



# Town of Hardwick

2003

## Town Report

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# DEDICATION

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DANIEL O'CONNOR

Dan was the quintessential Hardwickian. Along with running the family business, Morse Insurance for many years, Dan was involved with nearly every board and organization in Hardwick. He worked tirelessly his entire life to better our town while deflecting all credit to others. We will miss his positive energy.

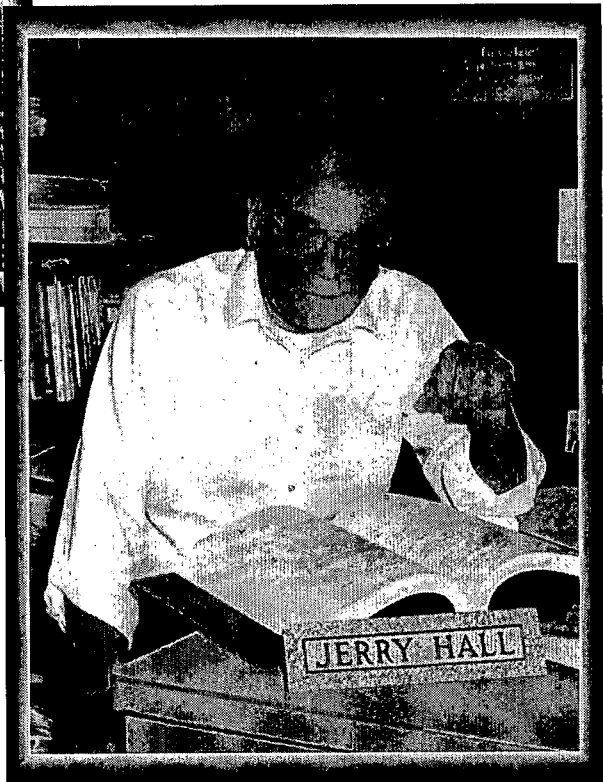


Photo by Vanessa Fournier

In 1979 Jerry became Hardwick's Town Clerk and Treasurer and we honor him upon his retirement after 25 years of dedicated service.

He also served as Zoning Administrator and Town Auditor. Jerry has always possessed a wealth of knowledge that has been invaluable to the Town of Hardwick. Along with his family

Jerry also runs the thriving downtown business, Hall's Market. Jerry will be missed as a fixture in the Memorial Building.

GERALD S. HALL

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## Front Cover Picture:

Back Row: Robert Spink, Christian Thompson, Aaron Benjamin.

Middle Row: Jamie Benjamin, Jordy Beddie, Dan Shatney, Kyle Foster,  
Andrew Donahue, B.J. Hodgdon

Front Row: Eric Willey, Joey Hall, Nate Clifford, Brian Thompson,  
Zac Foster, Jeff Shatney

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## Table of Contents

Area Agency on Aging for Northeastern Vermont.....	53
Auditor's Report - Electric Department.....	14
Auditor's Report - Town.....	22
AWARE .....	54
Caledonia Home Health Care and Hospice .....	54
Dog Licenses Issued.....	55
General Information.....	62
Greensboro Early Learning Center .....	53
Greensboro Nursing Home .....	53
Guide to Recycling .....	61
Hardwick Electric Department.....	13
Hardwick Emergency Rescue Squad, Inc.....	54
Hardwick Police Department.....	5
Hardwick Senior Citizens Center.....	54
Hardwick Recreation Committee.....	53
Hardwick Teen Center.....	55
Hardwick Town Budget.....	6
Jeudevine Library.....	56
Impact of Appropriations.....	60
Lamoille Family Center.....	55
Lamoille Housing Partnership, Inc.....	54
Lamoille Valley Even Start.....	54
North Country Animal League.....	55
Northeast Kingdom Learning Services, Inc.....	53
Northeast Kingdom Human Services, Inc. ....	53
Northeast Kingdom Youth Services.....	53
Out & About, Lamoille Area Adult Day Care Center.....	54
Proceedings of Annual Town Meeting, March 4, 2004.....	57 & 58
Public Works Foreman's Report.....	5
Records Filed.....	55
Select Board Report.....	5
Tax Reconciliation for 2002-2003.....	11
Town Manager's Report.....	5
Town Officials.....	4
Vermont Center for Independent Living.....	53
Warning.....	59 & 60
Winter Operations Plan.....	63

# Town Officials

(All terms expire Town Meeting 2004 unless otherwise noted)

Moderator.....Roger LeCours  
Town Clerk, expires 2004.....Gerald Hall  
Town Treasurer, expires 2004.....Gerald Hall

## Select Board

Term expires 2004.....Charles Volk  
Term expires 2004.....Sherry Lussier  
Term expires 2004.....M. Tod Delaricheliere  
Term expires 2004.....Patricia Coultas  
Term expires 2006.....Todd Deuso

## Listers

Term expires 2004.....Jean Hackett  
Term expires 2005.....Marc Delaricheliere  
Term expires 2006.....Jan Howard

## School Directors

Term expires 2004.....Scott McWherter  
Term expires 2004.....Russell Shopland  
Term expires 2004.....LeeAnn Lee  
Term expires 2005.....Karen Richardson  
Term expires 2006.....Steve Coultas

## Auditors

Term expires 2004.....Brad Ferland  
Term expires 2005.....James Goodrich  
Term expires 2006.....Michael Morin  
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 2004.....James Lovinsky  
Term expires 2005.....Kenneth Leslie  
Term expires 2006.....Anne Galloway  
Term expires 2006.....Mary Wheeler

## 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  
Assistant Pipeman.....Danny Hale  
Ax Man.....Dave Colburn  
Safety Officer.....Mike Foran  
Secretary/Treasurer.....Jennifer Greaves  
Dispatcher.....Sharlene Speir

## Library Trustees

Term expires 2004.....Cecile Dyke  
Term expires 2005.....Joyce Merrill  
Term expires 2006.....Lenore Renaud  
Term expires 2007.....Dawn Dreschler  
Term expires 2008.....Anne Batten  
Town Grand Juror.....James Goodrich  
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, 2004.....Robert Chaffee  
Term expires June 30, 2004.....Nancy Stevens  
Term expires June 30, 2004.....Warren Hill  
Term expires June 30, 2005.....William Richardson  
Term expires June 30, 2006.....Joe Wood

## Hardwick Planning Commission/Zoning Board of Adjustment

Term expires June 30, 2004.....Joel Behrsing  
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.....Averell Brown  
Term expires June 30, 2007.....George Hemmens  
Term expires June 30, 2007.....Christine Michelsen

## Recreation Committee Members

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

## Select Board Report

This year is living proof of what can be accomplished when people work together. As a community we have lots to be proud of. Case in point Larry Michaels' and the Hazen Trails group. They opened a new trail system behind Hazen this past fall. What a great team effort! Students, volunteers, Hardwick Electric, Hardwick Select Board, and many others made this dream a reality. The trail is open and ready for your enjoyment. The Town was awarded a \$108,000 State grant to establish a bike path. The bike path will start in the village by the swinging bridge and follow the river west headed out of Town. We expect construction to start this summer and the 1st phase will be done this fall. A special Thanks to Dan and Lynda for writing the grant to get this done! Our Zoning Board updated our Zoning Bylaws this year, a task that clearly needed to get done. The last version was approved 33 years ago, when Nixon was President!

The Hardwick Police Department is operating at full strength and should have all its officers certified by the end of May. Nice job by the way. We all appreciate the effort. Watch your speed in Hardwick as we have a new laser radar gun and plan on enforcing the speeds in Town and in our neighborhoods.

Thanks to the efforts of Lewis Shattuck, Ken Leslie and the PEG group, we are fast approaching an up and running Cable TV station for the Hardwick area. PEG has adopted Bylaws, elected a Board of Directors, applied for 501C 3 non-profit status, and is close to accomplishing its goal of being an independent Cable TV station for the Hardwick area. The group will look for a part time employee in 2004, and hope to begin broadcasting shows a regular basis. If you have a desire to be the next Hardwick TV star, be sure to give Lew or Ken a call. The Town purchased the vacant 'Sanville' lot across from Richard Brochu's garage. No current plan has been established for this property but if you have any suggestions let us know. You may also be interested in the otherwise noteworthy or newsworthy information that follows:

The Road Crew is also up to full strength and turning its focus from paving and main roads maintenance to the back roads. As the paving schedule and Main roadwork winds down, the crew will start to focus their attention to getting our back roads up to speed. Also look for sidewalk upgrades in Hardwick and East Hardwick. The listers will be busy next year, as we start reappraising. It has been 12 years since our last reappraisal and we must get this done or risk losing state funding. The process should start this summer and be done in 2006.

At last Town Meeting we shared our hope of establishing a new Trash and Recycling depot in Hardwick. The Central Vermont Solid Waste District is proposing to build a new depot in Hardwick, but the proposed lot north of Town failed to meet specifications. We are searching for a new site, and hope to have the depot up and running this summer.

We also lost a Board member this past year to the call of duty. Ivan Menard was called to Active Duty and resigned last September. Ivan is an active and caring member of this community and is missed by everyone. We wish he and his family the best of luck. Return home safe and soon.

Welcome Patty Coultas. Patty was appointed to serve until March in place of Ivan and we appreciate having her expertise on the Board. As you can see, many people in Hardwick work hard to better our community. We appreciate the dedicated effort from our employees and community members. Your hard work and tireless effort make being on the Select Board an easy job, and makes me proud to live in Hardwick.

Todd Deuso, Chairperson

## Public Works Foreman's Report

Your road crew has had a very busy and productive year. We have had North Main Street rebuilt with a new base and pavement along with a new sidewalk leading to Hazen Union. We also repaved Alpine Heights. We repaved most of Hideaway Acres after upgrading the water system there. We plan to finish paving that area this summer now that the water work is complete.

We replaced some of the worst sections of sidewalks in the village area and built new bases for the new streetlights that have been installed. We will continue our sidewalk work this summer both in the village and in East Hardwick.

The main part of our work this past year was to improve our back roads. We reditched and rebuilt Cobb School Road. We also did ditching along several other roads. Thanks to your approval last year of a new excavator for the Town, we were able to do this work without hiring outside machinery or people. This summer we will be upgrading portions of the Bayley Hazen Road, Montgomery Road and ditching on Belfry Road.

We have replaced all of the influent pumps at the wastewater treatment plant as part of our 20 year upgrade and we are now working on replacing the main control panel for the plant. With the age of our plant, we will be doing a number of improvements in the future to extend it's life. We have had several changes in personnel this year. Jefferson Tolman, Louis Gates and Mike McAllister have all moved on and we want to thank them for their contributions to the Town. Ken LaCasse has been promoted to Sewer Department Supervisor and is doing a great job as he learns how to manage our wastewater plant. Val Kinsey, Bernard Shatney and Jamie Dailey have also joined our crew and are doing a great job.

Thanks from all of us for supporting our efforts.

Alan May, Foreman      Brent Hodgdon      Mike Gravel  
Ken LaCasse      Valerie Kinsey      Bernard Shatney      Jamie Dailey

## Town Manager's Report

With no major construction projects to keep us busy this year, we have spent our time working on a variety of improvements for the town and trying to keep up with the increasing amount of regulatory demands on us.

We have completed an upgrade to the water system on Hideaway Acres and will complete the paving of the streets there this summer. We have completely rebuilt Cobb School Road which includes brush removal, new ditches and new material on the road. This was the first big job we have done with our new excavator. We also ditched several other sections of roads. North Main Street was completely repaved including a new sidewalk. We have made numerous repairs to our Town garage including new windows, a new salt room, a new enclosure around our gas pump, weather seals on the doors and a new liner in the chimney. These improvements should keep the garage in good shape for several years.

The police department is now up to full strength for the first time in several years. Two of our officers, Cory Bingham and Bill Field have completed the police academy and are now fully certified. We hope to have the entire department full-time certified this year. We now have several people working as special or part-time officers while they begin their certification process. This gives us a pool to draw new full-time officers from rather than hire from outside. We have stepped up our community policing activities with more speed enforcement, formation of a restorative justice council involving a number of community members and we are involved with the area drug coalition and their efforts to improve things for our youth.

Administratively, we have made several improvements. We have installed a new fire proof door in the 2nd vault in the Town Clerk's office which gives us room to expand our vital records for a number of years. We have completed a road and culvert survey which we are now using to help us prioritize our road work for coming years. Wayne Mutrux has been working with us to make improvements to our tax maps and we are now on an annual update plan that will keep our maps current. We are now in the beginning stages of doing a full reappraisal of the Town's real estate. This is dictated by the State's education funding laws. When completed, we will have our first current property values since 1990. This will ensure that all of us are paying our fair share of property taxes.

Looking ahead, we plan to install a new box culvert on Smith Farm Road, continue to replace sidewalks and to make improvements to our back roads. This year, we are going to focus on Bayley-Hazen Road, Montgomery Road and Belfry Road.

Financially, the Town continues to be in excellent shape. While we are asking for a larger than normal increase this year, we are still operating primarily on a pay as we go basis and we are not carrying any long term debt. On behalf of our staff, I want to thank the community for your continued support of our efforts to bring you ever improving services.

Dan Hill, Town Manager

## Hardwick-Greensboro Police Department

The Hardwick-Greensboro Police Department recorded a total of 1701 incidents during the year 2003. A total of 1350 incidents were handled within the Town of Hardwick.

This past November, Officer Cory Bingham and Officer William Field graduated from the Vermont Police Academy and were awarded Vermont Full-time Police Officer Certification. On February 08, 2004, Officer Wade Cochran, Officer Aaron Cochran and Officer Chad Bean will enter the Vermont Police Academy to complete the required course of training to become Full-time Vermont Certified Law Enforcement Officers. Upon their graduation in May, the department will have all (7) seven full-time positions filled with Full-time, Vermont Certified, Police Officers.

Over the past year, the department has been involved in many activities and programs dealing with direct police/community relations and include such programs as the Citizen Police Academy, Hardwick Area Community Coalition and the Hardwick-Greensboro Reparative Justice Program. The department also presented programs related to highway safety that included: Bicycle Safety and Registration, Child Car Restraint Systems to include Education and Inspection, Click it or Ticket and DUI enforcement.

During the past year the department applied for and received a total of \$19,119.00 in grant money from the U.S. Department of Homeland Security to purchase equipment needed to upgrade and support law enforcement and other public safety organizations within the Hardwick-Greensboro communities.

In the very near future, meetings will be held to explore the possibility of forming a collaborative of neighboring towns interested in law enforcement and public safety services being provided by the Hardwick-Greensboro Police Department.

#### Hardwick-Greensboro Police Department

##### Officers and Staff

##### FULL-TIME

Chief James Dziobek  
Sgt. Philip Brooks  
Officer Cory Bingham  
Officer William Field  
Officer Wade Cochran  
Officer Aaron Cochran  
Officer Chad Bean  
Secretary/Dispatcher Lisa Fecteau

##### PART-TIME

Special Officer Joseph Mangan  
Special Officer Patrick Fleury  
Special Officer Joseph Cornelius  
Dispatcher Russell Schauer  
GRANT POSITION  
Laurie Cunningham  
Law Enforcement  
Domestic Violence Advocate

##### HARDWICK INCIDENTS

114 CRIMINAL CALLS  
163 CRIMINAL ARRESTS  
15 WANTED PERSON  
497 TRAFFIC TICKETS  
357 TRAFFIC WARNINGS  
18 DRIVING WHILE INTOXICATED  
90 MOTOR VEHICLE CRASHES  
28 DOMESTIC DISTURBANCE

21 ABUSE PREVENTION ORDERS  
13 DOMESTIC ASSAULT  
21 ASSAULTS  
28 BURGLARIES  
83 THEFTS  
06 FRAUD  
05 DRUGS  
06 SEX OFFENSES  
01 STALKING  
19 BAD CHECKS  
16 TRESPASSING  
10 ALCOHOL OFFENSES  
06 INTOXICATION  
14 DISORDERLY CONDUCT  
05 UNLAWFUL MISCHIEF  
05 DEATH INVESTIGATIONS  
04 CIVIL RESTRAINING ORDERS  
05 MISSING PERSON  
32 JUVENILE PROBLEMS  
05 RUNAWAY JUVENILE  
30 NOISE DISTURBANCES  
50 ANIMAL PROBLEMS  
04 SEARCH WARRANTS  
37 FINGERPRINTING  
04 WELFARE CHECK  
60 CITIZEN DISPUTES  
109 CITIZEN ASSISTS  
143 AGENCY ASSISTS  
32 ALARMS  
42 HANG-UPS-911  
119 SUSPICIOUS ACTIVITY/ PERSON  
91 VIN VERIFICATION

In conclusion, we wish to thank the Hardwick Fire Department, Hardwick Rescue and the Hardwick Town Highway Department for their valued assistance this past year.

Respectfully Submitted,  
James C. Dziobek, Jr., CHIEF OF POLICE

### 2004-2005 Hardwick Town Budget

	ACTUAL 2002-2003	BUDGET 2003-2004	PROPOSED 2004-2005	DIFFERENCE	% DIFF.
<b>Projected Revenues</b>					
Greensboro Police					
Contract	\$80,292	\$100,020	\$110,097	\$10,077	10.08%
State Highway Aid	\$130,433	\$130,432	\$130,433	\$1	0.00%
Zoning Permits	\$3,532	\$4,500	\$4,500	\$0	0.00%
Interest on Investments	\$5,106	\$7,000	\$5,000	-\$2,000	-28.57%
Licenses and Fees	\$27,953	\$20,000	\$25,000	\$5,000	25.00%
Delinquent Late Charge	\$20,646	\$22,000	\$22,000	\$0	0.00%
Copier/Computer Fees	\$2,180	\$2,000	\$2,500	\$500	25.00%
Miscellaneous Income	\$98	\$2,000	\$2,000	\$0	0.00%
Police--Hardwick	\$12,845	\$12,000	\$25,000	\$13,000	108.33%
Water and Sewer Transfers	\$47,691	\$48,124	\$54,811	\$6,687	13.89%
Fireworks Donations	\$1,770	\$0	\$0	\$0	0.00%
Audit Reimbursement	\$848	\$0	\$0	\$0	0.00%
Green Up Day Grant	\$278	\$0	\$0	\$0	0.00%
Railroad Tax	\$0	\$0	\$0	\$0	0.00%
Sale of Vehicles	\$0	\$0	\$0	\$0	0.00%
Hard. Area Comm. Work	\$200	\$0	\$0	\$0	0.00%
COPS Revenue	\$0	\$0	\$28,000	\$28,000	0.00%
Land Use Withdrawal	\$7,510	\$0	\$0	\$0	0.00%
Library Roof Grant	\$23,800	\$0	\$0	\$0	0.00%
Police - Equipment Grant	\$15,290	\$0	\$0	\$0	0.00%
State Task Force Grant	\$0	\$0	\$0	\$0	0.00%
Bridge & Culvert Grant	\$0	\$0	\$0	\$0	0.00%
Rent	\$0	\$0	\$0	\$0	0.00%
Interest on Cemeteries	\$28	\$60	\$60	\$0	0.00%
PILOT	\$50,064	\$49,761	\$50,663	\$902	1.81%
Property Taxes	\$1,150,950	\$1,108,781	\$1,165,901	\$57,120	5.15%
	<b>\$1,581,514</b>	<b>\$1,517,677</b>	<b>\$1,625,965</b>	<b>\$108,288</b>	<b>7.14%</b>

## 2004-2005 Hardwick Town Budget

	ACTUAL 2002-2003	BUDGET 2003-2004	SELECTBOARD'S PROPOSED 2004-2005	DIFFERENCE	% DIFF.
<b>Budget Summary</b>					
Highway/Garage	\$392,856	\$391,511	\$402,206	\$10,695	2.73%
Police Department	\$402,755	\$435,086	\$496,215	\$61,129	14.05%
Office Expenses	\$193,671	\$183,234	\$206,547	\$23,313	12.72%
Fire Department	\$60,746	\$50,763	\$50,903	\$140	0.28%
Memorial Building	\$20,171	\$20,270	\$22,069	\$1,799	8.88%
Payroll (Part-time and Elected)	\$29,391	\$30,285	\$31,288	\$1,003	3.31%
County Taxes	\$12,600	\$12,600	\$11,619	(981)	-7.79%
Rescue Squad	\$7,224	\$7,294	\$8,755	\$1,461	20.03%
Line Items	\$427,213	\$386,632	\$396,363	\$9,731	2.52%
<b>Grand Totals</b>	<b>\$1,546,627</b>	<b>\$1,517,675</b>	<b>\$1,625,965</b>	<b>\$108,290</b>	<b>7.14%</b>
<b>Highway/Garage</b>					
Base Payroll	\$148,547	\$132,568	\$134,110	\$1,542	1.16%
Overtime	\$9,401	\$14,000	\$14,000	\$0	0.00%
Social Security Expense	\$12,260	\$11,212	\$11,330	\$118	1.06%
Streetscape Salary	\$9,027	\$8,500	\$0	(\$8,500)	-100.00%
Streetscape FICA	\$691	\$650	\$0	(\$650)	-100.00%
Streetscape Maintenance	\$2,216	\$1,750	\$1,750	\$0	0.00%
Workers' Compensation	\$8,480	\$10,123	\$12,564	\$2,441	24.11%
Unemployment Insurance	\$1,009	\$1,132	\$1,113	(\$19)	-1.67%
VLCT/PACIF	\$5,551	\$6,260	\$7,223	\$963	15.38%
Health Insurance	\$51,048	\$53,177	\$67,799	\$14,622	27.50%
Dental Insurance	\$4,702	\$5,210	\$5,345	\$135	2.59%
Life Insurance	\$1,889	\$1,801	\$316	(\$1,485)	-82.45%
Retirement Expense	\$7,687	\$7,328	\$7,406	\$78	1.06%
Operating Expenses/Supplies	\$8,163	\$9,000	\$8,500	(\$500)	-5.56%
Telephone	\$717	\$800	\$750	(\$50)	-6.25%
Culverts	\$1,367	\$2,000	\$2,000	\$0	0.00%
Uniforms	\$4,890	\$4,800	\$4,900	\$100	2.08%
Line Painting/Sidewalks	\$100	\$500	\$500	\$0	0.00%
Radio Service	\$1,055	\$1,500	\$1,500	\$0	0.00%
Storm Drains	\$1,135	\$2,000	\$2,000	\$0	0.00%
Bridges	\$0	\$500	\$0	(\$500)	-100.00%
Equipment Expense	\$30,843	\$25,000	\$27,500	\$2,500	10.00%
Diesel Fuel	\$15,925	\$15,000	\$15,000	\$0	0.00%
Gasoline Fuel	\$1,714	\$1,750	\$1,750	\$0	0.00%
Utilities	\$2,906	\$2,600	\$3,000	\$400	15.38%
Summer Gravel	\$13,963	\$15,000	\$15,000	\$0	0.00%
Chloride	\$10,596	\$16,000	\$14,000	(\$2,000)	-12.50%
Paving/Patching	\$2,242	\$2,000	\$2,000	\$0	0.00%
Guardrails	\$0	\$350	\$350	\$0	0.00%
Winter Sand	\$7,640	\$8,500	\$8,500	\$0	0.00%
Salt	\$19,063	\$21,000	\$21,000	\$0	0.00%
Ditching	\$2,655	\$500	\$1,500	\$1,000	200.00%
Road Signs	\$1,490	\$2,000	\$2,000	\$0	0.00%
Capital Outlay	\$0	\$0	\$2,000	\$2,000	100.00%
Street Sweeping	\$2,750	\$3,500	\$3,000	(\$500)	-14.29%
Safety/Training	\$1,065	\$1,000	\$1,000	\$0	0.00%
Bldg Repairs/Maintenance	\$0	\$2,000	\$1,000	(\$1,000)	-50.00%
Mowing	\$69	\$500	\$500	\$0	0.00%
<b>Totals</b>	<b>\$392,856</b>	<b>\$391,511</b>	<b>\$402,206</b>	<b>\$10,695</b>	<b>2.73%</b>

## 2004-2005 Hardwick Town Budget

	ACTUAL 2002-2003	BUDGET 2003-2004	SELECTBOARD'S PROPOSED 2004-2005	DIFFERENCE	% DIFF.
<b>Police Department</b>					
Base Payroll	\$160,208	\$229,962	\$271,075	41,113	17.88%
Overtime	\$14,160	\$20,000	\$15,000	(\$5,000)	-25.00%
Special Officers	\$57,882	\$7,500	\$10,000	\$2,500	33.33%
Social Security Expense	\$18,058	\$19,696	\$22,650	\$2,954	15.00%
Workers' Compensation	\$10,640	\$13,216	\$16,403	\$3,187	24.11%
Unemployment Insurance	\$1,655	\$1,886	\$1,855	(\$31)	-1.63%
VLCT/PACIF	\$5,338	\$6,019	\$6,420	\$401	6.67%
Health Insurance	\$48,553	\$64,165	\$78,145	\$13,980	21.79%
Dental Insurance	\$4,054	\$5,319	\$6,090	\$771	14.50%
Life Insurance	\$2,130	\$2,580	\$3,041	\$461	17.89%
Retirement Expense	\$14,472	\$19,243	\$22,817	\$3,574	18.57%
Operating Expense/Supplies	\$5,248	\$5,500	\$5,300	(\$200)	-3.64%
Training	\$2,636	\$4,500	\$4,500	\$0	0.00%
Telephone	\$6,104	\$5,500	\$6,268	\$768	13.96%
Cruiser Repairs/Maintenance	\$11,164	\$6,000	\$6,000	\$0	0.00%
Advertising	\$487	\$500	\$250	(\$250)	-50.00%
Radio Service	\$1,734	\$1,300	\$1,300	\$0	0.00%
Investigation Expense	\$1,403	\$2,000	\$2,000	\$0	0.00%
Uniforms (Cleaning)	\$194	\$900	\$500	(\$400)	-44.44%
Uniform Purchases	\$2,404	\$1,500	\$1,500	\$0	0.00%
Gasoline and Oil	\$9,958	\$9,250	\$9,250	\$0	0.00%
Utilities	\$1,178	\$1,500	\$1,800	\$300	20.00%
Tires	\$0	\$750	\$850	\$100	13.33%
Education	\$10	\$300	\$200	(\$100)	-33.33%
Equipment	\$4,734	\$3,000	\$3,000	\$0	0.00%
Capital Outlay	\$3,061	\$3,000	\$0	(\$3,000)	-100.00%
Task Force Grant	\$1,282	\$0	\$0	\$0	0.00%
Radio Grant	\$0	\$0	\$0	\$0	0.00%
Cops Grant Share	\$14,008	\$0	\$0	\$0	0%
<b>Total</b>	<b>\$402,755</b>	<b>\$435,086</b>	<b>\$496,215</b>	<b>\$61,129</b>	<b>14.05%</b>

* Proposed Police Budget	\$496,215
Less Greensboro Police Contract	\$110,097
Hardwick's Expense for Police Coverage	\$386,118

<b>Office Expenses</b>					
Town Manager Salary	\$27,857	\$29,841	\$30,886	\$1,045	3.50%
Office Manager Salary	\$19,055	\$20,614	\$20,648	\$34	0.16%
Clerk/Treasurer Salary	\$21,051	\$14,021	\$23,910	\$9,889	70.53%
Assistant Town Clerk/Aide	\$17,525	\$19,408	\$9,248	(\$10,160)	-52.35%
Administrative Assistant	\$14,175	\$17,506	\$18,154	\$648	3.70%
Social Security Expense	\$8,435	\$8,749	\$8,895	\$146	1.67%
Workers' Compensation	\$468	\$562	\$698	\$136	24.20%
Unemployment Insurance	\$629	\$707	\$696	(\$11)	-1.60%
VLCT/PACIF	\$1,281	\$1,445	\$2,408	\$963	66.62%
Health Insurance	\$37,629	\$37,273	\$58,127	\$20,854	55.95%
Dental Insurance	\$3,188	\$3,611	\$4,693	\$1,082	29.97%
Life Insurance	\$1,755	\$1,778	\$1,793	\$15	0.83%
Retirement Expense	\$5,097	\$5,069	\$5,142	\$73	1.45%
TM Operating Expenses/Supplies	\$3,754	\$3,500	\$3,500	\$0	0.00%
Treasurer Compensation	\$8,359	\$0	\$0	\$0	0.00%
Town Clerks Office					
Operating Expenses/Supplies	\$4,774	\$4,500	\$5,000	\$500	11.11%
Town Report Expense	\$2,471	\$3,000	\$3,400	\$400	13.33%
Conferences/Dues	\$1,011	\$1,000	\$600	(\$400)	-40.00%
Tax Billing Expense	\$129	\$500	\$500	\$0	0.00%
Telephone	\$2,217	\$2,200	\$2,200	\$0	0.00%
Advertising	\$484	\$800	\$500	(\$300)	-37.50%



## 2004-2005 Hardwick Town Budget

	ACTUAL 2002-2003	BUDGET 2003-2004	SELECTBOARD'S PROPOSED 2004-2005	DIFFERENCE	% DIFF.
<b>Office Expenses (Cont.)</b>					
Copier	\$1,344	\$1,200	\$1,400	\$200	16.67%
Computer Software/Services	\$1,367	\$1,800	\$1,800	\$0	0.00%
Education Reimbursement	\$0	\$350	\$350	\$0	0.00%
Planning/Zoning	\$2,416	\$2,000	\$1,500	(\$500)	-25.00%
Lister Supplies	\$301	\$500	\$400	(\$100)	20.00%
Health Officer Supplies	\$134	\$100	\$100	\$0	0.00%
Capital Outlay	\$6,765	\$1,200	\$0	(\$1,200)	-100.00%
<b>Totals</b>	<b>\$193,671</b>	<b>\$183,234</b>	<b>\$206,547</b>	<b>\$23,313</b>	<b>12.72%</b>

<b>Fire Department</b>					
Labor	\$10,764	\$13,000	\$13,000	\$0	0.00%
Social Security	\$824	\$995	\$995	(\$1)	-0.05%
Workers' Compensation	\$936	\$1,125	\$1,396	\$271	24.09%
VLCT/PACIF	\$3,630	\$4,093	\$4,013	(\$80)	-1.961%
Operating Exp./Supplies	\$781	\$2,000	\$2,000	\$0	0.00%
Telephone	\$2,879	\$2,700	\$2,700	\$0	0.00%
Gasoline	\$418	\$700	\$700	\$0	0.00%
Utilities	\$1,866	\$1,650	\$2,100	\$450	27.27%
Fuel Oil	\$3,445	\$2,500	\$2,500	\$0	0.00%
Equipment Purchases	\$12,275	\$6,000	\$6,000	\$0	0.00%
Clothing	\$1,015	\$3,500	\$3,500	\$0	0.00%
Fire Station Repair	\$747	\$2,000	\$2,000	\$0	0.00%
Equipment Repair	\$2,976	\$4,000	\$4,000	\$0	0.00%
Training	\$0	\$1,500	\$1,000	(\$500)	-33.33%
Capital Outlay	\$18,190	\$5,000	\$5,000	\$0	0.00%
<b>Totals</b>	<b>\$60,746</b>	<b>\$50,763</b>	<b>\$50,903</b>	<b>\$140</b>	<b>0.28%</b>

### Miscellaneous

<b>Memorial Building</b>					
Custodian Salary	\$5,479	\$5,960	\$6,169	\$209	3.50%
Social Security Expense	\$418	\$456	\$472	\$16	3.49%
Workers' Compensation	\$473	\$562	\$698	\$136	24.20%
Unemployment Insurance	\$42	\$47	\$46	(\$1)	-1.32%
VLCT/PACIF	\$1,281	\$1,445	\$1,605	\$160	11.08%
Operating Expenses/Supplies	\$1,869	\$1,800	\$1,800	\$0	0.00%
Building Repair	\$906	\$1,500	\$1,500	\$0	0.00%
Utilities	\$3,452	\$3,000	\$3,619	\$619	20.63%
Fuel Oil	\$5,002	\$4,400	\$5,000	\$600	13.64%
Elevator/Fire Alarm	\$1,249	\$1,100	\$1,160	\$60	5.45%
<b>Totals</b>	<b>\$20,171</b>	<b>\$20,270</b>	<b>\$22,069</b>	<b>\$1,799</b>	<b>8.88%</b>

## 2004-2005 Hardwick Town Budget

	ACTUAL 2002-2003	BUDGET 2003-2004	SELECTBOARD'S PROPOSED 2004-2005	DIFFERENCE	% DIFF.
<b>Miscellaneous (Cont.)</b>					
<b>Payroll (Part-time and elected)</b>					
Listers	\$4,668	\$4,678	\$4,842	\$164	3.50%
Election Officials	\$1,756	\$400	\$1,000	\$600	150.00%
Zoning Administrator	\$11,667	\$12,979	\$13,433	\$454	3.50%
Zoning and Planning Board	\$1,900	\$2,500	\$1,700	(\$800)	-32.00%
Board of Civil Authority	\$90	\$200	\$200	\$0	0.00%
Moderator	\$60	\$30	\$50	\$20	66.67%
Select Board	\$4,833	\$5,000	\$5,000	\$0	0.00%
Solid Waste Representative	\$500	\$500	\$500	\$0	0.00%
Social Security Expense	\$1,995	\$1,973	\$2,006	\$33	1.68%
Workers' Compensation	\$241	\$281	\$309	\$28	10.08%
Public Officials Liability	\$1,681	\$1,744	\$2,247	\$503	28.84%
<b>Totals</b>	<b>\$29,391</b>	<b>\$30,285</b>	<b>\$31,288</b>	<b>\$1,003</b>	<b>3.31%</b>
<b>Taxes</b>					
County Tax	\$12,600	\$12,600	\$11,619	(\$981)	-7.79%
<b>Total</b>	<b>\$12,600</b>	<b>\$12,600</b>	<b>\$11,619</b>	<b>(\$981)</b>	<b>-7.79%</b>
<b>Rescue Squad</b>					
Pro-rated Share	\$7,224	\$7,294	\$8,755	\$1,461	20.03%
<b>Totals</b>	<b>\$7,224</b>	<b>\$7,294</b>	<b>\$8,755</b>	<b>\$1,461</b>	<b>20.03%</b>
<b>Line Items</b>					
Auditing	\$4,717	\$3,975	\$4,900	\$925	23.27%
Dog Control	\$920	\$1,500	\$1,800	\$300	20.00%
Professional Services	\$1,783	\$2,500	\$2,000	(\$500)	-20.00%
NVDA	\$1,040	\$1,040	\$1,333	\$293	28.18%
VLCT	\$2,063	\$2,377	\$2,568	\$191	8.04%
Interest Expense	\$2,334	\$1,560	\$780	(\$780)	-50.00%
Dept Principal	\$21,667	\$21,667	\$21,666	(\$1)	-0.00%
Jeudevine memorial Library	\$26,473	\$35,780	\$40,025	\$4,245	11.86%
Memorial Day	\$4,759	\$3,500	\$3,500	\$0	0.00%
Caspian Lake	\$1,850	\$1,850	\$1,850	\$0	0.00%
Cemeteries	\$9,488	\$11,000	\$11,000	\$0	0.00%
Equipment Replacement Fund	\$65,000	\$65,000	\$69,000	\$4,000	6.15%
Solid Waste District	\$6,665	\$6,665	\$6,665	\$0	0.00%
Insurance Deductibles	\$1,189	\$1,000	\$1,000	\$0	0.00%
Streetlights	\$20,196	\$20,870	\$24,000	\$3,130	15.00%
Tax mapping	\$600	\$1,000	\$750	(\$250)	-25.00%
Green Up Day/Grant	\$612	\$0	\$0	\$0	0.00%
Insurance Pool	\$9,895	\$11,000	\$9,000	(\$2,000)	-18.18%
Discount Expense	\$29,388	\$26,000	\$26,000	\$0	0.00%
Capital Improvements	\$173,350	\$166,500	\$166,500	\$0	0.00%
Employment Practices	\$1,788	\$1,848	\$2,026	\$178	9.63%
Grader Lease	\$16,599	\$0	\$0	\$0	0.00%
Teen Center Boxing Donation	\$500	\$0	\$0	\$0	0.00%
Cash Short	\$100	\$0	\$0	\$0	0.00%
Hard. Comm. Workshop	\$118	\$0	\$0	\$0	0.00%
Library Roof	\$23,800	\$0	\$0	\$0	0.00%
Downtown Beautification	\$319	\$0	\$0	\$0	0.00%
Surplus Use - to Capital Fund	\$0	\$0	0	\$0	0.00%
<b>Total</b>	<b>\$427,213</b>	<b>\$386,632</b>	<b>\$396,363</b>	<b>\$9,731</b>	<b>2.52%</b>

**Town of Hardwick  
Capital Improvements Three Year Plan  
FY2005 - FY2007**

Project	Due From Other Funds	Previously Set Aside	FY 2005	FY 2006	FY 2007	Future Years	Total Project Cost
<b>GENERAL GOVERNMENT</b>							
Record Restoration			\$2,000	\$2,000	\$2,000		\$6,000
Library			\$0	\$0	\$10,000	\$40,000	\$50,000
Memorial Bldg. Repairs		\$0	\$0	\$0	\$5,000	\$0	\$5,000
Subtotal	\$0	\$0	\$2,000	\$2,000	\$17,000	\$40,000	\$61,000
<b>PUBLIC WORKS</b>							
Roads/Sidewalks							
Bike Path	\$103,200		\$26,800	\$0	\$0		\$130,000
Depot Street			\$7,700	\$0	\$0		\$7,700
Belfrey Road	\$52,400		\$0	\$0	\$13,100		\$65,500
Hideaway Acres			\$10,000	\$0	\$0		\$10,000
Sumner Street			\$16,000	\$0	\$0		\$16,000
Sidewalk Expense			\$12,000	\$20,000	\$15,000	\$0	\$47,000
Ward Hill			\$0	\$0	\$35,400	\$0	\$35,400
Brickhouse Road			\$0	\$0	\$18,700	\$0	\$18,700
Good Place			\$0	\$67,500	\$0	\$0	\$67,500
Center Road			\$25,500	\$50,000	\$62,300	\$349,700	\$487,500
Bunker Hill Gabion bkt			\$12,500	\$0	\$0	\$0	\$12,500
West Church Street	\$200,000	\$91,875	\$37,000	\$22,000	\$0	\$0	\$350,875
Subtotal	\$355,600	\$91,875	\$147,500	\$159,500	\$144,500	\$412,000	\$1,248,675
<b>Bridges</b>							
Smith Farm Rd. Br.	\$88,000	\$10,000	\$12,000	\$0	\$0		\$110,000
Bridge #67/Rte. 15	\$617,500	\$32,000	\$0	\$0	\$0		\$650,000
Bridge #9/Porter bk	\$360,000	\$10,000	\$5,000	\$5,000	\$5,000	\$15,000	\$400,000
Subtotal	\$1,065,500	\$53,500	\$17,000	\$5,000	\$5,000	\$15,000	\$1,160,000
<b>GENERAL FUND</b>	<b>\$1,421,100</b>	<b>\$144,375</b>	<b>\$166,500</b>	<b>\$166,500</b>	<b>\$166,500</b>	<b>\$467,000</b>	<b>\$2,469,675</b>

**Tax Reconciliation for 2002-2003**

MUNICIPAL GRAND LIST AT 1%.....	\$920,225.00
EDUCATIONAL GRAND LIST AT 1%.....	\$921,134.00
Taxes Billed at \$2.9532.....	\$2,719,414.33
Adjusted Taxes.....	\$2,719,414.33
 Collections.....	 \$2,521,359.93
Delinquents.....	182,009.44
Discounts.....	29,387.62
Discount Refunds.....	697.99
Tax Overpayments.....	\$12,458.53
Fractional Gain.....	186.14
Property Taxes Accounted for.....	\$2,719,414.33

# 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
2005			\$115,000								\$30,662	\$145,862	\$69,000	\$77,000
2006											\$31,582	\$131,582	\$80,000	\$49,984
2007	\$95,414				\$44,350						\$33,529	\$139,764	\$100,000	\$10,475
2008				\$97,546							\$35,535	\$172,581	\$100,000	\$78,870
2009												\$0	\$100,000	\$6,446
2010											\$37,601	\$37,601	\$110,000	\$109,107
2011											\$39,729	\$196,279	\$110,000	\$186,043
2012		\$105,050			\$51,500						\$108,051	\$108,051	\$120,000	\$102,258
2013			\$108,051								\$41,921	\$41,921	\$120,000	\$117,063
2014											\$44,179	\$162,492	\$125,000	\$200,020
2015	\$118,313										\$46,504	\$117,450	\$125,000	\$166,591
2016						\$117,450					\$48,899	\$227,261	\$125,000	\$178,495
2017				\$120,957	\$59,800						\$48,899	\$169,078	\$125,000	\$78,140
2018							\$116,000				\$51,833	\$182,095	\$130,000	\$158,097
2019											\$54,388	\$188,371	\$130,000	\$66,393
2020		\$130,262									\$57,651	\$204,359	\$135,000	\$8,223
2021			\$133,983								\$59,381	\$59,381	\$135,000	\$71,189
2022					\$68,770									\$1,875
2023	\$146,708													\$79,432
2024														

## 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) Loader/backhoe is a 1985 Fiat Allis. Life expectancy 15-20 years.
- 8) Fire pumps purchased in FY85 and FY94 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.
- 9) W1 1985 International Tanker - New tank put on in FY93 (life expectancy of 20 years.) W2 1985 Chassis/ 1980 tank (life expectancy 20 yrs.)
- 10) Cost of tanks and transfer are not included in the equipment fund and need to be set aside in General Fund Budget. Dump trucks are traded every eight years.

**TOWN OF HARDWICK ELECTRIC DEPARTMENT**  
**2003 ANNUAL REPORT**

**BOARD OF COMMISSIONERS REPORT**

The past year, 2003, was a year of significant change and challenges for the Hardwick Electric Department. Joe Bongiovanni retired as general manager of HED and on July 1, 2003 Eric Werner took over as general manager.

In the first six months on the job he has begun to put in place processes for improving the maintenance of the power grid through aggressive cleaning of brush and trees on HED right-of-ways, processes for more quickly linking subscriber calls of power outages and identifying the locations causing the power outage, and the rebuilding of the electric system infrastructure. These new processes and activities will result in improved customer satisfaction and improved cost containment actions for HED. This past year capital improvement projects included replacing 5 miles of aging poles and wires on Glenside, Hopkins Hill and Brown Farm Road Hill area. This work will reduce maintenance and other operating costs of delivering electricity. In the coming year, similar work will be done in the Bridgman Hill Road area.

We have also been experiencing an increase in the number of new customer line extensions and new service connection requests. This is good news for our service area indicating new residents are moving to Hardwick and area towns.

The greatest challenge in this past year was caused by the bankruptcy of PGET, a primary supplier of power to HED and other Vermont municipal electric companies. The PGET bankruptcy caused HED to unexpectedly have to buy power at the unregulated market price increasing the annualized price of power for us by an estimated \$360,000/year. Taking no other action, this would cause at least a 14.5% increase in our

customer rates. We have responded to this challenge in several ways. First, by taking advantage of the very low interest rates currently in place, we will refinance a number of short-term loan notes over a longer amortization period at a lower interest rate and in addition, we will consolidate current capital loans into a bond next year. By taking these actions, we have been able to lower the rate increase to HED subscribers to slightly more than 9.8%. In addition to the refinancing activities, Vermont Public Power Supply Association is seeking out new contracts at lower than market prices for HED. We have already authorized one such contract.

Thus, through a combination of actions, we have been able to keep the rate increase to a very manageable amount. But despite these significant changes and challenges we have been able to finish the year in a strong financial condition, good employee morale, and, most importantly, plans for even better service and maintenance of the electric department for our customers. On behalf of the board of commissioners, we express our appreciation and thanks to our customers. We would also like to express a hearty thanks to Charles Sartelle for his long and distinguished service to HED and the Town of Hardwick.

Nancy Stevens, Chairperson  
Board of Commissioners  
Robert Chaffee  
Warren Hill  
William Richardson  
Joseph Wood

**TOWN OF HARDWICK, VERMONT ELECTRIC DEPARTMENT**

(A Component Unit of the Town of Hardwick, Vermont)

**Table of Contents**

Independent Auditors' Report.....	1
Balance Sheets.....	2-3
Statements of Operations and Retained Earnings.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6

## **Independent Auditors' Report**

Board of Commissioners  
Town of Hardwick, Vermont  
Electric Department:

We have audited the accompanying balance sheets of the Town of Hardwick, Vermont Electric Department (the "Department") (a component unit of the Town of Hardwick, Vermont) as of December 31, 2002 and 2001, and the related statements of operations and retained earnings and cash flows for the years 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

March 7, 2003

**TOWN OF HARDWICK, VERMONT  
ELECTRIC DEPARTMENT**  
(A Component Unit of the Town of Hardwick, Vermont)  
Balance Sheets  
December 31, 2002 and 2001

<b>Assets</b>	<b>2002</b>	<b>2001</b>
Utility plant in service:		
Hydro-electric plant	\$ 1,456,842	\$ 1,443,436
Diesel plant	142,216	142,216
Transmission plant	187,858	187,858
Distribution plant	5,208,112	5,053,599
General plant	917,751	890,270
	<u>7,912,779</u>	<u>7,717,379</u>
Less accumulated depreciation	<u>(4,971,711)</u>	<u>(4,759,247)</u>
Net utility plant in service	<u>2,941,068</u>	<u>2,958,132</u>
Construction work in progress	<u>67,151</u>	<u>88,989</u>
Current assets:		
Cash (note 2)	45,366	28,549
Accounts receivable, net of allowance for doubtful accounts of \$30,168 in 2002 and \$39,602 in 2001	297,941	317,885
Estimated unbilled revenue	254,691	213,495
Inventories	<u>122,205</u>	<u>110,426</u>
Total current assets	<u>720,203</u>	<u>670,355</u>

	2002	2001
Other assets:		
Other investments (note 3)	84,090	26,554
Deferred charges, net of accumulated amortization (note 4)	<u>44,182</u>	<u>77,978</u>
Total other assets	<u>128,272</u>	<u>104,532</u>
Restricted assets:		
Short-term investments - reserve and contingency fund (note 1(f))	<u>307,226</u>	<u>302,714</u>
Total assets	<u>4,163,920</u>	<u>4,124,722</u>

See accompanying notes to financial statements.

Liabilities and Equity	2002	2001
Equity:		
Retained earnings	<u>1,166,970</u>	<u>\$ 982,181</u>
Long-term liabilities:		
Long-term debt, excluding current installments (note 5)	2,340,604	2,555,840
Capital lease obligation, excluding current installments (note 7)	<u>2,968</u>	<u>5,787</u>
Total long-term obligations	<u>2,343,572</u>	<u>2,561,627</u>

Current liabilities:		
Current installments of long-term debt (note 5)	264,375	252,975
Current installments of capital lease obligation (note 7)	2,819	2,439
Accounts payable	154,758	154,785
Accrued expenses	140,390	125,207
Customer deposits and advances	39,824	45,508
VPPSA financing (note 6)	<u>51,212</u>	<u>—</u>
Total current liabilities	<u>653,378</u>	<u>580,914</u>
Total liabilities	<u>2,996,950</u>	<u>3,142,541</u>

Commitments and contingencies (notes 7 and 9)

Total liabilities and equity	<u>\$ 4,163,920</u>	<u>4,124,722</u>
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**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, 2002 and 2001

	2002	2001
Operating revenue	\$ 3,670,003	3,600,221
Operating expenses:		
Purchased power	1,880,859	1,978,558
Distribution	273,611	235,354
Hydro production	58,117	53,380
Customer accounts	135,086	124,073
Administrative and general	345,896	307,776
Depreciation	235,152	239,709
Amortization	12,866	13,680
Property and other taxes	234,229	236,645
Employee pension and benefits	160,105	134,106
Total operating expenses	3,335,921	3,323,281
Operating income	334,082	276,940
Nonoperating income (expense):		
Interest and dividends	13,789	18,435
Other nonoperating expense	(1,093)	(912)
Gain (loss) on disposal of vehicles	506	(4,819)
Total nonoperating income, net	13,202	12,704
Interest charges:		
Interest on long-term debt	160,408	162,898
Other interest expense	2,087	3,089
Total interest charges	162,495	165,987
Net income	184,789	123,657
Retained earnings at beginning of year	982,181	858,524
Retained earnings at end of year	\$ 1,166,970	982,181

See accompanying notes to 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, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Operating income	\$ 334,082	276,940
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	235,152	239,709
Amortization	12,866	13,680
Changes in assets and liabilities:		
Decrease in accounts receivable	19,944	124,767
Decrease (increase) in estimated unbilled revenue	(41,196)	70,985
Increase in inventories	(11,779)	(1,459)
Decrease (increase) in deferred charges	20,930	(9,947)
Decrease in accounts payable	(27)	(116,582)
Increase in accrued expenses	15,183	355
Decrease in customer deposits and advances	(5,684)	(7,355)
Total adjustments	245,389	314,153
Net cash provided by operating activities	579,471	591,093
Cash flows from noncapital financing activities:		
Interest expense on line of credit and other sources	(2,087)	(3,089)
Increase in reserve and contingency fund	(4,512)	(11,637)
Net cash used in noncapital financing activities	(6,599)	(14,726)
Cash flows from capital and related financing activities:		
Additions to utility plant in service and construction work in progress	(346,266)	(747,319)
Contributions in aid of construction	150,522	180,738
Proceeds from issuance of long-term debt	55,000	345,210
Principal payments of long-term debt	(258,836)	(229,760)
Proceeds from VPPSA debt	57,400	—
Principal payments on VPPSA debt	(6,188)	—
Principal payments on capital lease	(2,439)	(2,274)
Interest expense on long-term debt	(160,408)	(162,898)
Net cash used in capital and related financing activities	(511,215)	(616,303)
Cash flows from investing activities:		
Purchase of investments	(61,400)	—
Return of capital on investments	3,864	1,931
Interest and dividends on investments	13,789	18,435
Other non-operating income (expense)	(1,093)	(912)
Net cash provided by (used in) investing activities	(44,840)	19,454
Net increase (decrease) in cash	16,817	(20,482)
Cash at beginning of year	28,549	49,031
Cash at end of year	45,366	28,549
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 163,300	162,769
Noncash supplemental capital and financing activities:		
During 2001, the Department entered into an equipment lease for \$10,500 which was treated as a capital lease.		

See accompanying notes to financial statements.

**TOWN OF HARDWICK, VERMONT**  
**ELECTRIC DEPARTMENT**  
(A Component Unit of the Town of Hardwick, Vermont)  
Notes to Financial Statements  
December 31, 2002 and 2001

**(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.

**(a) 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 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

**(b) 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.

**(c) 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.

**(d) Inventories**

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

**(e) Amortization**

The Department charges to operating expense annual amounts of amortization which 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.

**(f) 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, 2001 and 2000, 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 operating or emergency expenses of the Department. The carrying value was equal to market value at December 31, 2002 and 2001.

**(g) 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.

**(h) 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.

**(2) Cash**

Deposits are classified as to credit risk by the following three categories:

(Continued)

**TOWN OF HARDWICK, VERMONT**  
**ELECTRIC DEPARTMENT**  
(A Component Unit of the Town of Hardwick, Vermont)  
Notes to Financial Statements  
December 31, 2002 and 2001

Category 1 Fully insured or collateralized with securities held by the Department or its agent in the Department's name.

Category 2 Collateralized with securities held by the pledging institution's trust department or its agent in the Department's name.

Category 3 Uncollateralized.

At December 31, 2002 and 2001, the Department's deposits, listed by credit risk category, are shown in the following schedule:

		<u>Category</u>	<u>Bank</u>	<u>Book</u>
		<u>1</u>	<u>2</u>	<u>3</u>
			<u>balance</u>	<u>balance</u>
December 31, 2002	\$ 65,352	-	65,352	45,366
December 31, 2001	100,000	-	10,794	28,549

**(3) Other Investments**

Investments are held by the Department in its name and include the following, at cost, at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Cooperative Finance Corporation (CFC) capital term certificates	\$ 4,636	4,636
Vermont Electric Power Company preferred stock Class C	5,797	9,661
Vermont Electric Power Company common stock Class C	61,400	—
Vermont Electric Power Company common stock Class B	1,352	1,352
Land	10,905	10,905
	<u>\$ 84,090</u>	<u>26,554</u>

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

**(4) Deferred Charges**

Deferred charges include the following at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Demand side management	\$ 28,711	40,127
Debt service costs	15,471	16,921
Vermont Yankee outage costs	—	20,930
	<u>\$ 44,182</u>	<u>77,978</u>

Amortization of deferred charges totaled \$12,866 and \$13,680 for the years ended December 31, 2002 and 2001, respectively.

**(a) 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.

**(b) Bond Issue Costs**

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

**(c) Vermont Yankee Outage Costs**

Vermont Yankee experienced scheduled outages during April and May 2001. The Department incurred incremental purchased power costs and direct costs from Vermont Yankee in connection with these outages. As such outages are scheduled to occur regularly every eighteen months, the Vermont Public Service Board has directed the Department to defer the related costs and, consistent with expected rate relief, to amortize them over the eighteen-month period.

**(5) Debt**

Long-term debt consists of the following at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Note payable - Banknorth, quarterly payments of principal and interest of \$1,471, due on June 15, 2013 at a variable interest rate of 6.3% at December 31, 2002 and 3.8% at December 31, 2001.	\$ 44,938	50,468
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, 2002 and December 31, 2001).	1,199,363	1,229,813
Note payable - 1999 Union Bank, monthly payments of principal and interest of \$4,635, balloon payment due on May 30, 2003, at a fixed interest rate of 4.13%.	160,733	208,246

**TOWN OF HARDWICK, VERMONT**  
**ELECTRIC DEPARTMENT**  
(A Component Unit of the Town of Hardwick, Vermont)  
Notes to Financial Statements  
December 31, 2002 and 2001

Note payable - 2001 Union Bank, monthly payments of \$15,014, balloon payment due on May 30, 2003, at a fixed interest rate of 4.13%	<u>2001</u>	<u>2000</u>
	649,263	799,348
Note payable - 1999 Union Bank, quarterly payments of \$2,908, due on November 18, 2009 at a fixed interest rate of 5.125% on December 31, 2001 and 4.95% on December 31, 2000, respectively.	68,021	75,940
Note payable - 1999 Union Bank, quarterly payments of \$11,066 beginning April 1, 2002 at a fixed interest rate of 5.6%, maturing December 20, 2019.	482,628	445,000
	<u>2,604,979</u>	<u>2,808,815</u>
	<u>264,375</u>	<u>252,975</u>
Less current installments		
Long-term debt, excluding current installments	<u>\$2,340,604</u>	<u>2,555,840</u>

The Banknorth note and the Union Bank notes in the amounts of \$160,733 and \$649,263, respectively, 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 2003. Accordingly, they are presented as long-term debt in the accompanying balance sheets.

The 1999 Union Bank note payable, maturing December 20, 2019 was issued on December 20, 1999 in the amount of \$500,000. As of year-end 2002 and 2001, the Department had only drawn down \$500,000 and \$445,000, respectively, of the authorized amount.

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, 2002 and 2001.

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

<b>Year ending December 31:</b>	
2003	\$ 264,375
2004	279,575
2005	295,408
2006	240,750
2007	80,824
Later years	1,444,047
	<u>\$2,604,979</u>

The Department also has a \$300,000 line of credit with a bank which expires on May 31, 2003. There were no amounts outstanding at December 31, 2002 and 2001.

**(6) 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 shares of Vermont Electric Power Company's Class C common stock. The Department is required to make monthly payments of principal and interest in the amount of \$1,045 for a period of twelve months with a final lump-sum payment of \$47,818. At December 31, 2002, \$51,212 remained outstanding.

**(7) Leases**

**(a) Operating Leases**

The Department has noncancellable operating lease commitments for office equipment.

Future minimum lease payments under noncancellable operating leases for office equipment as of December 31, 2002 are as follows:

**Year ending December 31:**

2003	\$ 2,152
2004	2,152
2005	1,794
	<u>\$ 6,098</u>

Total rental expense for operating leases for the years ended December 31, 2002 and 2001 was \$2,152 and \$7,304, respectively.

**(b) Capital Lease**

In February 2001, the Department entered into a lease agreement for a folder system. Payments on the lease are due in monthly installments of \$290, through January 2005.

Leased equipment under capital lease is included in equipment, in the following amounts at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Equipment	\$ 10,500	10,500
Less accumulated depreciation	4,025	1,925
	<u>\$ 6,475</u>	<u>8,575</u>

The following is a schedule by year of the present value of the net minimum capital lease payments at December 31, 2002:

**Year ending December 31:**

2003	3,477
2004	3,188
Total minimum lease payments	6,665
Less amount representing interest	878
	<u>5,787</u>
Less current installments	2,819
Obligation under capital lease, excluding current installments	<u>\$ 2,968</u>

**TOWN OF HARDWICK, VERMONT**  
**ELECTRIC DEPARTMENT**  
(A Component Unit of the Town of Hardwick, Vermont)  
Notes to Financial Statements  
December 31, 2002 and 2001

**(8) 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, 2002 and 2001 were \$8,171 and \$7,653, 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, 2002, 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 \$615,014 and \$648,100 for the years ended December 31, 2002 and 2001, respectively. These amounts represent salaries paid to employees covered under the plan for the years ended December 31, 2002 and 2001, respectively. Employer contributions to this plan for the years ended December 31, 2002 and 2001 were \$24,600 and \$25,924, respectively.

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

**(9) Commitments and Contingencies**

**(a) Power Contracts**

The Department has its own contractual power supply, which is administered by the Vermont Public Power Supply 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. Under these contracts the Department paid \$1,842,368 and \$1,949,764 at December 31, 2002 and 2001, respectively.

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 mandatory 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 setoff provision for losses suffered in the event of a bankruptcy-related default. As of December 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 able to collect on their counterclaim.

The department's kW entitlements 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:

	2002	2001	Expiration Date
Water Watts	0.5%	0.5%	—
VEPPI	4.2%	3.7%	2008-2020
NYPA	8.6%	7.5%	2003
Hydro	8.6%	7.6%	—
Vermont Yankee	0.0%	5.3%	2002
PGET DEAL - VY Replacement	7.2%	0.0%	2002
PGET Deal - Enron Replacement	24.8%	0.0%	2002
Stony Brook	20.1%	17.7%	2009
McNeil	7.6%	6.7%	2014
HQ Tertiary	0.0%	10.1%	2002
NYSEG Base	13.0%	11.4%	2003
GMP Peaking	5.4%	4.8%	2003
Enron	0.0%	24.7%	2001
Total energy entitlements	100.0%	100.0%	

**(b) 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 \$121,173 and \$122,532 through December 31, 2002 and 2001, 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.

**(c) 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 provisions for loss related to this matter has been recorded in the accompanying financial statements.

# Sullivan, Powers & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
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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, 2003. 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.

## Independent Auditor's Report

James H. Powers, CPA  
Fred Duplessis, CPA  
Kathy Blackburn, CPA  
Richard J. Brigham, CPA  
VT Lic. #92-000180

The financial statements referred to above do not include the financial activities of the Electric Department which should be included to conform with generally accepted accounting principles.

A statement of general fixed assets, required by generally accepted accounting principles, is not included in the financial report because the Town has not maintained records as to the historical costs of its general fixed assets. The amount that should be recorded in the general fixed asset account group is unknown.

In our opinion, except for the omission of the Hardwick Electric Department and the omission of the General Fixed Asset Account Group, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Hardwick, Vermont at June 30, 2003 and the results of its operations and cash flows of its proprietary and similar trust funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

August 6, 2003  
Montpelier, Vermont

*Sullivan, Powers & Company*

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

## **TOWN OF HARDWICK, VERMONT AUDIT REPORT TABLE OF CONTENTS JUNE 30, 2003**

Independent Auditor's Report		Combining Balance Sheet - Special Revenue Funds	Schedule 1
General Purpose Financial Statements:			
Combined Balance Sheet - All Fund Types and Account Groups	Exhibit I	Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Special Revenue Funds	Schedule 2
Combined Statement of Revenue, Expenditures and Changes in Fund Balances - All Governmental Fund Types	Exhibit II	Combining Balance Sheet - Capital Projects Funds	Schedule 3
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	Exhibit III	Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Capital Projects Funds	Schedule 4
Combined Statement of Revenue, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds	Exhibit IV	Combining Balance Sheet - Enterprise Funds	Schedule 5
Combined Statement of Cash Flows - All Proprietary Fund Types and Similar Trust Funds	Exhibit V	Combining Statement of Revenue, Expenses and Changes in Retained Earnings - Enterprise Funds	Schedule 6
Notes to the Financial Statements		Combining Statement of Cash Flows - Enterprise Funds	Schedule 7
Independent Auditor's Report on Supplementary Information		Statement of Revenue and Expenses - Budget (Non GAAP Budgetary Basis) and Actual - Water Fund	Schedule 8
Supplementary Information:		Statement of Revenue and Expenses - Budget (Non GAAP Budgetary Basis) and Actual - Sewer Fund	Schedule 9
		Combining Balance Sheet - Fiduciary Funds	Schedule 10

**TOWN OF HARDWICK, VERMONT**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2003**

	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 Fund	General Long- Term Debt	
<b>ASSETS</b>							
Cash - Note 2	\$ 194,134	\$ 142,732	\$ 244,914	\$ 641,612	\$ 562	\$ 0	\$ 1,223,954
Investments - Notes 2 & 3	0	0	0	0	7,911	0	7,911
Receivables - Net of Allowance for Doubtful Accounts - Note 4	142,021	24,191	0	29,966	0	0	196,178
Loans Receivable - Note 5	0	1,156,320	0	0	0	0	1,156,320
Prepaid Expenses	1,717	0	0	103	0	0	1,820
Due from Other Funds	0	66,583	13,190	0	346	0	80,119
Property, Plant and Equipment - Net of Accumulated Depreciation - Note 6	0		0	2,715,510	0	0	2,715,510
Amount to be Provided For Long-Term Debt	0	0	0	0	0	54,729	54,729
<b>TOTAL ASSETS</b>	<u>\$ 337,872</u>	<u>\$ 1,389,826</u>	<u>\$ 258,104</u>	<u>\$ 3,387,191</u>	<u>\$ 8,819</u>	<u>\$ 54,729</u>	<u>\$ 5,436,541</u>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 39,005	\$ 0	\$ 0	\$ 10,851	\$ 0	\$ 0	\$ 49,856
Payroll Withholdings Payable	29	0	0	0	0	0	29
Accrued Payroll	8,498	0	0	1,441	0	0	9,939
Accrued Interest	0	0	0	32	0	0	32
Due to Other Funds	55,928	24,191	0	0	0	0	80,119
Due to Others	5,742	0	0	0	0	0	5,742
Deferred Revenue - Note 7	80,689	1,156,320	0	0	0	0	1,237,009
Accrued Compensated Absences Notes and Bonds Payable - Note 8	0	0	0	0	0	11,396	11,396
	0	0	0	203,291	0	43,333	246,624
<b>Total Liabilities</b>	<u>189,891</u>	<u>1,180,511</u>	<u>0</u>	<u>215,615</u>	<u>0</u>	<u>54,729</u>	<u>1,640,746</u>
<b>Fund Equity:</b>							
Contributed Capital - Note 9	0	0	0	1,850,418	0	0	1,850,418
<b>Retained Earnings:</b>							
Net Investment in Property, Plant and Equipment	0	0	0	661,801	0	0	661,801
Restricted - Note 10	0	0	0	57,563	0	0	57,563
Designated - Note 10	0	0	0	601,794	0	0	601,794
<b>Fund Balance:</b>							
Restricted - Note 11	1,717	134,554	0	0	8,819	0	145,090
Unrestricted:							
Designated - Note 11	0	74,761	258,104	0	0	0	332,865
Undesignated	146,264	0	0	0	0	0	146,264
<b>Total Fund Balance/ Retained Earnings</b>	<u>147,981</u>	<u>209,315</u>	<u>258,104</u>	<u>1,321,158</u>	<u>8,819</u>	<u>0</u>	<u>1,945,377</u>
<b>Total Fund Equity</b>	<u>147,981</u>	<u>209,315</u>	<u>258,104</u>	<u>3,171,576</u>	<u>8,819</u>	<u>0</u>	<u>3,795,795</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 337,872</u>	<u>\$ 1,389,826</u>	<u>\$ 258,104</u>	<u>\$ 3,387,191</u>	<u>\$ 8,819</u>	<u>\$ 54,729</u>	<u>\$ 5,436,541</u>

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, 2003**

	General Fund	Special Revenue Funds	Capital Projects Funds	Expendable Trust Fund - Memorial Planting Fund	Total (Memorandum Only)
<b>Revenue:</b>					
Property Taxes	\$ 1,094,848	\$ 0	\$ 0	\$ 0	\$ 1,094,848
Intergovernmental	275,967	136,314	346,966	0	759,247
Penalties and Interest	20,646	0	0	0	20,646
Charges for Services	143,208	0	0	0	143,208
Investment Income	5,106	2,056	2,853	0	10,015
Loan Interest Income	0	19,844	0	0	19,844
Licenses and Permits	31,485	0	0	0	31,485
Loan Repayments	0	100,992	0	0	100,992
Sale of Equipment	0	0	2,800	0	2,800
Miscellaneous Income	10,226	485	0	0	10,711
<b>Total Revenue</b>	<b>1,581,486</b>	<b>259,691</b>	<b>352,619</b>	<b>0</b>	<b>2,193,796</b>
<b>Expenditures:</b>					
General Government	354,155	11,229	0	0	365,384
Public Safety	470,725	1,191	0	0	471,916
Highways and Streets	409,455	0	0	0	409,455
Appropriations	50,400	0	0	0	50,400
Community Development	0	115,050	0	0	115,050
Culture and Recreation	50,273	9,615	0	0	59,888
Capital Projects	0	0	580,817	0	580,817
Debt Service:					
Principal	21,667	0	0	0	21,667
Interest	2,334	0	0	0	2,334
<b>Total Expenditures</b>	<b>1,359,009</b>	<b>137,085</b>	<b>580,817</b>	<b>0</b>	<b>2,076,911</b>
<b>Excess/(Deficiency) of Revenue Over Expenditures</b>	<b>222,477</b>	<b>122,606</b>	<b>(228,198)</b>	<b>0</b>	<b>116,885</b>
<b>Other Financing Sources/(Uses):</b>					
Operating Transfers In	28	9,900	238,350	0	248,278
Operating Transfers Out	(248,250)	0	0	0	(248,250)
<b>Total Other Financing Sources/(Uses)</b>	<b>(248,222)</b>	<b>9,900</b>	<b>238,350</b>	<b>0</b>	<b>28</b>
<b>Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(25,745)</b>	<b>132,506</b>	<b>10,152</b>	<b>0</b>	<b>116,913</b>
<b>Fund Balances - July 1, 2002</b>	<b>173,726</b>	<b>76,809</b>	<b>247,952</b>	<b>346</b>	<b>498,833</b>
<b>Fund Balances - June 30, 2003</b>	<b>\$ 147,981</b>	<b>\$ 209,315</b>	<b>\$ 258,104</b>	<b>\$ 346</b>	<b>\$ 615,746</b>

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, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue:</b>			
Property Taxes	\$ 1,092,422	\$ 1,094,848	\$ 2,426
PILOT	46,624	50,064	3,440
Current Use Hold Harmless	56,102	56,102	0
Delinquent Late Charge	22,000	20,646	(1,354)
Land Use Withdrawal Assessment	0	7,510	7,510
Zoning Permits	4,000	3,532	(468)
Licenses and Fees	18,000	27,953	9,953
State Aid to Highways	128,912	130,433	1,521
Copier Fees	2,800	2,180	(620)
Greensboro Police Contract	98,844	80,292	(18,552)
Miscellaneous Police	12,000	12,845	845
Interest on Investments	7,000	5,106	(1,894)
Interest on Cemetery Fund-Transfer In	60	28	(32)
Miscellaneous Revenue	1,500	98	(1,402)
Hardwick Area Community Workshop	0	200	200
Water and Sewer Administrative Charges	47,691	47,691	0
Audit Reimbursement LHP	1,600	848	(752)
Library Roof Grant	0	23,800	23,800
Green Day Grant	0	278	278
Local Law Enforcement Block Grant	0	15,290	15,290
Fireworks Donations	0	1,770	1,770
<b>Total Revenue</b>	<u>1,539,555</u>	<u>1,581,514</u>	<u>41,959</u>
<b>Expenditures:</b>			
<b>Office Expenditures:</b>			
Town Manager- Salary	28,688	27,857	831
Office Manager- Salary	19,823	19,055	768
Town Clerk- Salary	34,113	21,051	13,062
Town Clerk/Treasurer - Compensation	0	8,359	(8,359)
Administrative Assistant	16,242	14,925	1,317
Town Clerk Aides	15,817	17,107	(1,290)
Social Security Expense	9,728	8,435	1,293
Health Insurance	37,843	37,629	214
Dental Insurance	3,768	3,188	580
Life/Disability Insurance	1,811	1,755	56
Retirement Expense	5,734	5,097	637
Town Manager's Office Supplies	3,500	3,754	(254)
Town Clerk's Office Supplies	4,730	4,774	(44)
Town Report Expense	2,300	2,471	(171)
Conferences/ Dues	1,000	1,011	(11)
Tax Billing Expense	600	129	471
Telephone	2,200	2,217	(17)
Advertising	900	484	416

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, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Office Expenditures:/(Cont'd)			
Copier	\$ 1,200	\$ 1,344	\$ (144)
Computer Services	1,500	1,367	133
Lister Supplies	400	301	99
Capital Outlay	5,200	6,765	(1,565)
Health Officer Supplies	50	134	(84)
Education Reimbursement	700	0	700
Planning/ Zoning/ Printing	2,500	2,416	84
Worker's Compensation	483	468	15
Unemployment Insurance	576	629	(53)
VLCT PACIF	1,218	1,281	(63)
<b>Total Office Expenditures</b>	<u>202,624</u>	<u>194,003</u>	<u>8,621</u>
Payroll (Other):			
Listers	4,498	4,668	(170)
Ballot Clerks	0	12	(12)
Zoning Administrator	12,480	11,667	813
Zoning and Planning Board	4,000	1,900	2,100
Board of Civil Authority	450	90	360
Moderator	30	60	(30)
Selectboard	5,000	4,833	167
Social Security Expense	2,089	1,995	94
Workers Compensation	242	241	1
Public Officers Liability	1,617	1,681	(64)
Election Officials	850	1,744	(894)
Solid Waste Representative	500	500	0
<b>Total Payroll (Other)</b>	<u>31,756</u>	<u>29,391</u>	<u>2,365</u>
Memorial Building:			
Custodian	5,737	5,479	258
Social Security Expense	439	418	21
Operating Supplies	1,300	1,869	(569)
Repairs/Maintenance to Building	2,000	906	1,094
Utilities	2,800	3,452	(652)
Fuel Oil	4,500	5,002	(502)
Worker's Compensation	438	473	(35)
Unemployment Insurance	38	42	(4)
VLCT PACIF	1,218	1,281	(63)
Elevator	1,350	1,249	101
<b>Total Memorial Building</b>	<u>19,820</u>	<u>20,171</u>	<u>(351)</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, 2003**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Police Department:</b>			
Base Payroll	\$ 212,971	\$ 160,208	\$ 52,763
Overtime	20,000	14,160	5,840
Special Officers	7,500	57,882	(50,382)
Social Security Expense	18,396	18,058	338
Health Insurance	55,024	48,553	6,471
Dental Insurance	5,571	4,054	1,517
Life/Disability Insurance	2,390	2,130	260
Retirement Expense	16,992	14,472	2,520
Operating Supplies	5,500	5,248	252
Training	3,000	2,636	364
Telephone	4,000	6,104	(2,104)
Cruiser Repairs and Maintenance	6,500	11,164	(4,664)
Advertising	0	487	(487)
Radio Service	1,300	1,734	(434)
Police State Grant	0	1,282	(1,282)
Investigation Expense	2,500	1,403	1,097
Uniforms - Cleaning	900	194	706
Uniforms Purchases	1,500	2,404	(904)
Gas	9,500	9,958	(458)
Utilities	1,446	1,178	268
Tires	1,000	0	1,000
Education	300	10	290
Equipment	3,000	4,734	(1,734)
Workers Compensation	11,360	10,640	720
VLCT PACIF	5,077	5,338	(261)
Unemployment Insurance	1,536	1,655	(119)
COPS Grant Expenses	0	14,008	(14,008)
Capital Outlay	3,700	3,061	639
<b>Total Police Department</b>	<b>400,963</b>	<b>402,755</b>	<b>(1,792)</b>
<b>Fire Department:</b>			
Labor	11,000	10,764	236
Social Security Expense	842	824	18
Operating Supplies	1,500	781	719
Telephone	2,750	2,879	(129)
Gasoline	800	418	382
Utilities	1,725	1,866	(141)
Fuel Oil	4,500	3,445	1,055
Equipment Purchases	5,000	12,275	(7,275)
Clothing	3,500	1,015	2,485
Repairs and Maintenance to Fire Station	2,500	747	1,753
Equipment Repairs	5,000	2,976	2,024
Training	2,000	0	2,000
Worker's Compensation	967	936	31
VLCT PACIF	3,452	3,630	(178)
Capital Outlay	5,000	18,190	(13,190)
<b>Total Fire Department</b>	<b>50,536</b>	<b>60,746</b>	<b>(10,210)</b>

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, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Highway/Garage/ Equipment:			
Payroll	\$ 124,111	\$ 148,547	\$ (24,436)
Overtime	15,000	9,401	5,599
Social Security Expense	10,642	12,260	(1,618)
Health Insurance	49,939	51,048	(1,109)
Dental Insurance	4,924	4,702	222
Life/Disability Insurance	1,726	1,889	(163)
Retirement Expense	7,300	7,687	(387)
Summer Gravel	15,000	13,963	1,037
Summer Chloride	12,500	10,596	1,904
Summer Mowing	500	69	431
Summer Paving	2,000	2,242	(242)
Summer Guardrail	350	0	350
Summer Ditching	4,000	2,655	1,345
Street Sweeping	4,000	2,750	1,250
Winter Sand	9,000	7,640	1,360
Winter Salt	20,000	19,063	937
Worker's Compensation	8,702	8,480	222
Unemployment Insurance	921	1,009	(88)
VLCT PACIF	5,280	5,551	(271)
Operating Supplies	9,000	8,163	837
Telephone	575	717	(142)
Culverts	3,000	1,367	1,633
Uniforms	4,680	4,890	(210)
Sidewalk Expense	500	100	400
Radio Service	1,000	1,055	(55)
Streetscape	2,000	2,216	(216)
Storm Drains	2,400	1,135	1,265
Bridges	500	0	500
Road Signs	1,000	1,490	(490)
Gasoline	1,750	1,714	36
Diesel Fuel	13,500	15,925	(2,425)
Utilities	2,600	2,906	(306)
Streetscape Salary	8,000	9,027	(1,027)
Streetscape FICA	612	691	(79)
Safety/Training	500	1,065	(565)
Building Repairs	2,000	0	2,000
Equipment Expense	30,000	30,843	(843)
<b>Total Highway/Garage/Equipment</b>	<b>379,512</b>	<b>392,856</b>	<b>(13,344)</b>

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, 2003**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Appropriations:</b>			
Senior Citizens Center	\$ 1,000	\$ 1,000	\$ 0
Recreation Committee	9,900	9,900	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
V.C.I.L.	410	410	0
N.K.Y. Services	600	600	0
Lamoille Housing	750	750	0
Out & About	650	650	0
Greensboro CCC	500	500	0
NCAL	1,000	1,000	0
H.A.C.C.	1,000	1,000	0
Greensboro Nursing	3,000	3,000	0
War Memorial	25,000	25,000	0
Even Start	1,500	1,500	0
<b>Total Appropriations</b>	<b>60,300</b>	<b>60,300</b>	<b>0</b>
<b>Rescue Squad:</b>			
Pro-Rated Share	7,224	7,224	0
<b>Taxes:</b>			
County Tax	12,600	12,600	0
<b>Other Expenses:</b>			
Auditing	4,717	4,717	0
Dog Control	2,000	920	1,080
Professional Services	2,500	1,783	717
Northeastern Vermont Development Association	1,040	1,040	0
VLCT	2,063	2,063	0
Interest Expense	1,000	2,334	(1,334)
Judevine Memorial Library	26,473	26,473	0
Memorial Day	450	4,759	(4,309)
Caspian Lake	1,850	1,850	0
Cemeteries	11,000	9,488	1,512
Downtown Beautification	0	319	(319)
Equipment Replacement Fund Transfer	65,000	65,000	0
Tax Mapping	1,000	600	400
Solid Waste District	6,665	6,665	0
Debt Principal	21,667	21,667	0

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, 2003**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other Expenses: (Cont'd)			
Grader Lease	\$ 0	\$ 16,599	\$ (16,599)
Streetlights	18,720	20,196	(1,476)
Health Insurance Deductibles	9,500	9,895	(395)
Capital Improvement Transfer	173,350	173,350	0
Tax Discount Expense	22,000	29,388	(7,388)
Employment Practices Insurance	1,725	1,788	(63)
Library Roof Grant Expenses	0	23,800	(23,800)
Green Up Day Grant	0	612	(612)
Insurance Deductibles	1,500	1,189	311
Teen Center Boxing Donation	0	500	(500)
Cash Short	0	100	(100)
Hardwick Area Community Workshop	0	118	(118)
Total Other Expenses	<u>374,220</u>	<u>427,213</u>	<u>(52,993)</u>
Total Expenditures - Note 12	<u>1,539,555</u>	<u>1,607,259</u>	<u>(67,704)</u>
Excess/(Deficiency) of Revenue Over Expenditures	\$ <u>0</u>	(25,745)	\$ <u>(25,745)</u>
Fund Balance - July 1, 2002		<u>173,726</u>	
Fund Balance - June 30, 2003		\$ <u>147,981</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, 2003**

	Enterprise Funds	Nonexpendable Cemetery Trust Fund	Total (Memorandum Only)
<b>Revenue:</b>			
Charges for Services	\$ 359,090	\$ 0	\$ 359,090
Interest and Penalty on Delinquents	6,682	0	6,682
Interest Income	0	123	123
Impact Fees	3,000	0	3,000
<b>Total Revenue</b>	<b>368,772</b>	<b>123</b>	<b>368,895</b>
<b>Expenses:</b>			
Communications	1,996	0	1,996
Legal and Auditing	3,431	0	3,431
Insurance	5,834	0	5,834
Administrative	15,157	90	15,247
Salaries and Wages	93,647	0	93,647
Benefits	41,475	0	41,475
Maintenance	27,449	0	27,449
Utilities	37,734	0	37,734
Depreciation	135,288	0	135,288
Professional Services	828	0	828
Process Chemicals	2,349	0	2,349
Permit Fees	2,587	0	2,587
Miscellaneous	2,820	0	2,820
Equipment Charge	14,500	0	14,500
Water Testing	387	0	387
Capital Maintenance	11,364	0	11,364
<b>Total Expenses</b>	<b>396,846</b>	<b>90</b>	<b>396,936</b>
<b>Net Operating Income/(Loss)</b>	<b>(28,074)</b>	<b>33</b>	<b>(28,041)</b>
<b>Non-Operating Revenues and (Expenses):</b>			
Interest Income	7,886	0	7,886
Interest Expense	(1,364)	0	(1,364)
<b>Total Non-Operating Revenues and (Expenses)</b>	<b>6,522</b>	<b>0</b>	<b>6,522</b>
<b>Net Income/(Loss) Before Transfers</b>	<b>(21,552)</b>	<b>33</b>	<b>(21,519)</b>
<b>Other Financing Sources/(Uses):</b>			
Operating Transfers Out	0	(28)	(28)
<b>Total Other Financing Sources/(Uses)</b>	<b>0</b>	<b>(28)</b>	<b>(28)</b>
<b>Net Income/(Loss)</b>	<b>(21,552)</b>	<b>5</b>	<b>(21,547)</b>
<b>Add: Depreciation Attributable to Contributed Capital - Note 9</b>	<b>102,272</b>	<b>0</b>	<b>102,272</b>
<b>Increase in Retained Earnings/Fund Balance</b>	<b>80,720</b>	<b>5</b>	<b>80,725</b>
<b>Retained Earnings/Fund Balance - July 1, 2002</b>	<b>1,240,438</b>	<b>8,468</b>	<b>1,248,906</b>
<b>Retained Earnings/Fund Balance - June 30, 2003</b>	<b>\$ 1,321,158</b>	<b>\$ 8,473</b>	<b>\$ 1,329,631</b>

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, 2003**

	Enterprise Funds	Nonexpendable Cemetery Trust Fund	Total (Memorandum Only)
Increase/(Decrease) in Cash:			
Cash Flows from Operating Activities:			
Net Operating Income/(Loss)/Net Income	\$ (28,074)	\$ 5	\$ (28,069)
Add/Deduct: Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Depreciation Expense	135,288	0	135,288
Decrease in Accounts Receivable	2,263	0	2,263
Increase in Prepaid Expense	(11)	0	(11)
Decrease in Due From Other Funds	1,190	0	1,190
Increase in Accounts Payable	3,644	0	3,644
Increase in Accrued Payroll	581	0	581
Net Cash Provided by Operating Activities	<u>114,881</u>	<u>5</u>	<u>114,886</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:			
Contributed Capital	30,000	0	30,000
Purchase of Property, Plant and Equipment	(52,525)	0	(52,525)
Decrease in Notes and Bonds Payable	(21,320)	0	(21,320)
Interest Paid on Notes and Bonds	(1,484)	0	(1,484)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(45,329)</u>	<u>0</u>	<u>(45,329)</u>
Cash Flows from Investing Activities:			
Items Providing Cash			
Interest Earned	7,886	0	7,886
Net Cash Provided by Investing Activities	<u>7,886</u>	<u>0</u>	<u>7,886</u>
Total Cash Provided	77,438	5	77,443
Cash - July 1, 2002	<u>564,174</u>	<u>557</u>	<u>564,731</u>
Cash - June 30, 2003	<u>\$ 641,612</u>	<u>\$ 562</u>	<u>\$ 642,174</u>

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



**TOWN OF HARDWICK, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2003**

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 conform to generally accepted accounting principles as applicable to governments, except as noted below. The following is a summary of the more significant policies.

**Note 1:**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

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 contributed capital, net investment in property, plant and equipment and retained earnings components.

Depreciation on all exhaustible fixed assets used by

**TOWN OF HARDWICK, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**Note 1:(Cont.)**

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. Depreciation attributable to fixed assets obtained using contributed capital is charged to contributed capital instead of retained earnings.

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.

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

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

**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.

**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 individuals sick time, is paid.

**TOWN OF HARDWICK, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1:(Cont.)**

**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, 2003 consisted of the following:

	Book Balance	Bank Balance
Insured (FDIC)	\$ 122,987	\$ 140,652
Uninsured, Secured by U.S. Government Securities Held in the Bank's Name at the Federal Reserve Bank	1,108,478	1,108,480
Cash on Hand	400	N/A
<b>Total</b>	<b>\$1,231,865</b>	<b>\$1,249,132</b>

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.

\$43,333 of the uninsured, uncollateralized cash could be offset by debt at that respective bank.

Cash and cash equivalents is comprised of the following:

Cash	\$1,223,954
Certificates of Deposit	7,911
<b>Total</b>	<b>\$1,231,865</b>

**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 counterparty'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, 2003 is as follows:

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

**Note 4: RECEIVABLES**

The following is a summary of the receivables at June 30, 2003:

	Special Revenue Funds			Enterprise Funds			
	General Fund	Rural Development Industrial Park Fund	Zoning/ Planning Grant Fund	Water Fund	Sewer Fund	Total	Total
Delinquent Taxes Receivable	\$125,906	\$0	\$0	\$0	\$0	\$0	\$125,906
Accounts Receivable	0	0	0	8,762	14,286	23,048	23,048
Penalties and Interest Receivable	13,294	0	0	3,226	5,692	8,918	22,212
Grants Receivable	2,343	19,735	4,456	0	0	0	26,534
Miscellaneous Receivables	978	0	0	0	0	0	978
Allowance for Doubtful Accounts	(500)	0	0	(800)	(1,200)	(2,000)	(2,500)
<b>Total</b>	<b>\$142,021</b>	<b>\$19,735</b>	<b>\$4,456</b>	<b>\$11,188</b>	<b>\$18,778</b>	<b>\$29,966</b>	<b>\$196,178</b>

**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, 20 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 \$34,999 298,500

**Total** **\$1,156,320**

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

Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
\$1,257,312	\$0	\$100,992	\$1,156,320

**TOWN OF HARDWICK, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**Note 6: PROPERTY, PLANT AND EQUIPMENT**

An analysis of property, plant, and equipment at June 30, 2003 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	43,497
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			<u>776,403</u>
Less: Accumulated Depreciation			<u>(359,098)</u>
Net Water Utility Plant in Service			<u>417,305</u>

Sewer Utility Plant in Service

	Depreciation Method	Life	
Land	N/A	N/A	\$ 38,495
Buildings and Sewer System	SL	40 Years	4,104,340
Tools and Equipment	SL	10 Years	53,756
Combined Sewer Overflow Project	SL	40 Years	512,564
Total			<u>4,709,155</u>
Less: Accumulated Depreciation			<u>(2,410,950)</u>
Net Sewer Utility Plant in Service			<u>2,298,205</u>
Total Property, Plant and Equipment			<u>\$ 2,715,510</u>

**Note 7: DEFERRED REVENUE**

Deferred Revenue in the General Fund consists of \$75,000 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, \$2,789 of fiscal year 2004 taxes received in advance, and \$2,900 of grant revenue received in advance. The revenue will be recognized as delinquent taxes are collected, fiscal year 2004 taxes are billed and as expenses are incurred for the grant. Total Deferred Revenue in the General Fund is \$80,689.

Deferred Revenue in the Special Revenue Funds consists of \$1,156,320 of grant funds loaned out as described in Note 5.

**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	\$177,335
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	25,956
Total	<u>\$203,291</u>

Maturities are as follows for the Enterprise Funds:

	Principal	Interest	Total
2004	\$ 21,727	\$ 1,077	\$ 22,804
2005	22,043	761	22,804
2006	22,281	523	22,804
2007	19,016	93	19,109
2008	14,778	0	14,778
2009-2013	73,890	0	73,890
2014-2015	29,556	0	29,556
Total	\$203,291	\$ 2,454	<u>\$205,745</u>

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

Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>\$224,611</u>	<u>\$ 0</u>	<u>\$21,320</u>	<u>\$203,291</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	\$43,333
Total	<u>\$43,333</u>

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

	Principal	Interest	Total
2004	\$21,667	\$1,560	\$23,227
2005	21,666	780	22,446
Total	<u>\$43,333</u>	<u>\$2,340</u>	<u>\$45,673</u>

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

Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>\$65,000</u>	<u>\$ 0</u>	<u>\$21,667</u>	<u>\$ 43,333</u>

**TOWN OF HARDWICK, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2003**

**Note 9: CONTRIBUTED CAPITAL**

An analysis of the activity in the contributed capital accounts is as follows.

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Contributed Capital - July 1, 2002	\$ 96,733	\$1,825,957	\$1,922,690
Add: Additions to Contributed Capital - Grant	30,000	0	30,000
Less: Depreciation Attributable To Contributed Capital	(3,023)	(99,249)	(102,272)
Contributed Capital - June 30, 2003	<u>\$123,710</u>	<u>\$1,726,708</u>	<u>\$1,850,418</u>

**Note 10:**

**RESTRICTED AND DESIGNATED RETAINED EARNINGS**

Restricted:

Sewer Fund

Restricted for Sewer Expansion by Connection Fees \$ 57,563

Designated:

Water Fund

Designated for Well Replacement \$ 47,369  
 Designated for Water Capital Expenses 193,129  
 Designated for Water Operations 35,890  
 Total Water Fund 276,388

Sewer Fund

Designated for Sewer Capital Projects 209,218  
 Designated for Sewer Operations 116,188  
 Total Sewer Fund 325,406  
 Total Designated Retained Earnings \$601,794

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

	<u>Well Replacement Account</u>	<u>Water Capital Account</u>	<u>Sewer Capital Account</u>	<u>Sewer Connection Fee Account</u>
Beginning Balance	\$ 52,887	\$153,535	\$190,818	\$53,812
Interest Earnings	670	2,443	2,385	751
Transfer In From Water Operating Fund	5,000	45,000	0	0
Transfer In From Sewer Operating Fund	0	0	30,000	0
New Connections	0	0	0	3,000
Capital Purchases/Expenses	(11,188)	(7,849)	(13,985)	0
Ending Balance	<u>\$ 47,369</u>	<u>\$193,129</u>	<u>\$209,218</u>	<u>\$57,563</u>

**Note 11:**

**RESTRICTED AND DESIGNATED FUND BALANCES:**

Restricted:

General Fund:

Restricted for Prepaid Expenses \$ 1,717

Total General Fund 1,717

Special Revenue Funds:

Restricted for Revolving Loan Fund  
by Grant Agreement 134,554

Total Special Revenue Funds 134,554

Trust Funds:

Restricted for Cemetery Fund  
by Trust Agreement \$ 8,473

Restricted for Memorial Planting Fund  
by Trust Agreement 346

Total Trust Funds 8,819

Total Restricted Fund Balances \$145,090

Designated:

Special Revenue Funds:

Designated for DARE/Drug Seizure Expenses \$ 8,178  
 Designated for Recreation Expenses 3,593  
 Designated for Reappraisal Expenses 62,990

Total Special Revenue Funds 74,761

Capital Projects Funds:

Designated for Capital Purchases 161,839  
 Designated for Equipment Replacement 96,265

Total Capital Projects Funds 258,104

Total Designated Fund Balances \$332,865

**Note 12:**

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2003, expenditures exceeded appropriations in the General Fund by \$67,704. These were funded by excess revenues and available fund balance.

**TOWN OF HARDWICK, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**Note 13:**

**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 - Budgetary Basis - Schedule 8	\$ 8,704
Adjustments:	
Depreciation	(15,232)
Well Replacement Transfer	5,000
Well Replacement Fund Income	670
Capital Fund Transfer	45,000
Capital Fund Income	2,443
Capital Fund Expenses	(7,850)
Net Income - GAAP Basis - Schedule 6	<u>\$ 38,735</u>

**Sewer Fund**

Net Income - Budgetary Basis - Schedule 9	\$ 5,748
Adjustments:	
Principal Payments on Bond Payable	21,320
Depreciation	(120,056)
Sewer Capital Fund Transfer	30,000
Sewer Connection Fees	3,000
Sewer Capital Interest	3,136
Sewer Capital Fund Expenses	(3,435)
Net Income/(Loss) - GAAP Basis - Schedule 6	<u>\$ (60,287)</u>

**Note 14:**

**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, 2003 is as follows:

	Water Fund	Sewer Fund
Operating Revenues	\$157,102	\$ 211,670
Depreciation	15,232	120,056
Operating Income/(Loss)	35,203	(63,277)
Net Income/(Loss)	38,735	(60,287)
Current Capital Contributions	30,000	0
Fixed Asset Additions	41,852	10,673
Net Working Capital	276,388	361,242
Total Assets	698,734	2,688,457
Bonds and Notes Payable	0	203,291
Total Equity	693,693	2,477,883

**Note 15: 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 school property taxes. For the fiscal year ended June 30, 2003, the tax rate is as follows:

School - State Share	1.1545
School - Local Share	.6072
School - Local Agreement	.0018
Town - Local Share	<u>1.1897</u>
Total Tax Rate/per \$100 of Assessed Valuation	<u>2.9532</u>

**Note 16: 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 \$657,926 while covered payroll was \$540,968. Pension expense for the year was \$33,217.

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, 2003**

**Note 17: 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 18: LINE OF CREDIT**

The Town has an operating line of credit at the Union Bank for \$200,000. Interest is at 2.95% and is due December 31, 2003. As of June 30, 2003, the outstanding balance was \$-0-.

# Sullivan, Powers & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
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## Independent Auditor's Report on Supplementary Information

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

We have audited the general purpose financial statements of the Town of Hardwick, Vermont as of and for the year ended June 30, 2003 and have issued our report thereon dated August 6, 2003. 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 general purpose 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements listed in the Table of Contents as Schedules 1 through 10 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Hardwick, Vermont. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Sullivan, Powers & Company*

August 6, 2003  
Montpelier, Vermont  
Vt Lic. #92-000180

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



**TOWN OF HARDWICK, VERMONT**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2003**

	DARE/ Drug Seizure Fund	Revolving Loan Fund	Recreation Committee Fund	Reappraisal Fund	Zoning/ Planning Fund	Lamoille Housing Fund	Rural Development Industrial Park Fund	Total
<b>ASSETS</b>								
Cash	\$ 8,178	\$ 134,554	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,732
Due From Other Funds	0	0	3,593	62,990	0	0	0	66,583
Grant Receivable	0	0	0	0	4,456	0	19,735	24,191
Loans Receivable	0	1,156,320	0	0	0	0	0	1,156,320
<b>TOTAL ASSETS</b>	<b>\$ 8,178</b>	<b>\$ 1,290,874</b>	<b>\$ 3,593</b>	<b>\$ 62,990</b>	<b>\$ 4,456</b>	<b>\$ 0</b>	<b>\$ 19,735</b>	<b>\$ 1,389,826</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,456	\$ 0	\$ 19,735	\$ 24,191
Deferred Revenue	0	1,156,320	0	0	0	0	0	1,156,320
<b>Total Liabilities</b>	<b>0</b>	<b>1,156,320</b>	<b>0</b>	<b>0</b>	<b>4,456</b>	<b>0</b>	<b>19,735</b>	<b>1,180,511</b>
<b>Fund Balances:</b>								
Restricted	0	134,554	0	0	0	0	0	134,554
Unrestricted:								
Designated	8,178	0	3,593	62,990	0	0	0	74,761
<b>Total Fund Balances</b>	<b>8,178</b>	<b>134,554</b>	<b>3,593</b>	<b>62,990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>209,315</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,178</b>	<b>\$ 1,290,874</b>	<b>\$ 3,593</b>	<b>\$ 62,990</b>	<b>\$ 4,456</b>	<b>\$ 0</b>	<b>\$ 19,735</b>	<b>\$ 1,389,826</b>

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, 2003**

	DARE/ Drug Seizure Fund	Revolving Loan Fund	Recreation Committee Fund	Reappraisal Fund	Zoning/ Planning Fund	Lamoille Housing Fund	Rural Development Industrial Park Fund	Total
<b>Revenue:</b>								
Investment Income	\$ 107	\$ 1,202	\$ 49	\$ 698	\$ 0	\$ 0	\$ 0	\$ 2,056
Loan Interest Income	0	19,844	0	0	0	0	0	19,844
Grant Income	0	8,730	0	10,437	11,229	51,645	54,273	136,314
Miscellaneous Income	100	0	385	0	0	0	0	485
Loan Repayments	0	100,992	0	0	0	0	0	100,992
<b>Total Revenue</b>	<b>207</b>	<b>130,768</b>	<b>434</b>	<b>11,135</b>	<b>11,229</b>	<b>51,645</b>	<b>54,273</b>	<b>259,691</b>
<b>Expenditures:</b>								
Administration	0	3,464	0	0	2,919	0	0	6,383
Consulting	0	0	0	0	8,310	0	0	8,310
Public Safety	1,191	0	0	0	0	0	0	1,191
Community Development	0	8,730	0	0	0	51,645	51,211	111,586
Recreation Expenses	0	0	9,615	0	0	0	0	9,615
<b>Total Expenditures</b>	<b>1,191</b>	<b>12,194</b>	<b>9,615</b>	<b>0</b>	<b>11,229</b>	<b>51,645</b>	<b>51,211</b>	<b>137,085</b>
<b>Excess/(Deficiency) of Revenue Over Expenditures</b>	<b>(984)</b>	<b>118,574</b>	<b>(9,181)</b>	<b>11,135</b>	<b>0</b>	<b>0</b>	<b>3,062</b>	<b>122,606</b>
<b>Other Financing Sources:</b>								
Operating Transfers In	0	0	9,900	0	0	0	0	9,900
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>9,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,900</b>
<b>Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(984)</b>	<b>118,574</b>	<b>719</b>	<b>11,135</b>	<b>0</b>	<b>0</b>	<b>3,062</b>	<b>132,506</b>
<b>Fund Balance/(Deficit) - July 1, 2002</b>	<b>9,162</b>	<b>15,980</b>	<b>2,874</b>	<b>51,855</b>	<b>0</b>	<b>0</b>	<b>(3,062)</b>	<b>76,809</b>
<b>Fund Balance - June 30, 2003</b>	<b>\$ 8,178</b>	<b>\$ 134,554</b>	<b>\$ 3,593</b>	<b>\$ 62,990</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 209,315</b>

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

**TOWN OF HARDWICK, VERMONT**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
JUNE 30, 2003

	<u>Capital Fund</u>	<u>Equipment Replacement Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 161,839	\$ 83,075	\$ 244,914
Due from Other Funds	<u>0</u>	<u>13,190</u>	<u>13,190</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 161,839</u></b>	<b><u>\$ 96,265</u></b>	<b><u>\$ 258,104</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:			
Unrestricted:			
Designated	<u>161,839</u>	<u>96,265</u>	<u>258,104</u>
Total Fund Balances	<u>161,839</u>	<u>96,265</u>	<u>258,104</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 161,839</u></b>	<b><u>\$ 96,265</u></b>	<b><u>\$ 258,104</u></b>

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, 2003**

	Capital Fund	Equipment Replacement Fund	Total
<b>Revenue:</b>			
Investment Income	\$ 747	\$ 2,106	\$ 2,853
Grant Revenue	346,966	0	346,966
Sale of Equipment	0	2,800	2,800
<b>Total Revenue</b>	<u>347,713</u>	<u>4,906</u>	<u>352,619</u>
<b>Expenditures:</b>			
Bridges	376,575	0	376,575
Buildings	19,817	0	19,817
Roads	73,307	0	73,307
Infrastructure	10,800	0	10,800
Equipment and Vehicles	4,188	95,787	99,975
Miscellaneous	343	0	343
<b>Total Expenditures</b>	<u>485,030</u>	<u>95,787</u>	<u>580,817</u>
<b>Excess/(Deficiency) of Revenue Over Expenditures</b>	<u>(137,317)</u>	<u>(90,881)</u>	<u>(228,198)</u>
<b>Other Financing Sources:</b>			
Operating Transfers In	173,350	65,000	238,350
<b>Total Other Financing Sources</b>	<u>173,350</u>	<u>65,000</u>	<u>238,350</u>
<b>Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures</b>	36,033	(25,881)	10,152
<b>Fund Balance - July 1, 2002</b>	<u>125,806</u>	<u>122,146</u>	<u>247,952</u>
<b>Fund Balance - June 30, 2003</b>	<u>\$ 161,839</u>	<u>\$ 96,265</u>	<u>\$ 258,104</u>

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

**TOWN OF HARDWICK, VERMONT**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2003**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 270,241	\$ 371,371	\$ 641,612
Receivables- Net of Allowance for Doubtful Accounts	11,188	18,778	29,966
Prepaid Expenses	0	103	103
Property, Plant and Equipment- Net of Accumulated Depreciation	<u>417,305</u>	<u>2,298,205</u>	<u>2,715,510</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 698,734</u></b>	<b><u>\$ 2,688,457</u></b>	<b><u>\$ 3,387,191</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:			
Accounts Payable	\$ 4,643	\$ 6,208	\$ 10,851
Accrued Payroll	398	1,043	1,441
Accrued Interest	0	32	32
Bonds and Notes Payable	<u>0</u>	<u>203,291</u>	<u>203,291</u>
<b>Total Liabilities</b>	<b><u>5,041</u></b>	<b><u>210,574</u></b>	<b><u>215,615</u></b>
Fund Equity:			
Contributed Capital:	<u>123,710</u>	<u>1,726,708</u>	<u>1,850,418</u>
Retained Earnings:			
Net Investment in Property, Plant and Equipment	293,595	368,206	661,801
Restricted	0	57,563	57,563
Designated	<u>276,388</u>	<u>325,406</u>	<u>601,794</u>
<b>Total Retained Earnings</b>	<b><u>569,983</u></b>	<b><u>751,175</u></b>	<b><u>1,321,158</u></b>
<b>Total Fund Equity</b>	<b><u>693,693</u></b>	<b><u>2,477,883</u></b>	<b><u>3,171,576</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 698,734</u></b>	<b><u>\$ 2,688,457</u></b>	<b><u>\$ 3,387,191</u></b>

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, 2003**

	Water Fund	Sewer Fund	Total
<b>Revenue:</b>			
Charges for Services	\$ 154,181	\$ 204,909	\$ 359,090
Penalties and Interest	2,921	3,761	6,682
Impact Fees	0	3,000	3,000
<b>Total Revenue</b>	<b>157,102</b>	<b>211,670</b>	<b>368,772</b>
<b>Expenses:</b>			
Communications	832	1,164	1,996
Legal and Auditing	1,241	2,190	3,431
Insurance	1,246	4,588	5,834
Administrative	7,262	7,895	15,157
Salaries and Wages	35,561	58,086	93,647
Benefits	14,299	27,176	41,475
Maintenance	7,891	19,558	27,449
Utilities	17,343	20,391	37,734
Depreciation	15,232	120,056	135,288
Professional Services	168	660	828
Process Chemicals	0	2,349	2,349
Permit Fees	2,587	0	2,587
Miscellaneous	0	2,820	2,820
Equipment Charge	10,000	4,500	14,500
Water Testing	387	0	387
Capital Maintenance	7,850	3,514	11,364
<b>Total Expenses</b>	<b>121,899</b>	<b>274,947</b>	<b>396,846</b>
<b>Net Operating Income/(Loss)</b>	<b>35,203</b>	<b>(63,277)</b>	<b>(28,074)</b>
<b>Non-Operating Revenue and (Expenses):</b>			
Interest Income	3,532	4,354	7,886
Interest Expense	0	(1,364)	(1,364)
<b>Total Non-Operating Revenue and (Expenses)</b>	<b>3,532</b>	<b>2,990</b>	<b>6,522</b>
<b>Net Income/(Loss)</b>	<b>38,735</b>	<b>(60,287)</b>	<b>(21,552)</b>
<b>Add: Depreciation Attributable to Contributed Capital</b>	<b>3,023</b>	<b>99,249</b>	<b>102,272</b>
<b>Increase in Retained Earnings</b>	<b>41,758</b>	<b>38,962</b>	<b>80,720</b>
<b>Retained Earnings - July 1, 2002</b>	<b>528,225</b>	<b>712,213</b>	<b>1,240,438</b>
<b>Retained Earnings - June 30, 2003</b>	<b>\$ 569,983</b>	<b>\$ 751,175</b>	<b>\$ 1,321,158</b>

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, 2003**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Increase/(Decrease) in Cash:			
Cash Flows from Operating Activities:			
Net Operating Income/(Loss)	\$ 35,203	\$ (63,277)	\$ (28,074)
Add/Deduct: Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Depreciation Expense	15,232	120,056	135,288
Decrease in Accounts Receivable	1,595	668	2,263
Increase in Prepaid Expenses	0	(11)	(11)
Decrease in Due From Other Funds	0	1,190	1,190
Increase in Accounts Payable	764	2,880	3,644
Increase in Accrued Payroll	106	475	581
Net Cash Provided by Operating Activities	<u>52,900</u>	<u>61,981</u>	<u>114,881</u>
Cash Flows From Non-Capital Financing Activities:			
Net Cash Provided by 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:			
Contributed Capital	30,000	0	30,000
Purchase of Plant and Equipment	(41,852)	(10,673)	(52,525)
Decrease in Notes and Bonds Payable	0	(21,320)	(21,320)
Interest Paid on Notes and Bonds	0	(1,484)	(1,484)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(11,852)</u>	<u>(33,477)</u>	<u>(45,329)</u>
Cash Flows from Investing Activities:			
Items Providing/(Using) Cash or Not Requiring/(Providing) Cash:			
Interest Earned	<u>3,532</u>	<u>4,354</u>	<u>7,886</u>
Net Cash Provided by Investing Activities	<u>3,532</u>	<u>4,354</u>	<u>7,886</u>
Total Cash Provided	44,580	32,858	77,438
Cash - July 1, 2002	<u>225,661</u>	<u>338,513</u>	<u>564,174</u>
Cash - June 30, 2003	\$ <u>270,241</u>	\$ <u>371,371</u>	\$ <u>641,612</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, 2003**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue:</b>			
Water Rents	\$ 155,218	\$ 154,181	\$ (1,037)
Penalties and Interest	2,700	2,921	221
Interest Income	750	419	(331)
<b>Total Revenue</b>	<b>158,668</b>	<b>157,521</b>	<b>(1,147)</b>
<b>Expenses:</b>			
<b>General:</b>			
Insurance:			
VLCT PACIF	406	427	(21)
Worker's Compensation	483	483	0
Unemployment Insurance	307	336	(29)
<b>Total Insurance</b>	<b>1,196</b>	<b>1,246</b>	<b>(50)</b>
Miscellaneous:			
Audit	1,241	1,241	0
Communication	1,000	832	168
Administrative Charge	6,594	6,594	0
Administrative Supplies	1,800	668	1,132
<b>Total Miscellaneous</b>	<b>10,635</b>	<b>9,335</b>	<b>1,300</b>
<b>Subtotal General</b>	<b>11,831</b>	<b>10,581</b>	<b>1,250</b>
<b>Operating:</b>			
Salaries and Wages:			
Administration Salaries	23,373	27,231	(3,858)
Public Works Salaries	15,383	8,330	7,053
<b>Total Salaries and Wages</b>	<b>38,756</b>	<b>35,561</b>	<b>3,195</b>
<b>Benefits:</b>			
Health Insurance	8,778	8,778	0
Dental Insurance	869	869	0
Life Insurance	354	354	0
Retirement	1,938	1,680	258
Social Security	2,965	2,618	347
<b>Total Benefits</b>	<b>14,904</b>	<b>14,299</b>	<b>605</b>

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, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Maintenance:			
Line Maintenance	\$ 9,000	\$ 6,679	\$ 2,321
Well Maintenance	1,750	6	1,744
Reservoir Maintenance	500	119	381
Pumphouse Maintenance	150	1,087	(937)
Total Maintenance	<u>11,400</u>	<u>7,891</u>	<u>3,509</u>
Miscellaneous Operating:			
Professional Services	1,000	168	832
Utilities	17,348	17,343	5
Equipment Charge	10,000	10,000	0
Water Testing	1,200	387	813
Well Replacement	5,000	5,000	0
Capital Fund Transfer	45,000	45,000	0
Permit Fees	2,229	2,587	(358)
Total Miscellaneous Operating	<u>81,777</u>	<u>80,485</u>	<u>1,292</u>
Subtotal Operating	<u>146,837</u>	<u>138,236</u>	<u>8,601</u>
Total Expenses	<u>158,668</u>	<u>148,817</u>	<u>9,851</u>
Net Income - Note 13	\$ <u>0</u>	\$ <u>8,704</u>	\$ <u>8,704</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, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue:</b>			
Sewer Charges	\$ 205,866	\$ 204,909	\$ (957)
Penalties and Interest	4,000	3,761	(239)
Interest Income	<u>2,500</u>	<u>1,218</u>	<u>(1,282)</u>
Total Revenue	<u>212,366</u>	<u>209,888</u>	<u>(2,478)</u>
<b>Expenses:</b>			
General:			
Debt Service:			
Bond and Interest	<u>22,804</u>	<u>22,684</u>	<u>120</u>
Total Debt Service	<u>22,804</u>	<u>22,684</u>	<u>120</u>
Insurance:			
VLCT PACIF	2,437	2,562	(125)
Worker's Compensation	967	936	31
Unemployment Insurance	<u>461</u>	<u>504</u>	<u>(43)</u>
Total Insurance	<u>3,865</u>	<u>4,002</u>	<u>(137)</u>
Miscellaneous General:			
Legal and Accounting	2,190	2,190	0
Communications	1,250	1,164	86
Administrative Charge	6,594	6,594	0
Administrative Expenses	<u>1,800</u>	<u>1,301</u>	<u>499</u>
Total Miscellaneous General	<u>11,834</u>	<u>11,249</u>	<u>585</u>
Subtotal General	<u>38,503</u>	<u>37,935</u>	<u>568</u>
<b>Operating:</b>			
Salaries and Wages:			
Administration	23,373	27,020	(3,647)
Public Works	<u>42,506</u>	<u>31,066</u>	<u>11,440</u>
Total Salaries and Wages	<u>65,879</u>	<u>58,086</u>	<u>7,793</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, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Benefits:</b>			
Health Insurance	\$ 17,391	\$ 17,582	\$ (191)
Dental Insurance	1,748	1,633	115
Life Insurance	658	760	(102)
Retirement	3,294	2,823	471
Social Security	<u>5,040</u>	<u>4,378</u>	<u>662</u>
Total Benefits	<u>28,131</u>	<u>27,176</u>	<u>955</u>
<b>Maintenance:</b>			
Lab Operations	2,400	2,106	294
Lift Station maintenance	1,000	613	387
Plant Operations	12,000	10,733	1,267
Collection System Maintenance	<u>5,000</u>	<u>6,106</u>	<u>(1,106)</u>
Total Maintenance	<u>20,400</u>	<u>19,558</u>	<u>842</u>
<b>Utilities:</b>			
Utilities - Plant	11,785	12,505	(720)
Utilities - Lift Station	3,010	3,815	(805)
Fuel Oil	2,600	2,351	249
Water Charge	<u>1,760</u>	<u>1,720</u>	<u>40</u>
Total Utilities	<u>19,155</u>	<u>20,391</u>	<u>(1,236)</u>
<b>Miscellaneous:</b>			
Uniforms	1,248	834	414
Training	500	481	19
Process Chemicals	3,000	2,349	651
Grit Disposal	550	538	12
Professional Services	500	660	(160)
Equipment Charge	4,500	4,500	0
Capital Outlay	0	665	(665)
Safety	<u>0</u>	<u>967</u>	<u>(967)</u>
Total Miscellaneous	<u>10,298</u>	<u>10,994</u>	<u>(696)</u>
Capital Fund Transfer	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Subtotal Operating	<u>173,863</u>	<u>166,205</u>	<u>7,658</u>
Total Expenses	<u>212,366</u>	<u>204,140</u>	<u>8,226</u>
Net Income - Note 13	\$ <u>0</u>	\$ <u>5,748</u>	\$ <u>5,748</u>

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

**TOWN OF HARDWICK, VERMONT**  
**FIDUCIARY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2003**

	Nonexpendable Trust Fund	Expendable Trust Fund	
	Cemetery Fund	Memorial Planting Fund	Total
<b><u>ASSETS</u></b>			
Cash	\$ 562	\$ 0	\$ 562
Investments	7,911	0	7,911
Due From Other Funds	<u>0</u>	<u>346</u>	<u>346</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,473</u></b>	<b><u>\$ 346</u></b>	<b><u>\$ 8,819</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Equity:			
Restricted	<u>8,473</u>	<u>346</u>	<u>8,819</u>
<b>Total Fund Equity</b>	<b><u>8,473</u></b>	<b><u>346</u></b>	<b><u>8,819</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 8,473</u></b>	<b><u>\$ 346</u></b>	<b><u>\$ 8,819</u></b>

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

## **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. To the extent that these services are subsidized by state and local dollars. NKHS provides the services on a sliding fee scale based on the person's ability to pay. Persons serviced in Hardwick: 72.

## **Northeast Kingdom Youth Services**

NEKYS has provided essential support to 429 youth and families through the Shelter and Parent Education Programs. Through medication, counseling, and parent and youth support groups, the Shelter 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 primary goal of the parent Education Program is to improve family parenting, home management, and problem-solving skills in order to prevent children from being placed in custody. When one youth is diverted from entering state custody, the State of Vermont saves more than \$25,000. Staff is available 24 hours a day, 365 days a year.

Other programs available are: The Caledonia and Essex Curt Diversion Programs; The Transitional Living Programs; The Living Room; and The JUMP Youth Mentoring Program. 92 Hardwick people were served in the year 2003.

## **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 wants to improve basic education skills. The program has full service learning centers in Newport and St. Johnsbury, part-time centers in North Troy, Island Pond, Hardwick and Lyndonville and home tutors who travel everywhere in the three counties. As always, demand for adult basic education services remains very high. In 2003, we provided over 19,000 hours of direct instruction to 948 students. We are currently serving 213 adults who are working on a GED or high school diploma. Some of our other students are studying for the Commercial Driver's License or working to improve job readiness or job skills. Our Drop-Out Recovery program, which allows adults to earn a competency based high school diploma at no additional cost to the high school, continues to grow in popularity. We now have seven people in the program and last year three earned their diploma. We also have seen an increase in G.E.D. testing.

## **Vermont Center for Independent Living**

Annual support from over 140 cities and towns across the State has enabled VCIL to assist Vermonters with disabilities to achieve dignified, self-determined lifestyles. We work to serve individuals who can benefit from our direct services as well as to educate and inform the general public about disability-related issues and the concept of independent living.

Direct services are available to residents of Hardwick in a number of ways: counselors who work with residents of Hardwick, often in their homes; grants for adaptive equipment;

Meals on Wheels for People Under the Age of 60 With Disabilities; home access modifications; and advocacy work. Information and referral related disability issues is available via our toll-free number (800-639-1522) to all residents.

## **Greensboro Nursing Home**

We are very proud of the fact that for the second year in a row, Greensboro Nursing Home was awarded the State of Vermont Quality award. This award is only given to the top four or five Nursing Homes in State each year and reflects not only the quality of care, but also the quality of life offered to our residents.

Greensboro Nursing Home is a non profit corporation and provides care for 28 residents from our community regardless of their ability to pay. We are also this areas provider of meals on wheels to homebound residents and to congregate care sites like Maple Street Apartments, as well as at the Nursing Home. The Nursing Home also provides adult day car services and loans equipment to the community free of charge. Every dollar of support goes directly to providing care to our residents.

## **Greensboro Early Learning Center**

The Greensboro Early Learning Center, formerly known as the Greensboro Community Childcare Center, is a non-profit 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., Monday-Friday, 52 weeks a year, closing only for major holidays and severe weather. We have served 41 children from 26 families in the past year, of whom 21 children reside in Hardwick or East Hardwick. We employ a staff of eight teachers, a director, and a cook.

In the past year, our receipt of national accreditation by NAEYC makes us one of only two nationally-accredited centers in the three counties of the Northeast Kingdom, and one of only 10% nationwide. We maintain a strong commitment to the education of young children via our play-based curriculum and our many collaborations with local organizations, including the local libraries and the Greensboro Nursing Home.

## **Hardwick Recreation Committee**

The Hardwick Recreation Committee continued to provide events and opportunities for the citizens of Hardwick in the past year. In the spring, 200 kids attended the egg hunt at Hardwick Elementary School, participation in Green Up Day was encouraged by our Hidden Treasurer Bottle fund (people are able to redeem prizes from local businesses if they find a Treasure Bottle and bring in two bags of roadside trash). In the summer, 120 kids received swimming lessons from Red Cross instructors, we cosponsored the soccer program and sponsored the whiffle ball tournament. In the fall the committee partnered with the Hazen Trails folks to set up a Quest on the Trails, (a treasure hunt of sorts in the woods). There was also the Haunted Library for Halloween. Finally, winter brought sleigh rides and a visit with Santa at the Town House. Coming soon we look forward to installing picnic tables at Mackville Pond!

## **Area Agency on Aging for Northeastern Vermont**

The mission of the Area Agency of 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.

### **Lamoille Housing Partnership, Inc.**

The Lamoille 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.

Since 1991 the Partnership has created or preserved 96 apartments, 32 mobile home lots, and a 20-bed residence for people with severe mental illness. LHP has also helped 15 households to achieve the dream of homeownership, 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 for the purpose of providing a place for activities for senior citizens. We provide one meal a week for any senior citizen and guests in the area. Each month there is a birthday party with entertainment, cake and ice cream to celebrate birthdays during the month. We also play cards, dominos and other games. We have books on loan and keep in touch with homebound members with cards. We have about 55 members. During the summer for 10 weeks we provide coverage for the information booth serving many people from various states and countries. The proceeds from the information booth provide us with a bus for two trips.

This past year we have had the center insulated and a window in the kitchen replaced. There have been other various repairs made. We deeply appreciate your past support of the Senior Citizens program.

Joan Brown  
Treasurer

### **Report of Caledonia Home Health Care and Hospice**

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. It is also used to support program growth and the development of necessary services to assure an individual's ability to remain independent.

Town of Hardwick visit statistics for fiscal year 2003; Nursing visits 1372, Home Health Aide 1329, Therapy visits 844, Social Services 101, Homemaking 777, and Hospice 274.

### **AWARE**

2004 marks the twentieth anniversary of AWARE (Aid to Women, Men And Children in Abuse and Rape Emergencies), which has been serving victims of sexual and domestic violence in Hardwick and the surrounding communities since 1984. Because of this organization and its loyal staff and crew

of volunteers, emergency assistance is available to residents of this town 24 hours a day, every day of the year through walk-in office service and our hotline. Last year 128 women, men and children received our assistance in becoming independent and safe from sexual and domestic violence on our community. Last year each victim received an average of seven hours of support, information and referral services for legal justice, social services, medical services, parenting advice and emotional support. Over 1,000 of our neighbors and children were also provided with violence prevention information and activities, much of it presented by AWARE staff through the schools.

### **Hardwick Emergency Rescue Squad, Inc.**

Hardwick Rescue Squad has had another busy year. As you know, we have been in the process of hiring someone for a paid position. We have been interviewing people, and are hopefully very close to filling this position. We have found in the process the need to expand the position from one day to three days. This was necessary in order to fill a greater need than first anticipated. Also we have found a greater pool of candidates to choose from by doing this. With the need for more days we are requesting an increase in funds from the towns. As with all volunteer organizations we are having a difficult time finding new members to volunteer, we are hoping this position will help with this problem.

One of our founding principals is to be an education organization as well as service. In keeping with this principal, we have recently finished a First Responders course in which we will hopefully gain a few new members. We have also given CPR classes to local daycare providers, participated in school health fairs, and have continuing education for our members.

### **Lamoille Valley Even Start**

Orleans Southwest Even Start's mission is to break the intergenerational 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 of 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.

The heart of our mission is accomplished through our arts-based activity program which fosters engagement, creativity, companionship, and a shared sense of accomplishment and appreciation. Participants find joy and wellness in the act of creativity, and thus minimize the impact of loss, depression, chronic pain, isolation and other limiting conditions. Out & About offers an individualized plan of care to meet the needs of each participant. During this past year, 4 of the 75 participants we served resided in Hardwick.

### **The Lamoille Family Center**

For the past 27 years, we have been fulfilling our mission of encouraging, educating and celebrating families throughout the Lamoille Valley, including the Town of Hardwick and the surrounding communities. The Family Center provides a variety of resources designed to meet the needs of families and their children aged birth to 21. An example of this is our Learning Together Program for pregnant and parenting teens that have quit school.

In Learning Together, teen parents attend school at the Family Center earning their high school diploma or their GED while they also learn about parenting and about taking care of themselves and their families. Students get the support they need to be successful in school and in life. Last spring, five of our students graduated.

### **North Country Animal League**

After 4 1/2 years of design work and planning, North Country Animal League (NCAL) finally moved into a new shelter on April 4, 2003. The new building is 5,500 square feet.

Over 5,000 companion animals have found loving, permanent homes through NCAL's Adoption Program since 1994. The new building and location helped to increase adoptions by 24% and visitorship by an amazing 70%.

2003 Highlights: NCAL's total building goal of \$1,629,000 was 75% complete at the end of 2003 with a December 2004 completion date. Over 650 dogs', cats', kittens' and puppies' lives were saved through our adoption program. Volunteer hours reached 11,000 hours.

### **Hardwick Teen Center**

The Hardwick Teen Center is a safe, supportive, drop-in center that provides development, recreational, and cultural opportunities for area youth during out-of-school hours. The Hardwick Teen Center supports Hardwick youth in the 7th through the 12th grades. The center operates Monday, Wednesday, and Friday from 2:30 P.M. until 5 P.M., with monthly special events. The center reopened its doors under new direction in September 2003. It provided activities for 78 youth in 26 sessions. Programs include Youth Council, pool tournaments, game nights, theme nights, movies, art activities, poetry slams, teen dances, and band nights. The center is staffed by an Americorps volunteer coordinator with support and supervision provided by the REACH! Project and Northeast Kingdom Youth Services.

### **RECORDS FILED WITH HARDWICK TOWN CLERK JULY 1, 2002 TO JUNE 30, 2003**

Births.....	32
Deaths.....	28
Marriages.....	19
Civil Unions.....	0

### **DOGS LICENSED AT HARDWICK TOWN CLERK'S OFFICE JULY 1, 2002 TO JUNE 30, 2003**

1@	\$ 3.00	\$ 3.00
1@	3.50	3.50
213@	7.00	1,491.00
1@	10.00	10.00
28@	10.50	294.00
59@	11.00	649.00
6@	16.50	99.00
4@	60.00	240.00
1@	72.00	72.00
1@	78.00	78.00
315		\$2,939.50

### JEUDEVINE MEMORIAL LIBRARY

The Jeudevine Memorial Library has increased its usage dramatically over the last two years. The Library received a total of \$17,170.00 from the Vermont Public Library Foundation/Freeman Grant over a two year period. The outcomes include a 102% increase in the number of visits to the library (8,211 visits this past fiscal year), a 57% in the number of patrons registered to use the library, a 30% increase in reference questions, a 76% increase in the number of programs with a 206% increase in attendance. During this period the library also received two computers from the Bill & Melinda Gates Foundation which are connected to the internet with a free high speed connection from Adelphia Cable Co. The Library continues to meet state standards and is eligible to receive free cataloging and 70 free children's books from the Vermont State Library. Jeudevine Library is also a participant in the Vermont Online Library which gives all patrons access to over 6000 periodicals, many full-text, at the library, at home or at the office. For more info call: 472-5948.

### 2003-2004 JEUDEVINE MEMORIAL LIBRARY BUDGET - PROPOSED

	2003-2004 Budget Total	2004-2005 Proposed Budget
Librarian Salary	18,720.00	20,800.00
Assistant Librarian Salary	2,900.00	3,770.00
Social Security Expense	1,654.00	1,830.00
Worker's Compensation	130.00	130.00
Unemployment Insurance	25.00	25.00
Health Insurance	3,445.00	4,100.00
Dental Insurance	310.00	335.00
Life Insurance	175.00	250.00
Retirement Expense	936.00	1,040.00
Operating Expenses/Supplies	500.00	500.00
Mileage	200.00	200.00
Telephone	600.00	800.00
Postage	600.00	600.00
Computer Services	275.00	200.00
Conferences/Dues	300.00	300.00
Equipment	0	100.00
Books-Adult	1,600.00	2,000.00
Books-Juvenile	1,000.00	1,500.00
Magazines - Adult	300.00	500.00
Magazines - Juvenile	100.00	150.00
Video Tapes - Adult	100.00	100.00
Video Tapes - Juvenile	100.00	100.00
Audio Tapes - Adult	100.00	100.00
Audio Tapes - Juvenile	100.00	100.00
Contracted Programming	0	
Comp. Software - Adult	100.00	
Comp. Software - Juvenile	100.00	
VLCT/PACIF	450.00	675.00
Electricity	600.00	600.00
Fuel	1,200.00	1,500.00
Water/Sewer	260.00	270.00
Maintenance Salaries	200.00	250.00
Maintenance Expenses/Supplies	200.00	200.00
<b>Total</b>	<b>37,280.00</b>	<b>43,025.00</b>
Town Allotment	\$40,025.00	
Investments	1,500.00	
Contributions	500.00	
02-03 Carryover	1,000.00	
<b>Total</b>	<b>\$43,025.00</b>	



**PROCEEDINGS OF ANNUAL TOWN MEETING  
MARCH 4, 2003**

Selectboard members present: Sherry Lussier, David Hale, Todd Deuso, Charles Volk and Ivan Menard. Also present: Town Manager Dan Hill and Lynda Brochu, Executive Secretary, and Town Clerk, Gerald Hall.

Meeting was called to order by Moderator Roger LeCours at 10:00 a.m. He welcomed the assembly back to the Town House, as it had been 7 years since Town Meeting was held in the building. He gave a short history of the Town House, citing that it cost \$1,300.00 to build around 1859 and the first Town Meeting was held in it in the summer of 1860. The building was used as a school for a number of years, then became an opera house. Presently the Northeast Kingdom Arts Council is leasing the building from the Town and Addy Smith is introducing a wide variety of entertainment for the general public to enjoy.

He read the warning and explained Robert's Rules to the assembly and procedures for conducting the meeting. He then turned the podium over to Sherry Lussier to act on the first article.

**Article 1.** To elect a Moderator. Roger LeCours was elected moderator without opposition.

Moderator LeCours then began presenting the following articles to the voters.

**Article 2** Acceptance of Town Report. The article was moved and seconded. Dan Hill then gave a very short explanation of some items in the Town report and with no further discussion the article was passed on a voice vote.

**Article 3.** Town Budget. Sherry Lussier moved that the town adopt a budget of \$1,517,677.00 as presented in the Town Report. Motion seconded. After a short presentation by Dan Hill on a few items in the budget, Jim Dziobek, Chief of Police was given the opportunity to brief the voters on the Police Dept. and answered several questions from the audience. He explained the progress the department has made in the last year in regards to problems with staffing and morale. He said the Dept. was in good shape now and all shifts were covered, the Dept. facilities had been upgraded, a new cruiser had just been purchased and that the Dept. was now headed in the right direction with professional law enforcement. He also answered questions about the new pay scale for officers, the Greensboro contract, why a new cruiser was purchased, training procedures, fine money, and the mission statement of the Dept.

Dan Hill then summarized the last year to the group with news about renegotiating the flood plains, new water lines in the Industrial Park, new slate roof on the library, completion of the Pumpkin Land bridge. He also explained that the Town was going to do a comprehensive road inventory, a formal road management plan and form a safety committee. He said the Town would also be upgrading the tax maps and that new zoning by-laws were drafted and hearings will be held on them soon.

He stated that new budget had a 2.6 percent total increase with a 1.89 percent increase in taxes.

There being no further discussion the Moderator asked for a voice vote and declared the budget motion passed.

**Article 4.** Elect Town Clerk and Town Treasurer by Australian Ballot starting with next election for those offices. So voted.

**Article 5.** Election of Town Officers. The following Town Officers were duly elected from the floor:

Lister - 3 year term - Jan Howard - At this point Sherry Lussier commended former Lister Bertha Hooper for her many years of

service to the Town of Hardwick.

Auditor - 3 year term - Michael Morin

1st Constable - 1 year term - Arthur Chase

2nd 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 Department - 1 year term - As listed in Town Report

Library Trustee - 5 year term - Anne Batten

Trustees of Public Funds - 1 year terms - George Whitney, Lorraine Hussey and Mario Fradette.

Grand Juror - 1 year term - James Goodrich

Fence Viewers - 1 year term - Listers

At this point Anne Batten commended Yvonne Smith for her years of service as a Library trustee.

**Article 6.** Current Taxes Collected by Town Treasurer. So voted.

**Article 7.** Collection of taxes on real property in installments. So voted.

**Article 8.** Authorizing Selectboard to enter into contracts with industrial and commercial owners for the purpose of establishing tax stabilization agreements. So voted.

**Article 9.** Authorizing Selectboard to enter into contracts with agricultural real property owners for the purpose of establishing tax stabilization agreements. So voted.

**Article 10.** Appropriation of \$9,200.00 to Town Recreation Committee. So voted.

Lorraine Hussey then asked why the appropriations that are for youth oriented projects couldn't be combined into one article. It was pointed out that there are different needs for each group and it would be very difficult to combine them.

**Article 11.** Appropriation of \$3,000.00 to Greensboro Nursing Home. So voted.

At this point Moderator LeCours advised the group that if there were no objections he would allow Representative Dave Brown to speak to the assembly about what is happening in the legislature this year. There being no objections Repr. Brown spoke about how the legislature was looking for new sources of revenue this year to keep the budget in line, changes in Act 60. (the education funding bill), changes in Medicaid, job creation in Vermont and the fact that Vermont and Michigan have joined forces to try to lower the costs of prescription drugs. He also thought more states would join in with us. He urged voters to call him or email him with questions and suggestions on any matters with regard to the Legislature's activities and actions.

The Moderator then took up.

**Article 12.** Appropriation of \$3,000.00 to A.W.A.R.E. So voted.

**Article 13.** Appropriation of \$600.00 to Northeast Kingdom Youth Services. So voted.

**Article 14.** Appropriation of \$3,500.00 to Caledonia Home Health Care Agency, Inc. So voted.

**Article 15.** Appropriation of \$3,190.00 to Northeast Kingdom Mental Health Service, Inc. So voted.

**Article 16.** Appropriation of \$3,900.00 to Area Agency on Aging for Northeast Vermont. So voted.

**PROCEEDINGS OF ANNUAL TOWN MEETING  
MARCH 4, 2003**

**Article 17.** Appropriation of \$1,000.00 to Hardwick Senior Citizens Center. So voted.

**Article 18.** Appropriation of \$200.00 to Northeast Kingdom Learning Services, Inc. So voted.

**Article 19.** Appropriation of \$1,200.00 to Lamoille Family Center. So voted.

**Article 20.** Appropriation of \$1,500.00 to Greensboro Community Childcare Center. So voted.

**Article 21.** Appropriation of \$1,300.00 to North Country Animal League. So voted.

**Article 22.** Appropriation of \$1,500.00 to Lamoille Valley Even Start. So voted.

**Article 23.** Appropriation of \$750.00 to Lamoille Family Housing Partnership. So voted.

**Article 24.** Appropriation of \$650.00 to Out and About, Lamoille Area Adult Day Care Center. So voted.

**Article 25.** Appropriation of \$1,000.00 to Hardwick Area Chamber of Commerce. So voted.

**Article 26.** Appropriation of \$5,000.00 to Railroad Depot Restoration Project. So voted.

**Article 27.** Appropriation of \$2,000.00 to Hardwick Amateur Boxing Club. So voted.

**Article 28.** Appropriation of \$5,000.00 to Hardwick Area Youth Center. So voted.

With regard to Articles 27 and 28- Holly McGilfrey explained the programs of the boxing club and youth center to the voters, answering questions about various aspects of their activities. She offered to show people the financial records of both and advised that many times the children implement their own programs. Some voters objected to the idea of taxpayers footing the bills for youth activities, while others supported funding. One voter stated that the more youth activities the town had, the better it was for the children.

**Article 29.** Appropriation of \$5,000.00 for Hardwick Area Patch. Janice Leonard, part-time director of Patch moved that the article be passed over. She explained that due to a drying up of state funds the Patch office had to close and this appropriation would not be enough to keep it operating. Motion passed on a voice vote.

**Article 30.** Appropriation of \$3,000.00 to O.S.S.U. Youth Council. So voted.

**Article 31.** Shall the Town Clerk be allowed to add names to the checklist per Title 17, V.S.A. Section 2144b. So voted.

**Article 32.** (Non-binding) Shall residents of Hardwick support a resolution to support the mandatory labeling of genetically engineered food and seeds, as well as a moratorium on the further growing of GE crops until there is evidence that these products are not harmful to our health and the environment. Article also asked to shift liability from farmers to commercial developers of GE technology and declare our opposition to the planting of GE seeds in our town. Lew Shattuck moved to pass over the article with the idea that this question was not germane to Town Meeting business. Motion was seconded and on a division of the house the motion to pass over was defeated 72 to 52. A motion was then made to pass the article

and it was seconded. Many voters voice opinions and submitted evidence on the dangers of GE food and seeds, and many questions were asked about the processes involved. Major points brought out were that further studies were definitely needed but that there are indications that GE foods have been known to cause long-term damage to the environment. It was also mentioned that there was the possibility of damage to the integrity of rural, family farm economies. Ken Leslie pointed out that this was not a resolution for a new law, but merely an opportunity for voters to discuss an important issue involving agriculture in Vermont. At this point the moderator asked for a voice vote and declared the article passed.

**Article 33.** Other business. Dan Hill advised the voters of the Economic Development forum to be held at Hazen Union High School on March 15 and how the forum could give direction to the town with regard to commercial and industrial development.

Lee Ann Lee asked if there could be a combining of some of the funding that was requested for the various youth activities and groups.

Earl Coolbeth asked if next year there could be a sound system used by the Moderator.

David Shepard thanked the Patch staff for their services to the Hardwick area.

No further business. Meeting adjourned at 1:45 p.m.

Dated at Hardwick, Vermont this 11 day of March A.D. 2003.

Gerald S. Hall, Town Clerk

Roger LeCours, Moderator

**WARNING  
FOR ANNUAL TOWN MEETING  
MARCH 2, 2004**

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 2, 2004 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, 2003?

**Article 3.** To vote a budget of one million six hundred twenty-five thousand nine hundred sixty-five dollars (\$1,625,965) 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 4.** 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 Clerk, Hardwick Town Treasurer, 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, West Hill, Hardwick Street, Hardwick Center	
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 5.** Shall the Town have its current taxes collected by the Town Treasurer?

**Article 6.** Shall the Town collect taxes on real property in installments as provided for in Sections 4871 and 4872, Title 32, VSA?

**Article 7.** 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 to 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 8.** 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 9.** Shall the Town appropriate a sum of money not to exceed nine thousand two hundred dollars (\$9,200.00) for the support of the Town Recreation Committee?

**Article 10.** 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 11.** 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 12.** 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 13.** 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 14.** 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 15.** Shall the Town appropriate a sum of money not to exceed three thousand nine hundred dollars (\$3,900.00) for the support of Area Agency on Aging for Northeastern Vermont?

**Article 16.** Shall the Town appropriate a sum of money not to exceed one thousand dollars (\$1,000.00) for the support of the Hardwick Senior Citizens?

**Article 17.** 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 18.** Shall the Town appropriate a sum of money not to exceed one thousand two hundred dollars (\$1,200.00) for the support of Lamoille Family Center?

**Article 19.** 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 20.** Shall the Town appropriate a sum of money not to exceed one thousand two hundred dollars (\$1,200.00) for the support of North Country Animal League?

**Article 21.** Shall the Town appropriate a sum of money not to exceed one thousand five hundred dollars (\$1,500.00) for the support of Lamoille Valley Even Start?

**Article 22.** Shall the Town appropriate a sum of money not to exceed seven hundred fifty dollars (\$750.00) for the support of Lamoille Housing Partnership?

**Article 23.** 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 24.** 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 25.** Shall the Town appropriate a sum of money not to exceed eight thousand dollars (\$8,000.00) for the support of the Hardwick Area Food Pantry?

**WARNING  
FOR ANNUAL TOWN MEETING  
MARCH 2, 2004**

**Article 26.** Shall the voters appropriate a sum of money not to exceed two thousand dollars (\$2,000.00) to support the Hardwick Amateur Boxing Club?

**Article 27.** Shall the voters appropriate a sum of money not to exceed seven thousand five hundred dollars (\$7,500.00) to support the Hardwick Teen Center?

**Article 28.** Shall the Town appropriate a sum of money not to exceed two hundred dollars (\$200.00) to the support of the Vermont Center for Independent Living?

**Article 29.** Shall the voters appropriate a sum of money not to exceed one thousand seventy-three dollars and sixty cents (\$1,073.60) to support Rural Community Transportation?

**Article 30.** 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 22nd day of January, A.D., 2004.

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

**Impact of Appropriations on Tax Rate**

Article 09. Recreation Committee, \$9,200.00, would add 1.00 cent to the tax rate.

Article 10. Greensboro Nursing Home, \$3,000.00, would add .326 cent to the tax rate.

Article 11. A.W.A.R.E., \$3,000.00 would add .326 cent to the tax rate.

Article 12. Northeast Kingdom Youth Services, \$600.00 would add .065 cent to the tax rate.

Article 13. Caledonia Home Health Care and Hospice, \$3,500.00, would add .380 cent to the tax rate.

Article 14. Northeast Kingdom Human Services, Inc., \$3,190.00, would add .347 cent to the tax rate.

Article 15. Area Agency of Aging for Northeastern Vermont, \$3,900.00, would add .424 cent to the tax rate.

Article 16. Hardwick Senior Citizens, \$1,000.00, would add .109 cent to the tax rate.

Article 17. Northeast Kingdom Learning Services, Inc., \$200.00, would add .022 cent to the tax rate.

Article 18. Lamoille Family Center, \$1,200.00, would add .130 cent to the tax rate.

Article 19. Greensboro Early Learning Center, \$1,500.00, would add .163 cent to the tax rate.

Article 20. North Country Animal League, \$1,200.00, would add .130 cent to the tax rate.

Article 21. Lamoille Valley Even Start, \$1,500.00, would add .163 cent to the tax rate.

Article 22. Lamoille Housing Partnership, \$750.00, would add .082 cent to the tax.

Article 23. Out and About, Lamoille Area Adult Day Care Center, \$650.00, would add .071 cent to the tax rate.

Article 24. Hardwick Area Chamber of Commerce, \$1,000.00, would add .109 cent to the tax rate.

Article 25. Hardwick Area Food Pantry, \$8,000.00, would add .870 cent to the tax rate.

Article 26. Hardwick Amateur Boxing Club, \$2,000.00, would add .217 cent to the tax rate.

Article 27. Hardwick Teen Center, \$7,500.00, would add .815 cent to the tax rate.

Article 28. Vermont Center for Independent Living, \$200.00, would add .022 cent to the tax rate.

Article 29. Rural Community Transportation, \$1,073.60, would add .117 cent to the tax rate.

The total requested appropriations, \$54,163.60 would add approximately 5.89 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. 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.

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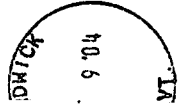
# **TOWN OF HARDWICK**

# **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.***

Alan, Brent, Michael, Ken, Jamie, Val and Bernie



VT State Library  
 Montpelier, VT 05602