year term
- Cemetery Trustees.....1 year term
- Main Street, Maple Street, Fairview,
 Sanborn, Hardwick Street,
- Fire Dept. Officers (can be voted as one vote).....1 year term
- One Library Trustee.....5 year term
- Grand Juror.....1 year term
- Trustee of Public Funds.....1 year term
- Trustee of Public Funds.....1 year term

- Trustee of Public Funds.....1 year term
- Fence Viewers.....1 year term

Article 10. Shall the Town have its current taxes collected by the Town Treasurer?

Article 11. Shall the Town authorize the Select Board, for the period of one year, to enter into contracts with new industrial and commercial owners, lessees, bailees, of real property, or with existing or new owners, lessees, bailees or operators who construct, acquire or renovate industrial and/or commercial real property, including additions to existing property for the purpose of fixing and maintaining the municipal rate applicable to such real property or for the purpose of fixing the amount of money which shall be paid as an annual municipal tax upon such real property pursuant to the provision of Title 24, VSA, Section 2741?

Article 12. Shall the Town authorize the Select Board, for the period of one year, to enter into contracts with operators of agricultural real property, or with existing or new owners, lessees, bailees, or operators who construct acquire or renovate, or who intend to construct, acquire or renovate agricultural real property for the purpose of fixing and maintaining the valuation of such real property in the Grand List for the purpose of fixing and maintaining the municipal rate applicable to such real property or for the purpose of fixing the amount in money which shall be paid as an annual municipal tax upon such real property pursuant to provisions of Title 24, VSA, Section 2741?

Article 13. Shall the Town appropriate a sum of money not to exceed fifteen thousand dollars (\$15,000.00) for the support of the Town Recreation Committee?

Article 14. Shall the Town appropriate a sum of money not to exceed three thousand dollars (\$3,000.00) for the support of the Greensboro Nursing Home?

Article 15. Shall the Town appropriate a sum of money not to exceed three thousand dollars (\$3,000.00) for the support of A.W.A.R.E.?

Article 16. Shall the Town appropriate a sum of money not to exceed six hundred dollars (\$600.00) for the support of Northeast Kingdom Youth Services?

Article 17. Shall the Town appropriate a sum of money not to exceed three thousand five hundred dollars (\$3,500.00) for the support of the Caledonia Home Health Care and Hospice?

Article 18. Shall the Town appropriate a sum of money not to exceed three thousand one hundred ninety dollars (\$3,190.00) for the support of Northeast Kingdom Human Services, Inc.?

Article 19. Shall the Town appropriate a sum of money not exceed three thousand nine hundred dollars (\$3,900.00) for the support of the Area Agency on Aging for Northeastern Vermont?

Article 20. Shall the Town appropriate a sum of money not to exceed two thousand dollars (\$2,000.00) for the support of the Hardwick Senior Citizens?

Article 21. Shall the Town appropriate a sum of money not to exceed two hundred dollars (\$200.00) for the support of the Northeast Kingdom Learning Services, Inc.?

Article 22. Shall the Town appropriate a sum of money not to exceed one thousand two hundred dollars (\$1,200.00) for the support of the Lamoille Family Center?

**WARNING
FOR ANNUAL TOWN MEETING
MARCH 1, 2005**

Article 23. Shall the Town appropriate a sum of money not to exceed one thousand five hundred dollars (\$1,500.00) for the support of the Greensboro Early Learning Center?

Article 24. Shall the Town appropriate a sum of money not to exceed one thousand two hundred dollars (\$1,200.00) for the support of the North Country Animal League?

Article 25. Shall the Town appropriate a sum of money not to exceed one thousand five hundred dollars (\$1,500.00) for the support of the Lamoille Valley Even Start?

Article 26. Shall the Town appropriate a sum of money not to exceed seven hundred fifty dollars (\$750.00) for the support of the Lamoille Housing Partnership?

Article 27. Shall the Town appropriate a sum of money not to exceed six hundred fifty dollars (\$650.00) for the support of Out and About, Lamoille Area Adult Day Care Center?

Article 28. Shall the Town appropriate a sum of money not to exceed one thousand dollars (\$1,000.00) for the support of the Hardwick Area Chamber of Commerce?

Article 29. Shall the Town appropriate a sum of money not to exceed three thousand dollars (\$3,000.00) for the support of the Rail Road Depot Restoration Project?

Article 30. Shall the Town appropriate a sum of money not to exceed two thousand five hundred dollars (\$2,500.00) to support the Hardwick Amateur Boxing Club?

Article 31. Shall the Town appropriate a sum of money not to exceed four hundred ten dollars (\$410.00) to support the Vermont Center for Independent Living?

Article 32. Shall the Town appropriate a sum of money not to exceed two thousand three hundred one dollars and seventy-five cents (\$2,301.75) to support Rural Community Transportation?

Article 33. To transact any other nonbinding business proper to be brought before said meeting. The legal voters of the Town of Hardwick are further notified that voter qualification, registration and absentee voting relative to said Annual Town Meeting shall be as provided in Chapters 43, 51, and 55 of Title 17, Vermont Statutes Annotated.

Dated at Hardwick, Vermont this 20th day of January, A.D., 2005.

Select Board
Town of Hardwick, Vermont
Todd Deuso, Chair
M. Tod Delaricheliere, Vice Chair
Charles Volk
Kristina Michelsen
Patricia Coultas

Impact of Appropriations on Tax Rate

Article 13. Recreation Committee, \$15,000.00, would add 1.67 cent to the tax rate.

Article 14. Greensboro Nursing Home, \$3,000.00, would add .333 cent to the tax rate.

Article 15. A.W.A.R.E., \$3,000.00, would add .333 cent to the tax rate.

Article 16. Northeast Kingdom Youth Services, \$600.00 would add .067 cent to the tax rate.

Article 17. Caledonia Home Health Care and Hospice, \$3,500.00, would add .389 cent to the tax rate.

Article 18. Northeast Kingdom Human Services, Inc., \$3,190.00, would add .354 cent to the tax rate.

Article 19. Area Agency on Aging for Northeastern Vermont, \$3,900.00 would add .434 cent to the tax rate.

Article 20. Hardwick Senior Citizens, \$2,000.00, would add .222 cent to the tax rate.

Article 21. Northeast Kingdom Learning Services, Inc., \$200.00, would add .022 cent to the tax rate.

Article 22. Lamoille Family Center, \$1,200.00, would add .133 cent to the tax rate.

Article 23. Greensboro Early Learning Center, \$1,500.00, would add .167 cent to the tax rate.

Article 24. North Country Animal League, \$1,200.00, would add .133 cent to the tax rate.

Article 25. Lamoille Valley Even Start, \$1,500.00, would add .167 cent to the tax rate.

Article 26. Lamoille Housing Partnership, \$750.00, would add .083 cent to the tax rate.

Article 27. Out and About, Lamoille Area Adult Day Care Center, \$650.00, would add .072 cent to the tax rate.

Article 28. Hardwick Area Chamber of Commerce, \$1,000.00, would add .111 cent to the tax rate.

Article 29. Railroad Depot Restoration Project, \$3,000.00, would add .334 cent to the tax rate.

Article 30. Hardwick Amateur Boxing Club, \$2,500.00, would add .278 cent to the tax rate.

Article 31. Vermont Center for Independent Living, \$410.00, would add .046 cent to the tax rate.

Article 32. Rural Community Transportation, \$2,301.75, would add .256 cent to the tax rate.

The total requested appropriations \$50,401.75, would add approximately 5.60 cents to the tax rate if all are approved.

GUIDE TO RECYCLING

Glass

Clear, green and brown only. No blue glass. Bottles and jars only (window glass or ceramic can spoil a whole load). Rinse, NO LIDS. You do not need to remove paper labels.

Tin and Aluminum Cans

Aluminum pie plates and aluminum foil are also accepted. All items must be washed and labels removed. No bottle caps, or jar lids.

Plastics - PET #1, HDPE #2

Rinse, NO LIDS. HDPE #2 plastics must be in jug form only. HDPE #2 wide mouth containers (butter tubs, Cool Whip containers) are not accepted even if labeled #2HDPE. (Please note that the wide mouth container rule pertains to HDPE#2 plastic only.)

Boxboard

Flatten boxes. No beverage containers or white board. (Box board when torn is gray or brown inside. If the item, when torn, is white inside it is considered white board and is unacceptable.)

Corrugated Cardboard and Brown Paper Bags

Flatten boxes. No waxed or coated cardboard.

Newspaper

Clean and dry. Inserts are accepted.

Magazines

Clean and dry. No phone books, books, or junk mail.

Office Paper

White and colored paper are accepted. High quality paper only. No fax or glossy paper. No sticky labels. Envelopes are accepted.

Brief Summary

All recycling is co-mingled except for corrugated cardboard. Casella Waste Management. Rte. 15, 2nd and 4th Wednesday 9:00 a.m. until 3:00 p.m. and Saturday from 8:00 a.m. until 1:00 p.m. CVSWMD Depot is now open at 94 Junction Road, Hardwick Industrial Park, Wednesday 8:00 a.m. - Noon; Saturday 8:00 a.m. - 3:30 p.m. Mandatory recycling became effective July 1, 1996. If you have any questions about recycling or would like to obtain a recycling guide call the Central Vermont Solid Waste Management District at 229-9383 or 1-800-730-9475.

General Information

Phone Numbers

Town Manager's Office.....	472-6120
Town Clerk/Treasurer.....	472-5971
Town Garage.....	472-6029
Hardwick Police Department.....	472-5475
Hardwick Fire Department.....	472-5242
Hardwick Rescue Squad.....	472-6666
Zoning Administrator	472-5971
Health Officer.....	472-6120

Office Hours

Police Department	8:00 am - 4:00 p. m. Mon. - Fri.
*Town Manager's Office	8:00 am. - 4:30 p. m. Mon. - Fri.
*Clerk/Treasurer's Office	8:00 am. - 4:30 p. m. Mon. - Fri.

*For after hours or weekend drop off of payments or correspondence a letter drop is available at the front door of the Memorial Building.

Payment Schedule

Taxes are due to be paid in full by May 10th of each year. A one time 8% penalty as well as 1% interest per month is added on to the unpaid principal balance. If current taxes are paid in full by November 10th of the year you are entitled to a 3% discount.

Water and Sewer payments are due on August 10th, December 10th, March 10th and June 10th. These are mandatory installments. If payment is not received on time a 8% penalty is assessed as well as 1% interest . Interest is added monthly on any unpaid principal balance.

Voter Registration

Hardwick residents who are not on the Voter Checklist can register to vote at the Town Clerk's Office. For information on voter registration call 472-5971.

Zoning Permits

Issued by Zoning Administrator and/or Planning Commission. Required for all property development. Permit applications can be obtained at the Town Clerk's Office or from Zoning Administrator.

Zoning Fee Schedule

New Construction, Permitted Use, Residence (incl. Mobile Homes, Certificate of Occupancy). Project Value >\$5,000	\$50.00
Minor Construction, Permitted Use, Project Value <\$5,000	\$20.00
Minor Construction, Permitted Use, Project Value <250.00 (no permit fee, subject only to filing fee)	0
Other Construction, Conditional Use (requires public hearing*).....	\$50.00
Certificate of Occupancy (Permit History, Zoning Violations of Record & Site Visit).....	\$50.00
Appeal of Zoning Administrator Decision to Zoning Board of Adjustment (requires public hearing*)	\$50.00
Variance Hearing (requires public hearing*).....	\$50.00
Permit Amendment Permitted Use	\$20.00
Permit Amendment, Conditional Use (requires public hearing*).....	\$50.00
Subdivision, 3 lots or less.....	\$35.00
Subdivision, each lot over 3 lots, per lot.....	\$15.00
Filing Fee (Notice of Municipal Land Use Permit).....	\$7.00

*Includes "Notice of Public Hearing" advertisement fees for local newspapers.

Any legal and/or Professional fees incurred by the Town of Hardwick will be billed to the applicant and shall be collected prior to permit issuance.

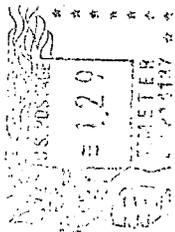
TOWN OF HARDWICK

WINTER OPERATIONS PLAN

1. Plow Routes are set up to open the major traffic routes and bus routes first. After all bus routes are finished, we will plow the roads we feel cause the most problems for the public. This is based on traffic volume, steepness and curves. We will continue plowing until all roads are open.
2. The Town of Hardwick has six road crew members to plow, sand and/or salt 63.225 miles of the town's 80.871 miles of road and all of the town's sidewalks. Each member has their specific route, which takes anywhere from three-five hours to complete. These routes are only varied in case of emergencies.
3. The Town does not plow class four roads, private roads or driveways.
4. Road operations generally start at 3:00 A. M. on the weekdays to have the bus routes clear by 6:30 A. M.
5. Salt is not effective when the road temperature is below 20 degrees.
6. The town's sand and salt is to be used for winter maintenance of the roads, not for private commercial use.
7. In most cases there will be no road maintenance between the hours of 10 P. M. and 3 A.M.
8. If there is an emergency after regular working hours in regards to water, sewer or highway, please call 472-5475.

Please give yourself some extra time when the weather is bad and please drive safely.

Tom, Brent, Michael, Perley, Scott, Ken, Val



Vermont State Library
 Montpelier, VT 05602

