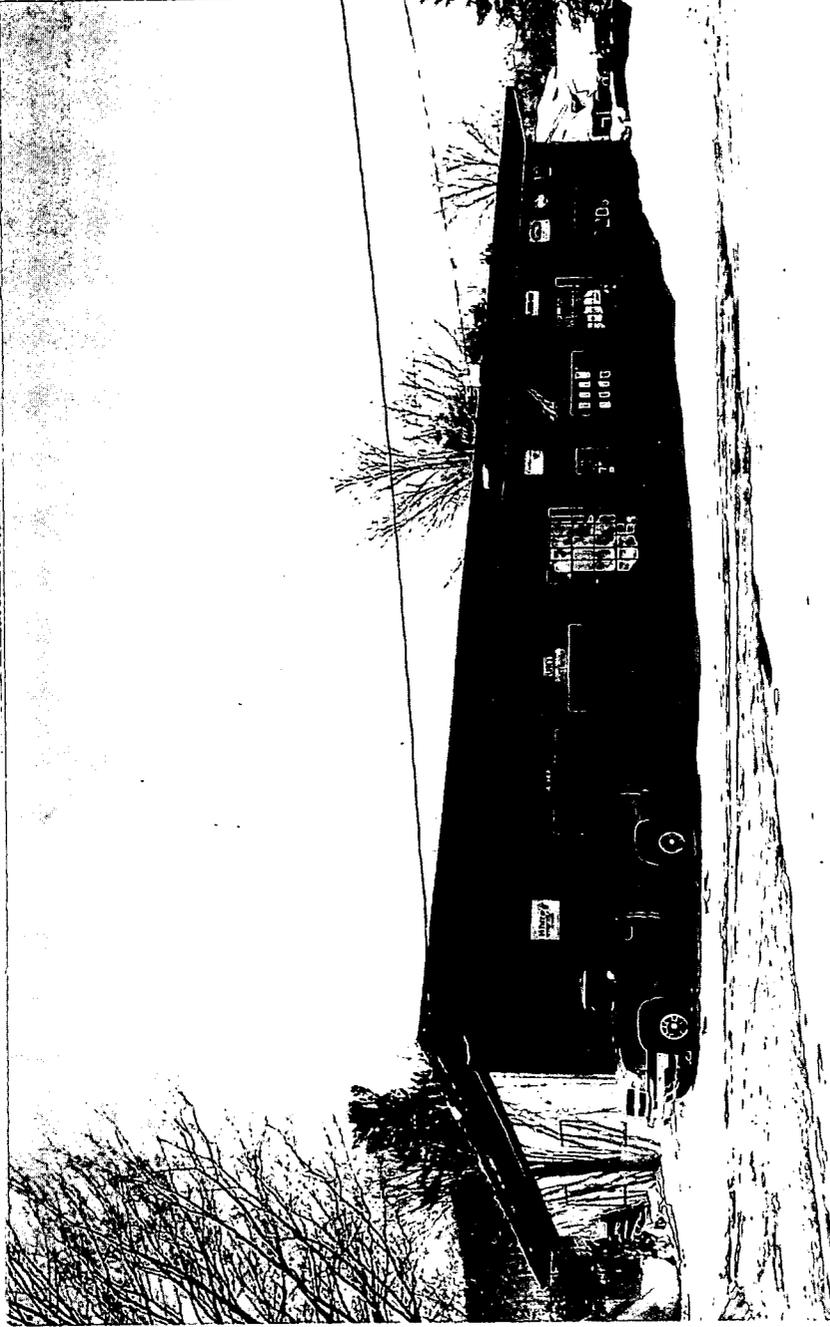


**The Village of Hyde Park, Inc.**



**Annual Report of the Board of Trustees**

**For the year ending 2003**



*John & Madeline Touchette*

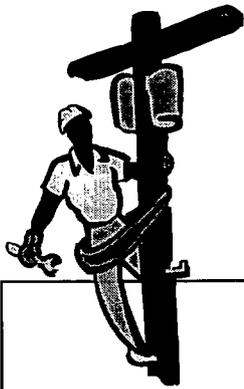
*Cover:*



**"Lute's Sales & Service"**

Lute's Sales & Service, Hyde Park's local small engine sales and repair business has been in operation since April 10, 1970. The location once a personal homestead, was burned in the great fire of 1910. Then in the 1920's, a building was built on the location and an auto repair business was born. The building has grown over the years and the business has changed from auto repair, to chainsaw repair and currently small engine repair and sales. Lute & Madeline Touchette purchased the property in 1970 and the family has provided service to area residents for the last 34 years. John Touchette began working with his father approximately twenty-five years ago and has remained until just recently when it was decided to close "Lute's". "Lute's Sales & Service" has been a great asset to the Hyde Park community. We will miss the friendly business, seeing the family on a regular basis, and the great service that has been provided for many years.

*Photos, courtesy of Oran Moore Photography*



**Village of Hyde Park**  
Annual Report  
For the period ending December 31, 2003

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## General Information

### TRUSTEES

The Trustees hold regular meetings on the first Tuesday of each month at 7:00 P.M. at the Village Office. The agenda for these and all other meetings are posted on the bulletin board at the Town and Village Office Building and the U.S. Post Office.

### VILLAGE OFFICE

The Village Office is open Monday through Friday from 7:30 A.M. to 4:00 P.M. The office telephone number is 888-2310. A night deposit box is available at the left of the front door for your convenience.

### OFFICIAL NOTICES AND WARNINGS

Village notices and warnings are published in the "Transcript".

### ORDINANCES, RULES AND REGULATIONS

Copies of all Village Ordinances, Rules & Regulations are available at the Village Office. This includes Applications for Zoning, Electric, Water and Sewer Service.

### FLAG FLYING DAYS

<b>February</b>	President's Day	<b>July</b>	Independence Day
<b>May</b>	Memorial Day	<b>September</b>	Labor Day
	Memorial Day Observed	<b>November</b>	Veteran's Day
<b>June</b>	Flag Day	<b>December</b>	Christmas



### POWER OUTAGE

In the event of a power outage outside of regular office hours, call 888-3502. Give your name, location, telephone number and any other information requested by the dispatcher.

### RUBBISH REMOVAL

The Village office offers the sale of rubbish stickers provided by WSI of Waterbury, Vermont for a cost of \$2.50 per sticker. WSI provides for the removal of household trash and recycled trash. All trash must be placed by the roadside by 7:30 AM on Thursday morning. Specific questions regarding trash removal should be directed to WSI at 1-800-981-5476. (toll-free)

Other trash removal services are available and can be located in your local directory.

### EMERGENCY-POLICE, FIRE, AMBULANCE - CALL 911

## Dedication

The Board of Trustees would like to dedicate this annual report to two long-time employees who retired from the Village in 2003- David Waterhouse and Diane Phelps. David & Diane dedicated many years (24 & 25 consecutively) of service to the village, although in very different ways.

David, a long time resident of Craftsbury, Vermont, came to the Village in August of 1979. Most of you, as residents, know David as either the guy who reads your meter each month, or the guy who drives the John Deere Tractor around town cleaning streets. Well, David did those things and a whole lot more.

David is a first class lineman; therefore, he helped keep the electricity flowing night and day. Being on-call in the event of power outages for twenty-five years is a huge commitment most of us don't realize or appreciate. David also worked on water and sewer lines and probably his favorite thing, maintained village equipment. David has a love for working on vehicles so this he didn't mind.

On the other side, his least favorite task was reading meters. David retired Sept. 1, 2003; although, he still works for the village on a part-time basis so you will still see him around from time to time.



Diane, came to work for the village as a part-time employee in July of 1978. At the time, Diane lived in the village with her husband and four children so she knew the happenings around town and all those who lived here. Now, while David kept the electric flowing, Diane kept the bills flowing. Over the years Diane's



position grew to be more and more demanding due to changes in society, compliance in utility laws, and a growing community; therefore, her position eventually was considered full-time. By this time, she had moved to Johnson but still felt like her home was here in Hyde Park. Diane endured many changes and challenges over her career including the turnover of four village clerks. Although staff changes were testing, the most difficult challenge was becoming immersed in the technical world of computers. Diane was up to the task and her knowledge increased even though it wasn't always pleasurable. The most pleasant part of Diane's work was her customers who she grew to know and enjoy and the people she worked with. Although a difficult decision,

after twenty-five years Diane decided it was time to move on. She still has a permanent place here at the office and is always welcome.

Thank you David & Diane for all your years of service and contributions to the village...we all hope you enjoy the new endeavors in your life.

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# VILLAGE OF HYDE PARK, INC.

## VILLAGE OFFICERS

**President** - C. Brickett Bailey  
**Clerk & Treasurer** - Crystal L Currier

### Board of Trustees:

Orah Moore, Co-Chair	2 Year Term Expires 2004
Gary Coquillet, Co-Chair (resigned)	3 Year Term Expires 2005
John Anderson	3 Year Term Expires 2004
Frederika French	2 Year Term Expires 2005
David DiDomenico	3 Year Term Expires 2006

### AUDITORS

Gary Anderson, Richard Stygles  
Sharon Anderson

### TRUSTEES OF BLISS FUND

Crystal L Currier	Term Expires 2004
Lester Anderson	Term Expires 2005
Enid Rosenblum	Term Expires 2006

### APPOINTED BY TRUSTEES

<b>Tax Collector</b>	Vacant
<b>Zoning Administrator</b>	Julia Compagna

### Development Review Board

Graham Govoni, Chair  
David Gagnier  
Brickett Bailey  
Malcolm Teale  
Craig Fowler  
Jane Draper  
Melvin Harvey

### Planning Commission

Gregory Paus, Chair  
Brian Jones  
Trim Conklin  
Jane Draper  
Vicki Emerson  
Donald Robitille  
Vacant

## Village Board of Trustees Annual Report 2003

This calendar year has been a year of change for the Village of Hyde Park. Two long-time employees, David Waterhouse and Diane Phelps retired after each dedicating twenty-five years of service to the village. David continues to work for the village on a part-time basis, so although retired you may still see him around from time to time. David's absence has left a void in the electric utility area changing the scope of work there and Diane's absence has changed the atmosphere in the office.

The Board, to accommodate Diane's leaving, hired Erika Elwood to fill the void within the office. Erika lives in North Hyde Park with her husband and four children and is quickly learning the ropes of utility customer service. The Board welcomes Erika to the village staff.

Other major changes and accomplishments this year include:

- ◆ Implementation of new utility software
- ◆ Creation of Village Personnel Policy Adoption of a Post-Retirement Health Policy
- ◆ Creation of Water Supply Operation & Maintenance Manual (State required)
- ◆ Replacement of Sidewalk Ramps and reconstruction of deteriorating sections within the village
- ◆ Purchase of snow bucket for Village Loader
- ◆ Upgraded over 100 Electric Services
- ◆ Cleared approximately two miles of Electric Utility Lines



The creation of the Village Personnel Policy including the adoption of a post-retirement health policy was a huge accomplishment. This policy sets guidelines and expectations for both the Board as employer and the village employees. The Water Supply Operation & Maintenance Manual was also a large accomplishment. This manual is required by the Vt. Water Supply Division and by completing such the village is in a position to apply for grants and possible water testing waivers.



At the village meeting in May the voters approved the appropriation of funds to purchase a snow bucket for the village loader. This has been a big help in snow removal this year. In the summer months, the sidewalk ramps that previously did not meet ADA standards, were torn out and replaced along with the repair of many other deteriorating concrete sidewalk sections.

In the electric department, the village line crew has been working on upgrading many older services and with the help of an outside contracting company has completed much needed trimming along many sections of the utility lines. These two accomplishments will increase the reliability in these areas. On the downside, the increasing instability of the power markets coupled with large power corporations filing bankruptcy increased the cost of purchase power to the village. This instability along with the increase in property tax on utility lines and



overlapping personnel has resulted in a 14.25% rate increase for Hyde Park ratepayers. The Board has been evaluating and struggling to reduce the overall expenditures. One major decision was to change the village health policy for 2004. With health care costs rising in 2004 by 20% the goal was not necessarily to reduce health care costs; however, to maintain current spending. The electric budget for 2004 predicts a net loss for the year, not a healthy outlook; however, the Board is cognizant of this and has been diligently working to find ways to cut expenses rather than raising rates.

The Water and Sewer departments remain consistent in revenues and expenditures. Although consistent, both departments continue to struggle to meet expenses. The budgets for both water and sewer predict a net loss for the year; again, not a healthy outlook. The water will see an increase in 2004 and the sewer department will see an increase after July 1, 2004. The sewer increase will be instituted in two stages, one this July and the other in July of 2005. Unfortunately, the systems are increasing in age and there are a limited number of users on the system placing the burden on a specific number of people with not much opportunity to expand. The State of Vermont continues to place mandates on water testing procedures thereby increasing costs; however, Hyde Park has a positive testing history and has applied for specific testing waivers which could reduce costs in this area. On the positive side, neither system has experienced major structural problems. That said, the Board is aware of the aging systems and looking forward, is struggling with what may be a major future problem for the Village. The Board is currently looking for grants and other funding mechanisms that could help the village upgrade the system.



Overall, the Village continues to run smoothly and the Board invites you to attend the annual meeting on May 4<sup>th</sup>.

Respectfully,  
 Orah Moore  
 John Anderson  
 Dave DiDomenico  
 Fredericka French

Photo's-Courtesy of Orah Moore Photography  
 Page 1. Top Right-Orah Moore Bottom Left-John Anderson  
 Page 2. Top Left-David DiDomenico Bottom Right-Frederika French

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**HYDE PARK PLANNING COMMISSION  
2003 ANNUAL REPORT**

The Planning Commission completed a comprehensive re-write to the Town Zoning Bylaws originally drafted in 1988. In making these revisions they carefully considered the viability of the existing Village. They then began work on the development of subdivision regulations. The Planning Commission continues to support the Village Enhancement Grant Project and the expansion of the Lanpher Memorial Library facility.

Planning Commission meetings are held at 7:00 PM, the first and third Wednesday of each month. The public is welcome to attend.

**HYDE PARK DEVELOPMENT REVIEW BOARD  
2003 ANNUAL REPORT**

The Hyde Park Development Review Board conducted fifteen conditional use and site plan review hearings in 2003, two of which were for Village projects. Commercial development of note includes the renovation of the former C.H. Dana property and the addition of storage space for the Opera House.

The Board continues to assist the Administrative Officer with periodic permit reviews and enforcement. Development Review Board hearings are scheduled the first Tuesday of the month, as necessary, and are open to the public.

**HYDE PARK ADMINISTRATIVE OFFICER 2003 ANNUAL REPORT**

The Village of Hyde Park continued to experience steady growth in 2003 with a total of thirteen zoning permits issued by the Administrative Officer. The majority of projects were residential in nature and only two required review by the Development Review Board. The Administrative Officer assisted Lanpher Memorial Library Trustees with the writing of several grants and other fundraising activities related to their facility renovation/addition. The Administrative Officer assisted the Hyde Park Community Circle with the Home Days and Wreath Lighting Ceremony.

## Report of the Auditors

We have examined the 2003 auditor's review of the books and records of the Village of Hyde Park, Inc. prepared by Independent Auditor Scott Maille, of Maille & Associates. It is our opinion that the books and records were maintained in accordance with the State of Vermont guidelines for such procedures; and we concur with the independent auditor's opinion regarding the Village of Hyde Park, Inc. financial data for the calendar year 2003.

*Gary Anderson*

Gary Anderson

*Richard N. Stygles*

Richard Stygles

*Sharon L. Anderson*

Sharon Anderson

### Village of Hyde Park Tax Collector's Report For the Year Ending December 31, 2003

Balance December 31, 2002	\$ 194.28
Village Taxes Billed for 2003	\$ 21,693.19
Penalties & Interest Assessed	\$169.22
Village Taxes Received for 2002	\$ ( 103.46)
Village Taxes Received for 2003	\$ ( 21,475.59)
Delinquent Taxes December 31, 2001	\$ 477.64

#### Delinquent Village Taxes 2003

Kenneth McPherson-2002*	\$ 90.82
Kenneth McPherson-2003*	\$ 115.67
Brian Kucejko`	\$ 107.20
Christopher & Elena Bertrand*	\$ 61.23
Fred Davis	\$ 102.72
<b>Total Delinquent Taxes</b>	<b>\$ 477.64</b>

**Crystal Currier, Village Treasurer**

\*Indicates payment received after December 31, 2003

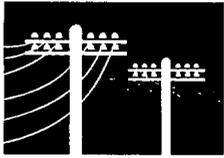


**VILLAGE OF HYDE PARK  
BLISS LIBRARY FUND  
PERIOD ENDING DECEMBER 31, 2003**

Principal Cash 12/31/02		<b>\$ 2,816.12</b>
Add:		
Dividends Received:		
Dean Witter Global Fund	\$ 617.06	
Dean Witter Telephone Stock	\$ 603.27	
Nationwide Securities	\$ <u>108.75</u>	
		\$ 1,329.08
Interest Received:		
Union Bank Money Mkt	\$ 25.17	
		\$ <u>25.17</u>
		<b>\$ 1,354.25</b>
		<b>4,170.37</b>
Disbursements:		
Funds paid to Lanpher Memorial Library:		
3/03	\$ 265.59	
6/03	\$ 347.19	
9/03	\$ 444.55	
12/03	\$ <u>295.60</u>	
		<b>\$ 1,352.93</b>
Balance on Hand 12/31/03		<b>\$ <u>2,817.44</u></b>

**INVENTORY**

# of Shares	Price	Description	Market Value
817.157	18.75	Nationwide Fund	\$15,321.69
977.39	1.00	Dean Witter US Gvt Mmkt	\$977.39
1522.68	6.33	Diversified Income Trust Acct.	\$9,638.56
126	35.08	Verizon Communications	\$4,420.08
160	28.30	Bell South Corp.	\$4,528.00
10	20.30	AT & T Corporation	\$203.00
296	26.07	SBC Communications	\$7,716.72
62	4.32	Qwest Communications	\$267.84
90	25.04	Vodafone Ari Touch PUB LTD	\$2,253.60
17	7.99	AT & T Wireless Service Inc.	\$135.83
17	32.79	Comcast Corp.	\$557.43
<b>Total Market Value of Investments</b>			<b><u>\$46,020.15</u></b>



Village of Hyde Park  
Electric Budget

ACCT.#	REVENUES	2003 Budget	2003 Actual	2003 Bdgt vs. Actual%	2004 Budget
4400/4450/ 4083	Residential Sales	\$ 790,000.00	\$ 891,623.40	113%	\$ 936,000.00
4420	Small Commercial Sales	\$ 133,000.00	\$ 146,445.92	110%	\$ 156,000.00
4430/4490	Lg. Commercial Sales	\$ 145,000.00	\$ 161,128.95	111%	\$ 170,000.00
4440	Public Street & Highway	\$ 5,500.00	\$ 5,784.81	105%	\$ 6,200.00
4460	Public Authority	\$ 56,000.00	\$ 60,454.53	108%	\$ 64,200.00
4480	Security Lights	\$ 3,800.00	\$ 3,309.17	87%	\$ 3,800.00
4510/4211	Misc. Revenues	\$ 4,000.00	\$ 4,579.61	114%	\$ 4,000.00
4540	Pole Rent	\$ 1,975.00	\$ 1,973.25	100%	\$ 1,975.00
4170	Transmission Line	\$ 1,375.00	\$ 1,375.00	100%	\$ 1,375.00
4190	Interest Income	\$ 4,000.00	\$ 3,761.68	94%	\$ 4,000.00
4191	Penalty Income	\$ 3,100.00	\$ 3,151.47	102%	\$ 3,100.00
4150-4154	Sale of Merchandise/Labor	\$ 14,500.00	\$ 9,310.55	64%	\$ 11,000.00
4210	Misc Non-Operating Rev.		\$ 877.72	878%	\$ -
	<b>Total Revenues</b>	<b>1,162,250.00</b>	<b>\$ 1,293,776.06</b>	<b>111%</b>	<b>\$ 1,361,650.00</b>
ACCT.#	EXPENSES	2003 Budget	2003 Actual	2003 Bdgt vs. Actual%	2004 Budget
5450	Purchase Power	\$ 583,824.00	\$ 645,947.75	111%	\$ 720,000.00
5460	Other Expenses	\$ 145,014.00	\$ 128,323.18	88%	\$ 128,000.00
5461	Free Power Expense	\$ 7,500.00	\$ 8,201.42	109%	\$ 8,300.00
5530	Maintenance Trans Plant	\$ -	\$ -	0%	\$ -
5531	Retirement	\$ 500.00	\$ 287.90	58%	\$ 300.00
5610	Line /Station Labor	\$ 18,000.00	\$ 14,752.36	82%	\$ 14,000.00
5620	Line/Station Supplies	\$ 7,500.00	\$ 6,440.38	86%	\$ 6,000.00
5630	DSM Program Expense	\$ -	\$ 87.00	87%	\$ 50.00
5660	Meter Expense	\$ 1,250.00	\$ 1,658.61	133%	\$ 1,600.00
5690	Misc. Dist. Expense	\$ 3,300.00	\$ 3,485.00	106%	\$ 3,250.00
5700	Rent-Master Lease	\$ 257.40	\$ 514.80	200%	\$ 258.00
5710	Maintenance of Structures	\$ 500.00	\$ 93.41	19%	\$ 500.00
5720	Maint. of Lines	\$ 45,000.00	\$ 26,595.17	59%	\$ 25,000.00
5721	Row Maintenance	\$ 18,500.00	\$ 26,157.90	141%	\$ 24,500.00
5730	Maintenance of Transformer	\$ 1,000.00	\$ 522.00	52%	\$ 500.00
5740	Maintenance of Street Light	\$ -	\$ 100.44	100%	\$ 150.00
5770	Maintenance of Warehouse	\$ 750.00	\$ 1,039.89	139%	\$ 250.00
5750	Maintenance of Meters	\$ 100.00	\$ 12.00	12%	\$ 100.00
9010	Meter Reading Labor	\$ 6,000.00	\$ 6,765.75	113%	\$ 6,850.00
9020	Accounting & Collecting	\$ 75,000.00	\$ 73,451.46	98%	\$ 72,500.00
9030	Supplies & Expense	\$ 6,500.00	\$ 15,096.86	232%	\$ 13,500.00
9040	Uncollectible Accounts	\$ 500.00	\$ 8,583.61	8%	\$ 250.00
9050	Misc Customer Expense	\$ 25.00	\$ 6.35	25%	\$ 25.00
9200	Admin./General	\$ 1,000.00	\$ 232.61	23%	\$ 250.00
9210	Office Supplies Expense	\$ 13,500.00	\$ 6,267.84	46%	\$ 7,500.00
9230	Outside Services	\$ 22,000.00	\$ 24,408.61	110%	\$ 23,500.00
9235	Training/Seminar Expense	\$ 2,500.00	\$ 649.00	26%	\$ 750.00
9240	Insurance	\$ 6,400.00	\$ 5,380.20	84%	\$ 6,000.00

9250	Workman's Comp	\$ 9,000.00	\$ 9,628.11	107%	\$ 9,000.00
9260's	Payroll Benefits	\$ 105,800.00	\$ 115,917.14	110%	\$ 102,500.00
9269	Self-Insured Medical Fund	\$ -	\$ -	0%	\$ 5,625.00
9262	Stand By Pay	\$ 15,600.00	\$ 15,942.90	102%	\$ 16,000.00
9280	Reg. Comm. Expense	\$ 7,500.00	\$ 6,046.55	81%	\$ 6,100.00
9300	Misc. Expense	\$ 225.00	\$ 2,015.89	896%	\$ 500.00
9310	Rent	\$ 10,200.00	\$ 9,750.00	96%	\$ 14,700.00
9330	Transportation Expense	\$ 4,700.00	\$ 5,606.98	119%	\$ 5,500.00
9350	Equipment Maintenance	\$ 13,500.00	\$ 11,159.44	83%	\$ 11,200.00
9370	Equipment Rental Exp.	\$ 350.00	\$ -	0%	\$ 350.00
5030	Depreciation Expense	\$ 71,600.00	\$ 74,314.96	104%	\$ 80,000.00
5081	Gross Revenue Tax	\$ 6,300.00	\$ 6,392.26	101%	\$ 6,750.00
5082	Taxes-FICA	\$ 15,000.00	\$ 16,984.84	113%	\$ 16,500.00
5084	Contribution to Municipality	\$ 400.00	\$ 400.00	100%	\$ 300.00
5085	Taxes-Other	\$ 44,500.00	\$ 19,108.85	43%	\$ 31,500.00
5086	Weatherization Tax	\$ 5,750.00	\$ 6,341.41	110%	\$ 6,500.00
5270	Interest Expense	\$ 5,000.00	\$ 3,900.22	78%	\$ 3,500.00
5310	Other Interest Expense	\$ 750.00	\$ 772.43	103%	\$ 700.00
	<b>Total Expenses</b>	<b>1,282,595.40</b>	<b>1,309,343.48</b>	<b>101%</b>	<b>1,381,108.00</b>
	<b>Total Revenue</b>	<b>1,162,250.00</b>	<b>1,293,776.06</b>	<b>111%</b>	<b>1,361,650.00</b>
	<b>Net Change to Retained Earnings</b>	<b>(120,345.40)</b>	<b>(15,567.42)</b>	<b>6%</b>	<b>(19,458.00)</b>
<b>Net Change in Cash Flow</b>					
	Less Depreciation (NonCash Item)	\$71,600.00	\$ 74,314.96		\$ 80,000.00
	Principal Payments		\$ (28,491.00)		
	Capital Investments/Improvements		\$ (65,303.71)		
	Change in Receivables/Payables		\$ 21,833.86		
	Net Change in Cash Flow		\$ (4,513.12)		



### *Electric Utility Rates*

Rate Class	Customer Charge	0 - 100 KWH	+ 100 KWH	Per KWH	Demand per KW	EEU Charge	Monthly Charge
Residential	9.11	.05899	.10566			.003180	
All Electric	9.11	.05899	.10566			.003180	
Sm. Commercial	11.76			.002811		.002811	
Lg. Commercial	163.72			.06972	13.20	.001672/KWH .367952/KW	
Sec. Light-Ded. Pole							11.44
Sec. Light-Existing Pole							6.01
Street Lights							5.62

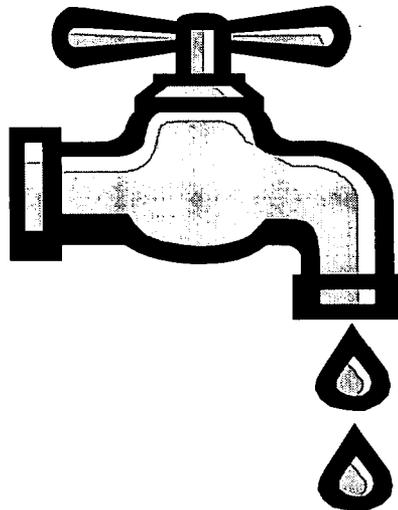
**Village of Hyde Park**  
**Water Budget**

	<b>REVENUES</b>	2003 Budget	2003 Actual	03 Bdgt Vs. Actual	2004 Budget
4150.003	Merchandise Sales	\$ -	\$ -	0%	\$ -
4190.003	Interest Income	\$ 875.00	\$ 373.59	43%	\$ 450.00
4191.003	Penalty Income	\$ 350.00	\$ 491.93	141%	\$ 475.00
4400.003	Water Sales	\$ 40,000.00	\$ 39,691.22	99%	\$ 55,100.00
4510.003	Miscellaneous Income	\$ 500.00	\$ 960.00	192%	\$ 800.00
4520.003	Water Connection Fees	\$ -		0%	\$ -
	<b>Total Revenues</b>	<b>\$ 41,725.00</b>	<b>\$ 41,516.74</b>	<b>100%</b>	<b>\$ 56,825.00</b>
	<b>EXPENSES</b>	2003 Budget	2003 Actual	03 Bdgt Vs. Actual	2004 Budget
				0%	
5030.003	Depreciation Expense	\$ 17,500.00	\$ 14,405.70	82%	\$ 14,250.00
5082.003	Fica Taxes	\$ 1,500.00	\$ 1,614.91	108%	\$ 1,550.00
5083.003	Free Water Expense	\$ 815.00	\$ 810.01	99%	\$ 850.00
5085.003	Property Taxes	\$ -	\$ 417.22	417%	\$ 1,050.00
5270.003	Interest-Long Term	\$ 950.00	\$ 825.50	87%	\$ 680.00
5610.003	Line & Station Labor		\$ -	0%	\$ -
5620.003	Line & Station Supplies		\$ 29.77	30%	\$ 50.00
5625.003	Water Sampling Expense	\$ 1,550.00	\$ 1,072.50	69%	\$ 1,050.00
5640.003	System Operating Permit Fees	\$ 600.00	\$ 697.00	116%	\$ 700.00
5660.003	Meter Expense	\$ -	\$ -	0%	\$ 50.00
5690.003	Miscellaneous Expenses	\$ 450.00	\$ 392.62	87%	\$ 400.00
5720.003	Maintenance Of Water Lines	\$ 18,500.00	\$ 19,667.45	106%	\$ 18,250.00
5722.003	Aqua-Mag Treatment Expense	\$ 2,500.00	\$ 855.27	34%	\$ 1,650.00
5723.003	Chlorinator Expense	\$ 1,000.00	\$ 500.86	50%	\$ 750.00
5724.003	Water Reservoir Maint.	\$ 250.00	\$ -	0%	\$ 150.00
5725.003	Sodium Hydroxide Treatment	\$ 2,250.00	\$ 2,173.50	97%	\$ 2,200.00
5732.003	Maint Of Fire Hydrants	\$ -	\$ -	0%	\$ -
5770.003	Warehouse Maint.	\$ 250.00	\$ -	0%	\$ 100.00
9010.003	Meter Reading Labor	\$ 400.00	\$ 572.02	143%	\$ 575.00
9020.003	Accty/Billing Expense	\$ 2,800.00	\$ 2,909.80	104%	\$ 2,750.00
9030.003	Supplies & Expense	\$ 1,250.00	\$ 850.66	68%	\$ 850.00
9040.003	Uncollectible Accounts Expense	\$ 75.00	\$ -	0%	\$ 75.00
9210.003	Office Supplies & Expense	\$ 450.00	\$ 291.58	65%	\$ 450.00
9230.003	Outside Services	\$ 275.00	\$ 862.50	314%	\$ 600.00
9235.003	Training/Seminar Expense	\$ 150.00	\$ -	0%	\$ 150.00
9240.003	Insurance	\$ 350.00	\$ 298.90	85%	\$ 350.00
9250.003	Workman's Comp/Inj. & Dam.	\$ 300.00	\$ 256.33	85%	\$ 310.00
9260.003	Employee Benefits	\$ 2,650.00	\$ 2,983.98	113%	\$ 2,900.00
9261.003	Vacation Pay	\$ 700.00	\$ 764.90	109%	\$ 675.00
9263.003	Holiday Pay	\$ 500.00	\$ 491.55	98%	\$ 475.00
9264.003	Sick Leave Pay	\$ 250.00	\$ 216.25	87%	\$ 150.00
9265.003	Retirement Expense	\$ 1,850.00	\$ 1,862.81	101%	\$ 1,850.00
9266.003	Christmas Bonus	\$ -	\$ -	0%	\$ -
9267.003	Jury Duty	\$ -	\$ -	0%	\$ -
9268.003	Employee Personal Pay	\$ 75.00	\$ 91.74	122%	\$ 75.00

9300.003	Miscellaneous Expense	\$ 100.00	\$ 1.98	2%	\$ 50.00
9310.003	Rents	\$ -	\$ 475.00	475%	\$ 750.00
9330.003	Transportation Expense	\$ 250.00	\$ 311.50	125%	\$ 300.00
9350.003	Equipment Maintenance	\$ 500.00	\$ 270.00	54%	\$ 450.00
9360.003	Equipment Rental Expense	\$ 150.00	\$ 600.00	400%	\$ 150.00
	<b>Total Expenses</b>	<b>\$ 61,190.00</b>	<b>\$ 57,573.81</b>	<b>94%</b>	<b>\$ 57,865.00</b>
	<b>Total Revenues</b>	<b>\$ 41,725.00</b>	<b>\$ 41,516.74</b>	<b>100%</b>	<b>\$ 56,825.00</b>
	<b>Net Change in Retained Earnings</b>	<b>\$ (19,465.00)</b>	<b>\$ (16,057.07)</b>	<b>82%</b>	<b>\$ (840.00)</b>
<b>Net Change in Cash Flow</b>					
	Less Depreciation (NonCash Item)		\$ 14,405.70		14,250.00
	Principal Payments		\$ (4,000.00)		(4,000.00)
	Capital Investments/Improvements		\$ (5,313.63)		(5,500.00)
	Change in Outstanding Receivables/Payables		\$ (3,538.19)		
	<b>Net Change in Cash Flow</b>		<b>\$ (14,503.19)</b>		<b>\$ 3,710.00</b>

### Water Rates

Customer Charge	\$ 25.00
Usage Charge (per 1000 gallons)	\$ 2.00



**Village of Hyde Park**  
**Sewer Budget**

<b>REVENUES</b>		<b>2003 BUDGET</b>	<b>2003 ACTUAL</b>	<b>2003 BDGT VS. ACTUAL</b>	<b>2004 BUDGET</b>
4190.004	Interest Income	\$ 325.00	\$ 198.87	61%	\$ 225.00
4191.004	Interest/Penalty Income	\$ 180.00	\$ 293.35	163%	\$ 300.00
4400.004	Sewer Sales	\$ 31,000.00	\$ 30,879.30	100%	\$ 31,500.00
4510.004	Sewer Connection Fees	\$ -	\$ 500.00	500%	\$ -
4515.004	Misc. Income	\$ -	\$ -	0%	\$ -
	<b>Total Revenue</b>	<b>\$ 31,505.00</b>	<b>\$ 31,871.52</b>	<b>101%</b>	<b>\$ 32,025.00</b>
<b>EXPENSES</b>		<b>2003 BUDGET</b>	<b>2003 ACTUAL</b>	<b>2003 BDGT VS. ACTUAL</b>	<b>2004 BUDGET</b>
5082.004	Fica Taxes	\$ 425.00	\$ 464.68	109%	\$ 425.00
5030.004	Depreciation Expense	\$ 17,550.00	\$ 17,515.22	100%	\$ 17,500.00
5083.004	Free Sewer Expense	\$ 530.00	\$ 516.00	97%	\$ 515.00
5260.004	Debt Retirement	\$ -	\$ -	0%	\$ -
5270.004	Interest-Long Term Debt	\$ -	\$ -	0%	\$ -
5310.004	Other Interest Expense	\$ 25.00	\$ -	0%	\$ 25.00
5610.004	Line & Station Labor	\$ -	\$ -	0%	\$ -
5620.004	Line & Station Supplies	\$ -	\$ 108.40	108%	\$ 100.00
5635.004	Outside Testing Expense	\$ 250.00	\$ 440.00	176%	\$ 400.00
5715.004	Leachfield Maintenance	\$ 7,500.00	\$ 7,600.00	101%	\$ 6,500.00
5720.004	Line Maintenance-Labor	\$ 3,000.00	\$ 3,821.25	127%	\$ 3,650.00
5722.004	Line Maintenance-Supplies	\$ 1,500.00	\$ 23.37	2%	\$ 300.00
9020.004	Accounting & Collecting Labor	\$ 1,350.00	\$ 1,454.05	108%	\$ 1,300.00
9030.004	Chemical Supplies Expense		\$ -	0%	\$ -
9040.004	Uncollectible Accts Expense	\$ 45.00	\$ -	0%	\$ 45.00
9210.004	Office Supplies & Expense	\$ 1,000.00	\$ 624.16	62%	\$ 550.00
9215.004	Sewer Discharge Permit	\$ 1,050.00	\$ 100.00	10%	\$ 1,700.00
9225.004	Operator Training Expense		\$ -	0%	\$ 150.00
9230.004	Outside Services	\$ 850.00	\$ 1,028.69	121%	\$ 1,050.00
9240.004	Insurance Expense	\$ 175.00	\$ 149.45	85%	\$ 150.00
9250.004	Workman's Comp-Inj. & Dam.	\$ 150.00	\$ 128.16	85%	\$ 155.00
9260.004	Employee Benefits	\$ 1,350.00	\$ 1,491.99	111%	\$ 1,300.00
9261.004	Vacation Pay	\$ 350.00	\$ 447.48	128%	\$ 400.00
9263.004	Holiday Pay	\$ 225.00	\$ 245.83	109%	\$ 225.00
9264.004	Sick Leave Pay	\$ 75.00	\$ 42.24	56%	\$ 25.00
9265.004	Retirement Expense	\$ 950.00	\$ 931.41	98%	\$ 825.00
9266.004	Christmas Bonus		\$ -	0%	\$ -
9267.004	Jury Duty		\$ -	0%	\$ -
9268.004	Employee Personal Days	\$ 45.00	\$ 44.55	99%	\$ 40.00
9300.004	Miscellaneous Expense	\$ 100.00	\$ -	0%	\$ 50.00
9310.004	Rents	\$ -	\$ 475.00	475%	\$ 750.00

9330.004	Transportation Expense	\$ 125.00	\$ 155.75	125%	\$ 135.00
9340.004	Equipment Expense	\$ 250.00	\$ -	0%	\$ 100.00
9350.004	Pump & Equipment Maint.	\$ 125.00	\$ -	0%	\$ 100.00
	<b>Total Expenses</b>	<b>\$ 38,995.00</b>	<b>\$ 37,807.68</b>	97%	<b>\$ 38,465.00</b>
	<b>Total Revenues</b>	<b>\$ 31,505.00</b>	<b>\$ 31,871.52</b>	101%	<b>\$ 32,025.00</b>
	<b>Net Change in Retained Earnings</b>	<b>\$ (7,490.00)</b>	<b>\$ (5,936.16)</b>	79%	<b>\$ (6,440.00)</b>
<b>Net Change in Cash Flow</b>					
	Less Depreciation (NonCash Item)	\$ 17,550.00	\$ 17,515.22	100%	\$ 17,500.00
	Principal Payments				
	Capital Investments/Improvements	\$ (1,000.00)	\$ (1,000.00)		\$ -
	Change in Outstanding Receivables/Payables		\$ (387.97)		
	<b>Net Change in Cash</b>	<b>\$ 9,060.00</b>	<b>\$ 10,191.09</b>	112%	<b>\$ 11,060.00</b>

#### Sewer Rates

	Current	Effective July 1, 2004
Customer Charge	\$ 43.00	\$ 49.00
Usage Charge (over 21,500 gallons-per 1000 gallons)	\$ 1.00	\$1.00



**Village of Hyde Park**  
*General Fund Budget*

EXPENSES:	2003 Budget	2003 Actual	2003 Bdgt Vs. Actual	2004 Budget
Insurance Expense	\$ 325.00	\$ 277.61	85%	\$ 325.00
Warehouse Maintenance	\$ 150.00	\$ -	0%	\$ 1,700.00
Sick, Holiday, Vacation, Personal	\$ 700.00	\$ 780.10	111%	\$ 700.00
Sidewalk Plowing & Maintenance	\$ 11,500.00	\$ 13,470.45	117%	\$ 12,500.00
Office Salaries & Supplies	\$ 1,700.00	\$ 1,454.05	86%	\$ 1,600.00
Employee Benefits	\$ 1,350.00	\$ 1,491.99	111%	\$ 1,400.00
Outside Services-Legal & Auditing	\$ 150.00	\$ 138.25	92%	\$ 150.00
Payroll Taxes	\$ 900.00	\$ 1,142.26	127%	\$ 950.00
Gas & Mileage Expense	\$ 150.00	\$ 155.75	104%	\$ 150.00
Retirement Expense	\$ 950.00	\$ 931.41	98%	\$ 900.00
Equipment Maintenance	\$ 750.00	\$ 129.22	17%	\$ 500.00
Zoning & Planning Expense	\$ 1,500.00	\$ 770.57	51%	\$ 1,000.00
Zoning & Planning Expense(Legal)	\$ 250.00	\$ -	0%	\$ 250.00
Town Clock Maintenance	\$ 200.00	\$ 150.00	75%	\$ 200.00
Administrative & Misc. Expense	\$ 1,400.00	\$ 1,458.02	104%	\$ 1,450.00
Village Street Lighting	\$ 5,300.00	\$ 5,692.28	107%	\$ 6,200.00
Sidewalk Sweeper Broom	\$ 850.00	\$ 717.07	84%	\$ 850.00
Sidewalk Reserve Fund-Village	\$ 3,000.00	\$ 3,000.00	100%	\$ 5,000.00
Sidewalk Reserve Fund-Town	\$ 2,000.00	\$ 2,000.00	100%	\$ 2,000.00
Sidewalk Project		\$ 12,000.00	12000%	\$ -
Holiday Decorations/Flags	\$ 200.00	\$ 258.36	129%	\$ 850.00
Computer Expense/Postage Expense	\$ 500.00	\$ 419.36	84%	\$ 500.00
Opera House Fire Code Improvements	\$ 2,500.00	\$ 2,500.00	100%	\$ -
Snow Bucket for JD		\$ 3,500.00	3500%	
LUHS Trail System Donation				\$ 500.00
<b>Total Expenses</b>	<b>\$ 36,325.00</b>	<b>\$ 52,436.75</b>	<b>144%</b>	<b>\$ 39,675.00</b>
Rent	\$ 9,500.00	\$ 9,500.00	100%	\$ 15,000.00
Electric Dept. Contribution	\$ 400.00	\$ 400.00	100%	\$ 300.00
Interest/Penalty Income	\$ 300.00	\$ 285.91	95%	\$ 275.00
Rubbish Stickers	\$ 250.00	\$ 351.80	141%	\$ 300.00
Village Taxes-Tax Rate @ .109	\$ 17,875.00	\$ 18,023.19	101%	\$ 21,800.00
Village Taxes-Snow Bucket Approp.		\$ 3,670.00	3670%	\$ -
LCPlayers-Rent	\$ -		0%	\$ -
Town of Hyde Park-Sidewalks Appropriation	\$ 2,000.00	\$ 2,000.00	100%	\$ 2,000.00
Transfer from Retained Earnings	\$ 6,000.00	\$ 6,000.00	100%	\$ -
<b>Total Income</b>	<b>\$ 36,325.00</b>	<b>\$ 40,230.90</b>	<b>111%</b>	<b>\$ 39,675.00</b>

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**A SUMMARIZATION OF THE  
2003 ANNUAL VILLAGE MEETING**

- ARTICLE 1. C. Brickett Bailey elected Village President.
- ARTICLE 2. Roberts Rules of Order adopted.
- ARTICLE 3. Summarization of 2002 Annual Village meeting accepted.
- ARTICLE 4. Gary Anderson, Richard Stygles and Sharon Anderson elected to the Board of Auditors.
- ARTICLE 5. Enid Rosenblum elected Trustee of the Bliss Library Fund for a term of three years.
- ARTICLE 6. David DiDomenico elected for a term of three years as Village Trustee.
- ARTICLE 7. Frederika French elected for a term of two years as Village Trustee.
- ARTICLE 8. Report of the Village Officers accepted as written.
- ARTICLE 9. Voted to accept the estimated budget of the Village Trustees for 2003.
- ARTICLE 10. Voted to appropriate \$3,760.00 for the purchase of a snow bucket for the village loader.
- ARTICLE 11. The Trustees were authorized to borrow money on promissory notes.
- ARTICLE 12. Adopted the same due date and penalties for Village taxes. Due date August 15, 8% Penalty, 1% interest for the first three months and 1 1/2% interest per month thereafter.
- ARTICLE 13. Voted to indemnify and hold all appointed and elected officials harmless from and against all liability, claims and suits of any type, except those caused by and arising out of their intentional or willful misconduct, brought against them as a consequence of their service, said indemnity to include all damages, costs and attorneys fees.
- ARTICLE 14. Voted to hold the next Annual Village meeting the first Tuesday of May 2004, 7:00 PM.
- ARTICLE 15. Other Business-Thank you to the Board of Trustees for dedicating the annual report to the Hyde Park Community Circle, recognizing their hard work & Thank you to Clyde Stannard for taking on the responsibility of putting out the street signs each day.

**I certify that this is a true and accurate record of the proceedings of this meeting.**

  
\_\_\_\_\_  
Crystal L Currier  
Village Clerk



**WARNING**  
**ANNUAL VILLAGE MEETING OF**  
**HYDE PARK, VERMONT**  
**May 4, 2004**

The annual meeting of the Incorporated Village of Hyde Park, Vermont is hereby called and legal voters therein are warned to meet at the Town and Village Office Building on the Fourth (4th) day of May A.D., 2004 at 7:00 PM for the transaction of the following business, viz:

- Article 1.** To elect a President for the ensuing year.
- Article 2.** To adopt rules of order for the transaction of business.
- Article 3.** Consideration and approval of the summarization of minutes from the 2003 Annual Meeting.
- Article 4.** To elect a Board of Auditors for the ensuing year.
- Article 5.** To elect a Trustee of the Bliss Library Fund for a term of three years, the term of Crystal Currier, expiring.
- Article 6.** To elect a Village Trustee for a term of two years, the term of Orah Moore, expiring.
- Article 7.** To elect a Village Trustee for a term of three years, the term of John Anderson, expiring.
- Article 8.** To elect a Village Trustee for a term of one year, to fill the unexpired term of Gary Coquille (resigned).
- Article 9.** To hear, act upon and accept the report of the Village Officers.
- Article 10.** To determine if the Village voters will approve the estimated budget as proposed by the Board of Trustees for 2004, resulting in a tax rate of .109.
- Article 11.** To determine if the Village voters will authorize the Trustees to borrow money on promissory notes of the Village and to defray current expenses of the Village.
- Article 12.** To set a due date for Village Taxes and determine an interest percentage and penalty for delinquent taxes.
- Article 13.** To see if the Village voters will agree to indemnify and hold all elected and appointed officials harmless from and against all liability claims and suits of any type brought against them as a consequence of their service, except those caused by and arising out of their intentional or willful misconduct, said indemnity to include all damages, costs and attorney fees.
- Article 14.** To set the time and place of the next annual Village meeting.
- Article 15.** To act upon any other business that may legally be brought before said meeting.

Dated at Hyde Park, Vermont  
April 2, 2004

Attest:  
Crystal L. Currier  
Village Clerk

Orah Moore  
John Anderson  
David DiDomenico  
Frederika French

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**Village of Hyde Park, Inc.**  
**Review 2003**

Independent Auditor's Report and Financials

Completed by Scott Maille  
*Of*

*"Maille & Associates"*

**VILLAGE OF HYDE PARK, VT**

**GENERAL PURPOSE  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED**

**DECEMBER 31, 2003 and 2002**

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**ACCOUNTANT'S REVIEW REPORT  
ON GENERAL PURPOSE FINANCIAL STATEMENTS**

To The Board of Trustees  
Village of Hyde Park, VT  
Hyde Park, Vermont

We have reviewed the accompanying general purpose financial statements of the Village of Hyde Park, VT as of and for the year ended December 31, 2003, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Village of Hyde Park, VT.

A review consists principally of inquiries of the Village of Hyde Park, VT personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based upon our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The general purpose financial statements for the year ended December 31, 2002 were audited by other auditors and they expressed an unqualified opinion on them in their report dated February 14, 2003, but we have not performed any auditing procedures since that date.

*Maille & Associates*

South Burlington, Vermont  
March 31, 2004  
Registration # 092-0000609

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*Leadership is within us*

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**VILLAGE OF HYDE PARK, VT**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**AS OF DECEMBER 31, 2003 AND 2002**

	<u>GOVERNMENTAL</u>		<u>ACCOUNT</u>		<u>PROPRIETARY</u>		<u>TOTAL MEMORANDUM ONLY</u>	
	<u>FUND TYPES</u>		<u>GROUP</u>		<u>FUND TYPES</u>		<u>REVIEWED</u>	<u>AUDITED</u>
<u>ASSETS</u>	<u>GENERAL</u>	<u>GENERAL</u>	<u>FIXED ASSETS</u>	<u>ENTERPRISE</u>	<u>2003</u>	<u>2002</u>		
Cash and cash equivalents (notes 2 and 3)	\$ 8,916	\$ -	\$ -	\$ 168,997	\$ 177,913	\$ 194,985		
Restricted cash (note 3)	194	-	-	-	194	12,184		
Accounts receivable (note 2)	1,338	-	-	245,586	246,924	261,151		
Due from other funds (notes 2 and 4)	-	-	-	13,172	13,172	14,558		
Inventories (note 5)	-	-	-	54,338	54,338	66,917		
Prepaid expenses	-	-	-	300	300	-		
Buildings (notes 2 and 7)	-	948,091	-	-	948,091	-		
Improvements other than bldgs (notes 2 and 7)	-	18,300	-	-	18,300	-		
Utility plant in service, net of accumulated depreciation (notes 2 and 5)	-	-	-	1,399,029	1,399,029	1,422,006		
Investment in associated company (note 2)	-	-	-	23,800	23,800	22,700		
<b>TOTAL ASSETS</b>	<b>\$ 10,448</b>	<b>\$ 966,391</b>	<b>\$ 1,905,222</b>	<b>\$ 2,882,061</b>	<b>\$ 1,994,501</b>			
 <b>LIABILITIES</b>								
Current portion of long-term debt (note 8)	\$ -	\$ -	\$ -	\$ 89,000	\$ 89,000	\$ 109,001		
Accounts payable	1,072	-	-	182,403	183,475	162,726		
Customer deposits (notes 2 and 9)	-	-	-	11,568	11,568	10,969		
Accrued expenses and other liabilities	-	-	-	20,346	20,346	21,865		
Due to other funds (notes 2 and 4)	3,293	-	-	9,879	13,172	14,558		
Due to Town of Hyde Park	-	-	-	-	-	3,491		
Deferred revenue (note 9)	-	-	-	43,271	43,271	52,287		
Long-term debt (note 8)	-	-	-	27,000	27,000	36,000		
<b>TOTAL LIABILITIES</b>	<b>4,365</b>	<b>-</b>	<b>383,467</b>	<b>387,832</b>	<b>410,897</b>			
 <b>FUND EQUITY</b>								
Contributed capital (note 2)	-	-	-	438,895	438,895	438,895		
Retained earnings - Undesignated	-	-	-	1,082,860	1,082,860	1,120,420		
Investment in General Fixed Assets (note 2)	-	966,391	-	-	966,391	-		
Fund Balance								
Designated for sidewalk construction	194	-	-	-	194	12,184		
Undesignated	5,889	-	-	-	5,889	12,105		
<b>TOTAL FUND EQUITY</b>	<b>6,083</b>	<b>966,391</b>	<b>1,521,755</b>	<b>2,494,229</b>	<b>1,583,604</b>			
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 10,448</b>	<b>\$ 966,391</b>	<b>\$ 1,905,222</b>	<b>\$ 2,882,061</b>	<b>\$ 1,994,501</b>			

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HYDE PARK, VT

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEARS ENDING DECEMBER 31, 2003 AND 2002

	GENERAL	TOTAL MEMORANDUM ONLY	
		REVIEWED	AUDITED
REVENUES	GENERAL	2003	2002
Property taxes (note 2)	\$ 23,874	\$ 23,874	\$ 20,681
Interfund rental income	9,500	9,500	9,005
Contribution from Electric Dept.	400	400	11,500
Other income	457	457	532
<b>TOTAL REVENUES</b>	<b>34,231</b>	<b>34,231</b>	<b>41,718</b>
<b>EXPENDITURES</b>			
<b>SIDEWALK, STREETS, OTHER PUBLIC SERVICES</b>			
Sidewalk maintenance	12,888	12,888	9,726
Sidewalk capital outlay	18,300	18,300	-
Street lights	5,693	5,693	6,974
Street maintenance	-	-	-
Holiday decorating	258	258	920
Opera House renovations	2,500	2,500	-
Equipment maintenance	3,627	3,627	2,460
Town clock maintenance	150	150	150
Village center enhancements	-	-	399
Zoning expenses	771	771	1,300
<b>TOTAL SIDEWALK, STREETS, AND OTHER PUBLIC SERVICES</b>	<b>44,187</b>	<b>44,187</b>	<b>21,929</b>
<b>GENERAL AND ADMINISTRATIVE</b>			
Office expense - salaries and supplies	436	436	1,190
Payroll taxes	1,142	1,142	840
Insurance	278	278	324
Retirement and employee benefits	3,205	3,205	2,758
Legal and accounting	1,454	1,454	1,272
Outside services	138	138	88
Miscellaneous	1,597	1,597	1,450
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>8,250</b>	<b>8,250</b>	<b>7,922</b>
<b>DEBT SERVICE PAYMENTS - PRINCIPAL AND INTEREST</b>			
	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>52,437</b>	<b>52,437</b>	<b>29,851</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>(18,206)</b>	<b>(18,206)</b>	<b>11,867</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers In	6,000	6,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(12,206)</b>	<b>(12,206)</b>	<b>11,867</b>
<b>FUND BALANCES - BEGINNING</b>	<b>24,289</b>	<b>24,289</b>	<b>12,422</b>
<b>TRANSFER OF UNDESIGNATED FUND BALANCE</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 6,083</b>	<b>\$ 6,083</b>	<b>\$ 24,289</b>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HYDE PARK, VT

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
ACTUAL vs. BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Property taxes (note 2)	\$ 23,874	\$ 17,875	\$ (5,999)
Interfund rental income	9,500	9,500	-
Contribution from Electric Dept.	400	400	-
Other income	457	550	93
<b>TOTAL REVENUES</b>	<b>34,231</b>	<b>28,325</b>	<b>(5,906)</b>
<u>EXPENDITURES</u>			
<b>SIDEWALK, STREETS, OTHER PUBLIC SERVICES</b>			
Sidewalk maintenance	12,888	17,500	4,612
Sidewalk capital outlay	18,300	-	(18,300)
Street lights	5,693	5,300	(393)
Street maintenance	-	-	-
Holiday decorating	258	200	(58)
Opera House renovations	2,500	2,500	-
Equipment maintenance	3,627	900	(2,727)
Town clock maintenance	150	200	50
Village center enhancements	-	-	-
Zoning expenses	771	1,750	979
<b>TOTAL SIDEWALK AND STREETS</b>	<b>44,187</b>	<b>28,350</b>	<b>(15,837)</b>
<b>GENERAL AND ADMINISTRATIVE</b>			
Office expense - salaries and supplies	436	1,700	1,264
Payroll taxes	1,142	900	(242)
Insurance	278	325	47
Retirement and employee benefits	3,205	3,000	(205)
Legal and accounting	1,454	650	(804)
Outside services	138	-	(138)
Miscellaneous	1,597	1,400	(197)
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>8,250</b>	<b>7,975</b>	<b>(275)</b>
<b>DEBT SERVICE PAYMENTS - PRINCIPAL AND INTEREST</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>52,437</b>	<b>36,325</b>	<b>(16,112)</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>(18,206)</b>	<b>(8,000)</b>	<b>10,206</b>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	6,000	8,000	2,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,000</b>	<b>8,000</b>	<b>2,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(12,206)</b>	<b>-</b>	<b>12,206</b>
<b>FUND BALANCES - BEGINNING</b>	<b>24,289</b>	<b>24,289</b>	<b>-</b>
<b>TRANSFER OF UNDESIGNATED FUND BALANCE</b>	<b>(6,000)</b>	<b>-</b>	<b>6,000</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 6,083</b>	<b>\$ 24,289</b>	<b>\$ 18,206</b>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF HYDE PARK, VT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**ALL PROPRIETARY FUNDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

<u>REVENUES</u>	<u>ENTERPRISE</u>	<u>TOTAL MEMORANDUM ONLY</u>	
		<u>2003</u>	<u>2002</u>
Charges for services (note 13)	\$ 1,343,754	\$ 1,343,754	\$ 1,205,886
Rental income	4,226	4,226	3,346
Other income	14,850	14,850	19,344
<b>TOTAL REVENUES</b>	<b>1,362,830</b>	<b>1,362,830</b>	<b>1,228,576</b>
<u>EXPENDITURES</u>			
Purchased power (note 11)	782,472	782,472	683,120
Transmission and distribution	116,602	116,602	113,042
Customer accounts	87,270	87,270	79,106
Administrative and general	257,819	257,819	260,776
Depreciation expense (notes 2 and 6)	106,237	106,237	105,030
Taxes	48,828	48,828	34,757
<b>TOTAL EXPENDITURES</b>	<b>1,399,228</b>	<b>1,399,228</b>	<b>1,275,831</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(36,398)</b>	<b>(36,398)</b>	<b>(47,255)</b>
<u>NON-OPERATING INCOME</u>			
Interest income	4,336	4,336	5,064
Interest expense	(5,499)	(5,499)	(4,624)
<b>TOTAL NON-OPERATING INCOME</b>	<b>(1,163)</b>	<b>(1,163)</b>	<b>440</b>
<b>NET INCOME (LOSS)</b>	<b>(37,561)</b>	<b>(37,561)</b>	<b>(46,815)</b>
<b>TOTAL RETAINED EARNINGS - BEGINNING</b>	<b>1,120,421</b>	<b>1,120,421</b>	<b>1,167,235</b>
<b>TOTAL RETAINED EARNINGS - ENDING</b>	<b>\$ 1,082,860</b>	<b>\$ 1,082,860</b>	<b>\$ 1,120,420</b>

*The accompanying notes to financial statements are an integral part of these statements.*

VILLAGE OF HYDE PARK, VT

COMBINED STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
AS OF DECEMBER 31, 2003 AND 2002

	<u>ENTERPRISE</u>	<u>TOTAL MEMORANDUM ONLY</u>	
		<u>REVIEWED</u>	<u>AUDITED</u>
		<u>2003</u>	<u>2002</u>
<b><u>CASH FLOWS PROVIDED BY (USED) IN OPERATING ACTIVITIES</u></b>			
Net Loss	\$ (37,561)	\$ (37,561)	\$ (46,815)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation expense	106,237	106,237	104,965
(Increase) decrease in accounts receivable	15,371	15,371	(67,997)
(Increase) decrease in due from other funds	1,386	1,386	(1,473)
(Increase) decrease in inventories	12,579	12,579	(1,074)
(Increase) decrease in prepaid expenses	(300)	(300)	7,543
Decrease in notes receivable	-	-	7,485
Increase (decrease) in accounts payable	20,626	20,626	73,874
Increase (decrease) in customer deposits	599	599	(4,988)
Increase (decrease) in accrued expenses and other liabilities	(945)	(945)	8,731
(Decrease) increase in due to other funds	(952)	(952)	693
(Decrease) in due to Town of Hyde Park	(3,491)	(3,491)	-
(Decrease) increase in deferred revenue	(9,016)	(9,016)	6,912
<b>Net cash provided by operating activities</b>	<b>104,533</b>	<b>104,533</b>	<b>87,856</b>
<b><u>CASH FLOWS PROVIDED BY (USED) IN INVESTING ACTIVITIES</u></b>			
Acquisition of associated company stock	(1,100)	(1,100)	(22,400)
<b>Net cash used in investing activities</b>	<b>(1,100)</b>	<b>(1,100)</b>	<b>(22,400)</b>
<b><u>CASH FLOWS PROVIDED BY (USED) IN FINANCING ACTIVITIES</u></b>			
Principal payments on debt	(29,001)	(29,001)	(28,089)
Net purchases of utility plant in service	(83,258)	(83,258)	(186,476)
Proceeds from issuance of debt	-	-	120,000
<b>Net cash used financing activities</b>	<b>(112,259)</b>	<b>(112,259)</b>	<b>(94,565)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(8,826)</b>	<b>(8,826)</b>	<b>(29,109)</b>
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<b>177,823</b>	<b>177,823</b>	<b>206,932</b>
<b>CASH BALANCE, END OF YEAR</b>	<b>\$ 168,997</b>	<b>\$ 168,997</b>	<b>\$ 177,823</b>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003 AND 2002**

**Note 1 – Nature of Operations**

The Village of Hyde Park, VT is incorporated under the laws of the State of Vermont. The Village operates under a charter and all governmental authority rests with the citizens of the Village who elect and appoint officers and a Board of Trustees annually who are ultimately responsible for the operation of the Village. The Village provides the following services to the residences and businesses within the Village limits of Hyde Park; public safety, water, electric, sewer, public improvements, planning, zoning, real and personal property tax assessment, and general administrative services. The annual budget of the Village is voted on in accordance with state law.

**Note 2 – Summary of Significant Accounting Policies**

The accounting policies of the Village of Hyde Park, VT conform with generally accepted accounting principles applicable to governmental units except as noted elsewhere. Below is a summary of the more significant of such policies.

**The Reporting Entity** The criteria of oversight responsibility, special financing relationships, and scope of public service was used in determining the entities or component units which to compromise the Village 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 of fiscal matters. Based on those criteria, the electric, water and sewer operations of the Village is combined with the financial statements of the Village.

**Basis of Presentation – Fund Accounting** The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the activities 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 two broad fund categories and three generic fund types as follows:

**GOVERNMENTAL FUNDS**

General Fund – The General Fund is the operating fund of the Village. It is used for all financial resources except those required to be accounted for in another fund.

General Fixed Asset Account Group – The General Fixed Asset Account Group allows the Village to record and report capitalized fixed assets acquired with General Fund resources. General Fixed Assets are normally recorded at historical cost unless acquired by gift, which then are recorded at their fair value when received.

**VILLAGE OF HYDE PARK, VT**  
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**Note 2 – Summary of Significant Accounting Policies (continued)**

**PROPRIETARY FUNDS**

Enterprise Funds – An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges and rates. The Village maintains three enterprise funds, the Electric, Water and Sewer Funds.

**Total Columns on Combined Statements** Total columns on the combined statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

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

**GOVERNMENTAL FUNDS**

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded in the accounting period when measurable and available. Available means expected to be collectible within the current period or soon enough thereafter to be used to pay liabilities of the current periods. In applying this principle, the Village accrues as revenue the amount of property taxes due to the Village prior to year end. All other revenues are recorded when cash is received. Expenditures are accounted for in the period in which they are incurred.

**PROPRIETARY FUNDS**

The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses recognized when incurred.

The Village of Hyde Park, VT applies all GASB pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Cash and Cash Equivalents** Cash and cash equivalents consists of checking accounts, savings accounts, and money market accounts. Management considers all money market accounts to be short-term, highly liquid investments.

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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**DECEMBER 31, 2003 AND 2002**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Accounts Receivable** The Village does not provide an allowance for doubtful accounts, since all claims are securable by liens on the affected property.

**Interfund Transactions** During the course of normal operations, the Village has transactions between funds including expenditures and transfers of resources to provide services, construct assets, and service debt. Interfund receivables and payables arise from interfund transactions and are reconciled by all funds affected in the period in which transactions are executed.

**Inventories** Inventories consists of materials and supplies used to repair and construct utility plant in service for the electric, water and sewer funds. Inventory is valued at moving average cost and cost is recorded as an expenditure at the time individual items are consumed.

**Utility Plant in Service** Utility plant in service is used by the proprietary funds and is started at cost or historical cost. Contributed fixed assets are stated at historical costs. Depreciation is provided using the straight line method over the estimated useful lives ranging from 10 to 50 years for general plant and equipment, and for 33 years for transmission and distribution plant.

Additions and betterments are capitalized, and expenditures for repairs and maintenance are expensed when incurred. Upon sale or retirement, the costs and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in income.

The balance in the Utility Plant in service account of the Water Fund represents the cost of the new water main construction incurred during 1978 and plant additions since that year. The costs associated with the Water Fund plant in prior years were expensed and are not reflected in the balance sheet.

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

**Use of Estimates** The process in preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Customer Deposits** The electric department collects deposits from customers at the time service is executed. This deposit is held in escrow until one year elapses and then is returned to the customer by being applied to a customer account.

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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**Note 2 – Summary of Significant Accounting Policies (continued)**

**Property Taxes** Real and personal property taxes are based on values assessed as of each April 1 and are normally due on the subsequent August 15. By law all property in the Village must be assessed at 100% fair value and the Village's last appraisal date was 1996. Taxes due and unpaid after the due date are subject to interest and penalties. The Village has an ultimate right to foreclosure on property for which taxes have not been paid. Property taxes levied are recorded as receivables in the fiscal year of the levy and remain as receivables until they are collected. Property tax revenue is recorded in accordance with the modified accrual basis of accounting for purposes of reporting under generally accepted accounting principles, and the full accrual basis for budget purposes. During 2003, property taxes were assessed in accordance with the annual meeting vote on budget at \$.109 per \$100 of assessed value, an increase from 2002 assessment of \$.095 per \$100 of assessed value. Property taxes amounted to \$23,874 and \$18,594 for December 31, 2003 and 2002.

**Contributed Capital** In accordance with state regulatory requirements, contributions in aid of construction are accounted for as contributed capital, a component of equity, rather than as a reduction of utility plant in service. Contributions in aid of construction consists of amounts received in the past from Federal and State agencies to construct additions to Utility Plant in Service.

**Reclassification** Certain amounts have been reclassified in the prior year financial statements to conform to the current year financial presentation.

**Note 3 – Cash and Categorized Risk**

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

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

Cash deposits of the Village of Hyde Park are under single management control. Therefore, deposits of these entities must be combined for purposes of reviewing credit risk.

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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**Note 3 – Cash and Categorized Risk (continued)**

Bank balances at December 31, 2003 are categorized below to give an indication of the credit risk assumed at year-end.

	<u>Book</u> <u>Balance</u>	<u>Bank</u> <u>Balance</u>
Insured deposits	\$178,007	\$258,473
Uninsured deposits	-	-
Cash on hand	100	100
	<hr/>	<hr/>
Total	<u>\$178,107</u>	<u>\$258,573</u>

Cash is comprised within the following funds at December 31,

	<u>2003</u>	<u>2002</u>
Cash of:		
Hyde Park – General Fund	\$9,110	\$29,346
Hyde Park – Electric Department	98,941	103,455
Hyde Park – Water Department	35,583	50,086
Hyde Park – Sewer Department	34,473	24,282
	<hr/>	<hr/>
Total	<u>\$178,107</u>	<u>\$207,169</u>

At December 31, 2003, the total cash of \$194 within the general fund has been appropriated by the Board for future sidewalk repair and replacement.

**Note 4 – Interfund Transactions**

Interfund transactions reflect overall expenditures that are not directly related to a specific fund but are allocated at year end. These are collectible by the electric department. Such costs include overhead expenses such as transportation, postage, computer maintenance, employee benefits, and rent. Expenditures are recorded in the electric department and are allocated at year end to the over funds and departments and reimbursed back to the department.

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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**Note 4 – Interfund Transactions (continued)**

Interfund receivables and payable balances at December 31, 2003 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>GENERAL FUND</u>		
Due to Electric Fund		\$ 3,293
<u>WATER FUND</u>		
Due to Electric Fund		6,586
<u>SEWER FUND</u>		
Due to Electric Fund		<u>3,293</u>
<u>ELECTRIC FUND</u>		
Due from General Fund	\$ 3,293	
Due from Water Fund	6,586	
Due from Sewer Fund	<u>3,293</u>	
 TOTALS	 <u>\$ 13,172</u>	 <u>\$ 13,172</u>

**Note 5 – Inventories**

Inventories consists of the following as of December 31:

	<u>2003</u>	<u>2002</u>
Electric Department – Warehouse	\$ 49,337	\$ 62,378
Water Department – Warehouse	<u>5,001</u>	<u>4,539</u>
	<u>\$ 54,338</u>	<u>\$ 66,917</u>

**VILLAGE OF HYDE PARK, VT**  
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**Note 6 – Utility Plant in Service**

Utility Plant in Service consists of the following asset classes as of December 31, 2003 as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Transmission plant	\$ 129,022	\$ -	\$ -	\$ 129,022
Distribution plant	1,345,616	272,864	874,075	2,492,555
General plant and equip.	638,021	115,212	28,520	781,753
Total	<u>2,112,659</u>	<u>388,076</u>	<u>902,595</u>	<u>3,403,330</u>
Accumulated depr.	<u>(1,395,669)</u>	<u>(189,341)</u>	<u>(419,291)</u>	<u>(2,004,301)</u>
Net Utility Plant in Service	<u>\$ 716,990</u>	<u>\$ 198,735</u>	<u>\$ 483,304</u>	<u>\$ 1,399,029</u>

Depreciation expense as of December 31, 2003 and 2002 is \$106,237 and \$105,030, respectively.

**Note 7 – Buildings and Improvements Other Than Buildings**

The Village owns a historical building that was deeded by the Town of Hyde Park for a sum of \$1 in the early 1950's that is now being rented as a community opera house. The Village has recorded the asset within its General Fixed Asset Account Group at its replacement cost. At December 31, 2003, total rental income was \$0 and improvements was \$2,500.

The Village also owns a maintenance/storage warehouse that is used by the electric, water and sewer departments of the Village. The Village has recorded the asset within its General Fixed Asset Account Group at its replacement cost. For usage, the Village collects a rental fee from each of the various departments. At December 31, 2003, total rental income was \$10,700.

The Village capitalizes its infrastructure improvements such as sidewalks. At December 31, 2003, the general fund expended \$18,300 for new installation of sidewalks. This installation was capitalized and recorded in the General Fixed Asset Account Group at December 31, 2003.

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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**Note 8 – Long Term Debt**

Long-term debt consists of the following as of December 31:

<u>ENTERPRISE FUNDS</u>	<u>2003</u>	<u>2002</u>
Electric – Notes payable to a financing company due in one installment of principal and interest \$80,000, interest rate at 2.2%, secured by equipment, due July 2004	\$ 80,000	\$ 100,000
Electric – Vermont Municipal Bond Bank, 1992 Series I bond at variable rate, average 5.76%, semiannual interest annual principal payments of \$5,000 due December 2007	20,000	25,001
Water – Note payable to a financing company in annual installments of principal and interest \$4,000, interest rate at 4.5%, secured by capital equipment, due August 2007	<u>16,000</u>	<u>20,000</u>
	116,000	145,001
Less: current portion	<u>(89,000)</u>	<u>(109,001)</u>
	<u>\$ 27,000</u>	<u>\$ 36,000</u>

The future annual maturities of long-term debt consists of the following as of December 31, 2003:

2003 (included in current portion)	\$89,000
2004	9,000
2005	9,000
2006	9,000
2007	0
Thereafter	<u>0</u>
	<u>\$116,000</u>

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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**Note 9 – Deferred Revenue**

During 1995, the Electric Department leased as transmission line to another utility department. The proceeds of \$55,000 have been deferred and amortized over the life of the lease agreement, which is 40 years. The balance of deferred revenue at December 31, 2003 and 2002 is as follows:

	<u>2003</u>	<u>2002</u>
Deferred revenue, transmission line lease	\$ 55,000	\$ 55,000
Accumulated amortization	(12,375)	(11,000)
	42,625	44,000
Deferred revenue, net of amortization	42,625	44,000
Plus: Customer advances	646	8,287
Total deferred revenue	\$ 43,271	\$ 52,287

**Note 10 – Retirement Plan**

All employees of the Village who have been employed by the municipality for one year and have elected to join are covered by the State of Vermont Municipal Employees' Retirement Plan. This plan requires a percentage contribution of gross salary by the employee and a variable percentage contribution by the Village. The Village pays all costs accrued each year for the plan.

For the year ended December 31, 2003, the Village's total payroll expense was \$250,293 as shown under customer accounts and administrative and general expenses. All employees are covered under the retirement plan. Pension expense for the year ended December 31, 2003 was \$37,544, which represents 15% of the covered employees salaries.

Cost of the plan for the year ended December 31, 2003 is allocated as follows:

General Fund	\$ 931
Enterprise Funds	
Electric	33,819
Water	1,863
Sewer	931
	37,544
Total Cost	\$ 37,544

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
**FINANCIAL STATEMENTS**  
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**Note 11 – Commitments and Contingencies**

Purchased Power

The Village of Hyde Park's electric needs are provided by purchase power entitlements obtained from electric service providers through contractual obligations. The Village's portfolio of resources is managed through the Vermont Public Power Supply Authority's (VPPSA) Central Dispatch. The VPPSA Central Dispatch aggregates the load and resources of all participants to take advantage of the differences between the members and to maximize the efficient use of resources. Short-term power transactions are made against the aggregated loads and resources to further maximize the economic benefit of the central dispatch.

A summary of the contractual agreements in place to meet the purchased obligations of Hyde Park in 2003 are listed below:

<u>Resource</u>	<u>Max KW</u> <u>Entitlement</u>	<u>Resources</u> <u>Used</u>	<u>Termination</u> <u>Date</u>
NYPA	193	7.1%	2007
VEPPI	135	5.0%	2008-2020
HYDRO QUEBEC	762	27.7%	2012-2015
NYSEG	500	23.0%	10/31/2003
PG&E ENERGY TRADING	800	27.0%	7/4/2003
MIRANT AMERICAS ENERGY	1,100	3.9%	2005-2007
GMP GAS TURBINE	300	0.6%	10/31/2003
VPPSA CENTRAL DISPATCH	496	16.9%	
Net Sales To ISO		-11.0%	

On July 4, 2004 PG&E Energy Trading ceased deliveries under its agreement with VPPSA (on behalf of Hyde Park). Four days later, on July 8, 2003 PG&E Energy Trading filed for bankruptcy protection. This contract had originally been expected to continue until 2007.

In 2003 Hyde Park participated in a mid-term (up to five years) RFP process put together by VPPSA. This process resulted in the signature of three new agreements for power on behalf of Hyde Park. Two of these agreements commenced delivery on January 1, 2004 and continue until the end of 2005. The third also commenced on January 1, 2004 and expires at the end of 2008. These agreements, along with the agreements with Mirant (included above) will largely offset the loss of this resource. Hyde Park will continue in 2004 to look for resources to meet the balance of their obligations in the intermediate term (up to 5 years).

**VILLAGE OF HYDE PARK, VT**  
**NOTES TO GENERAL PURPOSE**  
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***Note 11 – Commitments and Contingencies (continued)***

Assignment of Outstanding Receivable

On November 26, 2003, the Village entered into an assignment of claim on an outstanding receivable balance from Adelphia Cable of \$36,442. This assignment contract resulted in the Village of Hyde Park transferring its rights in its claim against Adelphia in exchange for its right to receive \$.76 per dollar of outstanding receivable from the buyers, Long Acre Master Fund Limited and Long Acre Capital Partners. This assignment of claim contract is expected to be executed by the end of the first quarter of 2004. Total consideration expected to be received is \$27,898. The net difference of \$8,544 has been written off as uncollectible through operations in 2003.

Health/Medical Self-Insured Fund

On December 9, 2003, the Village established as an additional benefit to its full-time employees, a self-insured medical health fund to cover excess expenses not covered by the group health plan. These expenses include such items as deductibles and coinsurance allowed by "participating providers." Reimbursement for eligible expenses are paid directly to the employee. At December 31, 2003, total expenses paid under the self-insured fund plan was \$-0-.

***Note 12 – Risk Management***

The Village of Hyde Park 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 Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not materially exceeded this commercial coverage in any of the past three fiscal years.

***Note 13 – Regulatory***

On May 14, 2003, The Village of Hyde Park Electric Department submitted tariff filing #5816 with the Vermont Public Service Board. The proposed filing reflected a 14.25% rate increase. After consideration by the Department of Public Service, on June 26, 2003, the Department confirmed to allow the tariff to take effect without further investigation. Accordingly, the Public Service Board accepted the recommendation and approved the filing to take effect on July 1, 2003 on a service-rendered basis.

**ACCOUNTANT'S REVIEW REPORT  
ON SUPPLEMENTARY INFORMATION**

To The Board of Trustees  
Village of Hyde Park, VT  
Hyde Park, Vermont

Our report on our review of the general purpose financial statements of the Village of Hyde Park, VT for 2003 appears on page 1. That review was made for the purposes of expressing limited assurance that there are no material modifications that should be made to the general purpose financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedules I, II and III is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

*Maille & Associates*

South Burlington, Vermont  
March 31, 2004  
Registration # 092-0000609

VILLAGE OF HYDE PARK, VT

SCHEDULE I

COMBINED BALANCE SHEETS  
ENTERPRISE FUNDS  
AS OF DECEMBER 31, 2003 AND 2002

<u>ASSETS</u>	<u>ELECTRIC</u>	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL MEMORANDUM ONLY</u>	
				<u>2003</u>	<u>2002</u>
Cash and cash equivalents	\$ 98,941	\$ 35,583	\$ 34,473	\$ 168,997	\$ 177,823
Restricted cash	-	-	-	-	-
Accounts receivable	230,388	9,309	5,889	245,586	260,957
Due from other funds	13,172	-	-	13,172	14,558
Inventories	49,337	5,001	-	54,338	66,917
Prepaid expenses	300	-	-	300	-
Utility plant in service, net of accumulated depreciation	716,990	198,735	483,304	1,399,029	1,422,006
Investment in associated company	23,800	-	-	23,800	22,700
<b>TOTAL ASSETS</b>	<b>\$ 1,132,928</b>	<b>\$ 248,628</b>	<b>\$ 523,666</b>	<b>\$ 1,905,222</b>	<b>\$ 1,964,961</b>
 <u>LIABILITIES</u>					
Current portion of long-term debt	\$ 85,000	\$ 4,000	\$ -	\$ 89,000	\$ 109,001
Accounts payable	182,214	189	-	182,403	161,777
Customer deposits	11,568	-	-	11,568	10,969
Accrued expenses and other liabilities	19,732	552	62	20,346	21,291
Due to other funds	-	6,586	3,293	9,879	10,830
Due to Town of Hyde Park	-	-	-	-	3,491
Deferred revenue	43,271	-	-	43,271	52,287
Long-term debt	15,000	12,000	-	27,000	36,000
<b>TOTAL LIABILITIES</b>	<b>356,785</b>	<b>23,327</b>	<b>3,355</b>	<b>383,467</b>	<b>405,646</b>
 <u>FUND EQUITY</u>					
Contributed capital	-	-	438,895	438,895	438,895
Retained earnings - Undesignated	776,143	225,301	81,416	1,082,860	1,120,420
Fund Balance					
Designated for sidewalk construction	-	-	-	-	-
Undesignated	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>776,143</b>	<b>225,301</b>	<b>520,311</b>	<b>1,521,755</b>	<b>1,559,315</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,132,928</b>	<b>\$ 248,628</b>	<b>\$ 523,666</b>	<b>\$ 1,905,222</b>	<b>\$ 1,964,961</b>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HYDE PARK, VT

SCHEDULE II

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
ENTERPRISE FUNDS  
AS OF DECEMBER 31, 2003 AND 2002

<u>REVENUES</u>	<u>ELECTRIC</u>	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL MEMORANDUM ONLY</u>	
				<u>2003</u>	<u>2002</u>
Charges for services	\$ 1,271,898	\$ 40,183	\$ 31,673	\$ 1,343,754	\$ 1,205,886
Rental income	4,226	-	-	4,226	3,346
Other income	13,890	960	-	14,850	19,344
<b>TOTAL REVENUES</b>	<u>1,290,014</u>	<u>41,143</u>	<u>31,673</u>	<u>1,362,830</u>	<u>1,228,576</u>
 <u>EXPENDITURES</u>					
Purchased power	782,472	-	-	782,472	683,120
Transmission and distribution	78,234	26,199	12,169	116,602	113,042
Customer accounts	81,894	3,482	1,894	87,270	79,106
Administrative and general	238,928	12,662	6,229	257,819	260,776
Depreciation expense	74,315	14,406	17,516	106,237	105,030
Taxes	48,828	-	-	48,828	34,757
<b>TOTAL EXPENDITURES</b>	<u>1,304,671</u>	<u>56,749</u>	<u>37,808</u>	<u>1,399,228</u>	<u>1,275,831</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(14,657)</u>	<u>(15,606)</u>	<u>(6,135)</u>	<u>(36,398)</u>	<u>(47,255)</u>
 <u>NON-OPERATING INCOME</u>					
Interest income	3,762	375	199	4,336	5,064
Interest expense	(4,673)	(826)	-	(5,499)	(4,624)
<b>TOTAL NON-OPERATING INCOME</b>	<u>(911)</u>	<u>(451)</u>	<u>199</u>	<u>(1,163)</u>	<u>440</u>
<b>NET INCOME (LOSS)</b>	<u>(15,568)</u>	<u>(16,057)</u>	<u>(5,936)</u>	<u>(37,561)</u>	<u>(46,815)</u>
<b>TOTAL RETAINED EARNINGS - BEGINNING</b>	<u>791,711</u>	<u>241,358</u>	<u>87,352</u>	<u>1,120,421</u>	<u>1,167,235</u>
<b>TOTAL RETAINED EARNINGS - ENDING</b>	<u>\$ 776,143</u>	<u>\$ 225,301</u>	<u>\$ 81,416</u>	<u>\$ 1,082,860</u>	<u>\$ 1,120,420</u>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF HYDE PARK, VT**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**AS OF DECEMBER 31, 2003 AND 2002**

**SCHEDULE III**

	<u>ELECTRIC</u>	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL MEMORANDUM ONLY</u>	<u>REVIEWED</u>	<u>AUDITED</u>
				<u>2003</u>		<u>2002</u>
<b><u>CASH FLOWS PROVIDED BY (USED) IN OPERATING ACTIVITIES</u></b>						
Net Loss	\$ (15,568)	\$ (16,057)	\$ (5,936)	\$ (37,561)	\$	(46,815)
Adjustments to reconcile net loss to net cash provided by operating activities						
Depreciation expense	74,315	14,406	17,516	106,237		104,965
(Increase) decrease in accounts receivable	17,571	(2,073)	(127)	15,371		(67,997)
(Increase) decrease in due from other funds	1,386	-	-	1,386		(1,473)
(Increase) decrease in inventories	13,041	(462)	-	12,579		(1,074)
(Increase) decrease in prepaid expenses	(300)	-	-	(300)		7,543
Decrease in notes receivable	-	-	-	-		7,485
Increase (decrease) in accounts payable	20,833	(207)	-	20,626		73,874
Increase (decrease) in customer deposits	599	-	-	599		(4,988)
Increase (decrease) in accrued expenses and other liabilities	(838)	(88)	(19)	(945)		8,731
(Decrease) increase in due to other funds	-	(709)	(243)	(952)		693
(Decrease) in due to Town of Hyde Park	(3,491)	-	-	(3,491)		-
(Decrease) increase in deferred revenue	(9,016)	-	-	(9,016)		6,912
<b>Net cash provided by operating activities</b>	<b>98,532</b>	<b>(5,190)</b>	<b>11,191</b>	<b>104,533</b>		<b>87,856</b>
<b><u>CASH FLOWS PROVIDED BY (USED) IN INVESTING ACTIVITIES</u></b>						
Acquisition of associated company stock	(1,100)	-	-	(1,100)		(22,400)
Net cash used in investing activities	(1,100)	-	-	(1,100)		(22,400)
<b><u>CASH FLOWS PROVIDED BY (USED) IN FINANCING ACTIVITIES</u></b>						
Principal payments on debt	(25,001)	(4,000)	-	(29,001)		(28,089)
Net purchases of utility plant in service	(76,945)	(5,313)	(1,000)	(83,258)		(186,476)
Proceeds from issuance of debt	-	-	-	-		120,000
<b>Net cash used financing activities</b>	<b>(101,946)</b>	<b>(9,313)</b>	<b>(1,000)</b>	<b>(112,259)</b>		<b>(94,565)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(4,514)</b>	<b>(14,503)</b>	<b>10,191</b>	<b>(8,826)</b>		<b>(29,109)</b>
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<b>103,455</b>	<b>50,086</b>	<b>24,282</b>	<b>177,823</b>		<b>206,932</b>
<b>CASH BALANCE, END OF YEAR</b>	<b>\$ 98,941</b>	<b>\$ 35,583</b>	<b>\$ 34,473</b>	<b>\$ 168,997</b>	<b>\$</b>	<b>177,823</b>

The accompanying notes to financial statements are an integral part of these statements.

Village of Hyde Park, Inc.  
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Vermont Dept. Of Libraries  
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