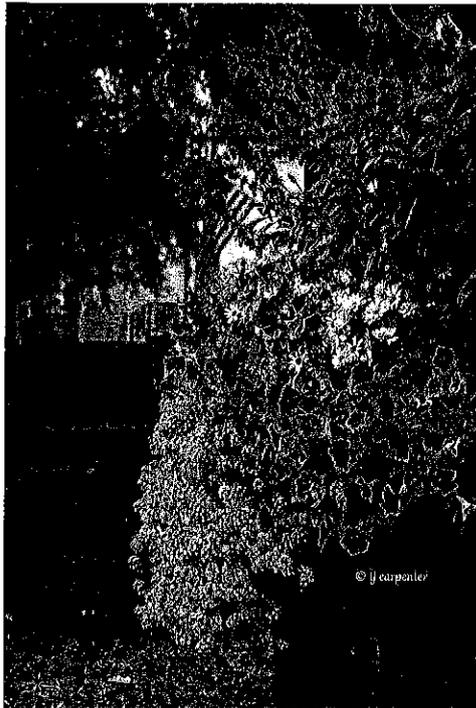
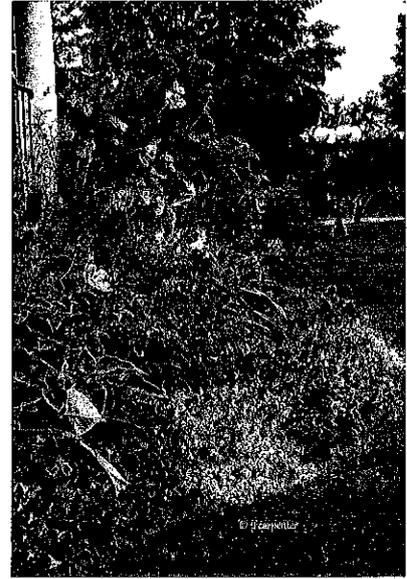


Village of Lyndonville

Annual Report



Year Ending December 31, 2021

ANNUAL REPORT
OF THE
OFFICERS OF THE
VILLAGE OF LYNDONVILLE
VERMONT
FOR THE
YEAR ENDING DECEMBER 31, 2021

Tribute to Posies Garden Design

Mary Waldron, Owner of Posies Garden Design, has brightened our Village for years with her artistic hand. Mary is responsible for most of the flower beds and planters placed throughout the Village including the ones on the cover.

**WARNING
VILLAGE OF LYNDONVILLE
ANNUAL VILLAGE MEETING**

Notice to Voters:

Residents of the Village of Lyndonville, who are not already on the voter checklist, may register to vote up to and including the date of the vote, March 15, 2022.

DUE TO COVID-19, ALL ARTICLES WILL BE VOTED BY AUSTRALIAN BALLOT

Warning Notice:

The legal voters of the Village of Lyndonville, Vermont, are hereby warned and notified to meet either in person at the Municipal Office Building at 119 Park Avenue, Lyndonville, or by Zoom at the following informational meeting:

March 14, 2022 @ 5:30 PM

Join Zoom Meeting

<https://us02web.zoom.us/j/85623393997?pwd=Tzcvcem00TXpSdysvQWNPYXVtMWIKdz09>

Meeting ID: 856 2339 3997 Passcode: 742759

Dial by your location +1 646 876 9923 US (New York)

Find your local number: <https://us02web.zoom.us/u/kdBb8hrKLz>

To only discuss the following articles to be voted on by Australian Ballot on Tuesday, March 15, 2022, at the Municipal Office Building Gymnasium located at 119 Park Avenue, in the Village of Lyndonville, between the hours of 1:00 PM and 7:00 PM.

ON TUESDAY, MARCH 15, 2022, BETWEEN THE HOURS OF 1:00 PM AND 7:00 PM, TO VOTE ON THE FOLLOWING VILLAGE ARTICLES BY AUSTRALIAN BALLOT:

To elect the following Village officers as required by law: Village Moderator, Trustee for a five (5) year term, Village Clerk, Village Treasurer, Delinquent Tax Collector, Village Agent, and vote for coin drop winners.

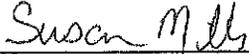
Article 1: Shall the voters of the Village of Lyndonville vote to adopt the proposed General Fund budget, in the amount of \$900,251 for the ensuing year?

Article 2: Shall the voters of the Village of Lyndonville vote that taxpayers pay real property taxes to the Treasurer on or before 4:30 PM on Friday, November 4, 2022, with delinquent taxes having an eight percent late penalty charge against them from the due date of November 4, 2022 at 4:30 PM, and interest charges of one percent per month for the first three months, whereafter interest rates will be one and one-half percent per month?

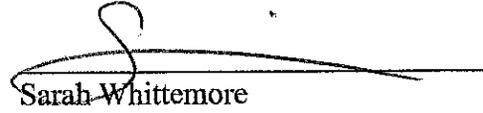
Article 3: Shall the voters of the Village of Lyndonville vote to authorize the Trustees to borrow money for the Electric Department not to exceed three hundred thousand dollars (\$300,000) in anticipation of revenues and to execute and deliver the note or notes, therefore?

Article 4: Shall the Village of Lyndonville explore the feasibility of a merger of the Village of Lyndonville, Vermont and the Town of Lyndon, Vermont?

Dated at Lyndonville this seventh day of February 2022, by a majority of the Board of Trustees of the Village of Lyndonville, Vermont.



Susan Mills, Chair



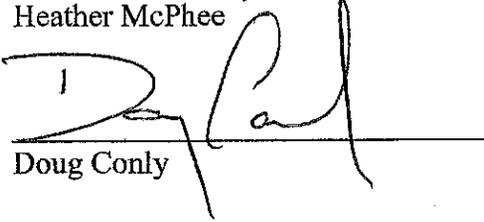
Sarah Whitemore



Heather McPhee



Chris Hunter



Doug Conly

ATTEST: 

Dawn R. Dwyer, Village Clerk

TABLE OF CONTENTS

Warning – Annual Village Meeting	
Village Officers	1
Statistics and Auditors’ Report	2
Important Dates for 2022.....	3
Trustees’ Report	4
Trash and Littering Ordinance and Winter Parking Ban Ordinance	5
Minutes of 2021 Informational Meeting	6
Combined Balance Sheet – All Fund Types and Account Groups.....	7
Schedule of Changes in Fixed Assets.....	8
Debt Retirement Schedule	9
Schedule of Restricted Cash	10
Tax Rate Five-Year Comparisons, Water & Sewer Rates.....	11
Statement of Taxes Raised and Statement of Delinquent Property Taxes	12
Statement of Revenues and Expenditures – Actual Compared to Budget – General Fund – With Proposed Budget Figures for 2022	13-17
Statement of Revenues and Expenditures – Actual Compared to Budget – Water Fund – With Proposed Budget Figures for 2022	18-20
Lyndonville Electric Department	
Managers’ Report	1-10
Auditors Report	1-49

VILLAGE OF LYNDONVILLE

(Website: www.lyndonvt.org)

VILLAGE OFFICERS

Moderator	Sean McFeeley	2022
Clerk & Treasurer	Dawn R. Dwyer	2022
Trustees	Susan Mills	2022
	Sarah Whittemore	2023
	Heather Bollman	2024
	Chris Hunter	2025
	Doug Conly	2026
Village Agent	Vacant	2022

APPOINTED BY THE TRUSTEES

Municipal Administrator	Justin Smith (justin@lyndonvt.org)	(802) 626-5834
Delinquent Tax Collector	Village Treasurer - Dawn Dwyer (dawn@lyndonvt.org)	(802) 626-5785
Public Works Supervisor	Joe Dauphin (villagewater@lyndonvt.com)	(802) 626-5468
Planning Director	Nicole Gratton (planning@lyndonvt.org)	(802) 626-1269
Zoning Administrator	Erik Voegtlin (zoning@lyndonvt.org)	(802) 626-1269
Electric Department Manager	Jon Elwell	(802) 626-3366
	Bill Humphrey - Retiring March 7, 2022	
Police Advisory Committee	Amy Bean, Curtis Carpenter, Tim Gaskin, Christopher Hunter	

TOWN AND VILLAGE JOINT PLANNING AND ZONING

<u>Development Review Board</u>		<u>Planning Commission</u>	
Kevin Cole	2022	Ken Mason - Chair	2022
Kevin McKeon	2022	Sean McFeeley - Vice-chair	2022
Curtis Carpenter	2022	Travis Glodgett	2023
Jon Prue, Chair	2023	Curtis Carpenter	2023
Brandon Carpenter, Vice Chair	2023	Amy Rast	2024
Craig Weston	2023	Tammy Martel	2024
Amy Rast	2024	Dan Guest	2024

DRB Alternates: Jeremiah Aiken, Dave Keenan, Eric Paris

OTHERS

Chief of Police	Jack T. Harris (jack.harris@vermont.gov)	(802) 626-1271
Fire Chief & Warden	Jeff Corrow (jeff.corrow@lyndonvillefire.com)	(802) 626-4100
Animal Control Officer	Cindy Cady	(802) 626-7297
Health Officer	Debra Smith (lyndonvtho@gmail.com)	(802) 626-0852
	Patrick McLaughlin	(802) 858-4468
Green-Up Day Coordinator	Christian Thompson	

APPOINTED BY THE TOWN CLERK

Assistant Town Clerks: Darcie Edmunds, Denise Montgomery, Laurie Willey

Deputy Registrars: Mark Harpin, Todd Pearsons, Stephen Robertson

VILLAGE OF LYNDONVILLE

Incorporated December 24, 1880

Population 2020 U.S. Census 1,136
(2010 - 1207; 2000 - 1227; 1990 - 1255; 1980 - 1409; 1970 - 1415; 1960 - 1477; 1950 - 1506)

2020 Grand List \$ 698,583.00

2021

	<u>Residential</u>	<u>Nonresidential</u>
Village General	\$ 0.8847	\$ 0.8847
School District	1.4753	1.6686
Local Agreement	0.0040	0.0040
Town General	0.4408	0.4408
Total Village Tax Rate	<u>\$ 2.8048</u>	<u>\$ 2.9981</u>

Highway Mileage - Village of Lyndonville

State Highways (U.S. Route 5)	0.463
Class I Highways	1.337
Class III Highways	5.210
Class IV Highways	0.020
Legal Trail	<u>0.030</u>
Total Mileage	7.060

Lyndonville Village Clerk's Office Information:

P.O. Box 167

119 Park Avenue, Lyndonville VT 05851

Telephone Number: (802) 626-5785 FAX (802) 626-1265

Office Hours: Monday - Friday 7:30 AM to 12:30 PM

Website: www.lyndonvt.org FaceBook: <https://www.facebook.com/town.lyndon/>

NOTE ON DATED BILLINGS:

Please note the due dates of all bills generated by this office. The office day ends at 4:30 PM. Payments placed in the outside box after that time will be credited the next business day and will, if then past due, be assessed a penalty.

POST MARKS ARE NOT ACCEPTED FOR BILLS GENERATED BY THIS OFFICE

Tax bills are mailed to the last known address of the owner of property as of April 1st of that year and are mailed as soon as possible after receipt of information from the State.

Water bills are mailed quarterly. Please check your bills for actual due dates.

AUDITORS' REPORT

In accordance with Title 17, Section 2651b(a), of the V.S.A., the voters of the Village of Lyndonville voted to eliminate the office of Auditor at the Annual Meeting Held on March 16, 2004. The Village's financial statements are audited annually by an independent accounting firm. This audit is performed during the summer of the following year. The audit report will be on the website as well as at the Clerk's office once completed. If you have any questions regarding the unaudited financial information included in this report, please speak to the Village Treasurer.

IMPORTANT DATES FOR 2022

- March 15 ANNUAL VILLAGE MEETING – Due to COVID-19, all voting will be by Australian Ballot at the Municipal Office Building Gymnasium located at 119 Park Avenue from 1:00 PM to 7:00 PM. Masks are highly recommended. Outside voting will be available. Please call the office at 626-5785 for an early/absentee ballot.
- April 1 Last day to license dogs without a late fee. Licenses can be done in the office or by mail. Call the office for more information.
- September Tax bills are mailed as soon as possible after receipt of information from the State.
- November 4 Last day to pay 2022 property taxes, by 4:30 PM, without penalty and interest.

Postmarks not accepted.

DATES THE TOWN CLERK'S OFFICE IS CLOSED

January 1	New Year's Day
February 21	President's Day
March 1	TOWN MEETING – Australian Ballot Voting
May 30	Memorial Day
July 4	Independence Day
September 5	Labor Day
November 11	Veteran's Day
November 24 & 25	Thanksgiving
December 26	Christmas

TIMES OF IMPORTANT MEETINGS

The Board of Trustees and Selectboard meet alternate Monday nights in the Conference Room of the Municipal Office Building. Both Boards begin their meetings at 5:30 PM. Agendas and minutes can be found on our website: www.lyndonvt.org. Meetings can also be joined via Zoom. Login information can be found on the agendas.

The Development Review Board meets the first and third Thursday of the month in the Conference Room of the Municipal Office Building. The Planning Commission meets the second and fourth Wednesday of the month in the Conference Room. Notices of these meetings, including agendas, are published in the Caledonian Record 16 days prior to the meeting date, as well as on our website. Please check for start times.

2021 Lyndonville Trustees Report

Who would have thought when we met for Village Meeting on March 17, 2020, that the next day the Municipal Building would be closed to the public and remain that way for more than a year? Or that two years later we would be planning for a second virtual Village meeting? None of us knew what was coming when we walked out of Village Meeting two years ago. We were able to resume having live board meetings this past summer and we continue to offer attendance via ZOOM for those not comfortable attending public meetings.

We will have an informational session to discuss the budget and annual warning on Monday, March 14th which can be attended in person or via ZOOM and all voting will be done by Australian ballot on Tuesday, March 15th.

The village crew was hampered by Covid 19 protocols that required quarantine for several days after close contact with any Covid positive person. This prevented us from replacing any sidewalks this year. Despite that challenge, the crew kept the public spaces in wonderful condition. We thank Mary Waldron for her work in Bandstand Park and the flower tubs on Depot St. The flowers provided a bright spot every day and long into the fall. We continued to skim coat our streets to prolong the pavement. This year we did Church and Middle Streets and part of High Street.

We continued to work on the Vail Transmission Water Main relocation and that project will be wrapped up this year.

Bill Humphrey, the LED manager informed us of his intention to retire and much of the fall was focused on finding his replacement. At the end of the year, we hired Jon Elwell and he will be starting on March 7th. Mr. Elwell comes to us after 17 years as Manager for the Village of Enosburg Falls. We look forward to working with him. Bill started with LED in 1999 and has ~~and~~ been manager since 2016. We thank him for his years of service and wish him well in his next act.

Article 4 on the warning asks if we should explore the feasibility of a merger between the Town and Village. This article came to life after several situations where both the Selectboard and the Trustees found themselves saying, "This would be much easier if we were one entity." We want to see what the interest is before we put the time and effort into a formal study. One of the most glaring concerns for the Village is that when we raise the tax rate by a penny, we only get approximately \$7,000.00 and that does not go far toward any of the Village needs such as sidewalk replacement or road repaving.

On behalf of the Trustees, I want to thank all the Village employees for their dedication and hard work, and we thank you, the Village residents for your support

Please stay safe and healthy. Sincerely,
Susan Mills

Chair, Board of Trustees

Doug Conly, Chris Hunter, Heather McPhee, Sarah Whittemore

LYNDONVILLE TRASH AND LITTERING ORDINANCE

No person shall dump, deposit or throw, or cause to be dumped, deposited, or thrown, any waste or refuse material or any bottles, glass, paper, garbage, cans or other material or noxious thing of whatever nature on any public or private lands, or on or within view of a public or private parking lot, street, sidewalk, park, or building. Any person who violates any provision of this ordinance shall be subject to a fine of one hundred dollars (\$100) (Waiver fine \$85).

No person shall haul any shavings, sawdust, slabs or rubbish of any sort in the public streets or highways or any part thereof within the corporate limits of the Village of Lyndonville unless the same shall be covered or loaded properly and secured so that it will not blow, or be strewn upon the street or highway. Any person who violates this provision shall be subject to a fine of one hundred dollars (\$100) (Waiver fine \$85).

No Village property owner shall put out, or allow to be put out any rubbish onto Village streets before the afternoon prior to regularly scheduled rubbish pick-up. Violations by tenants or owner shall result in the property owner being fined thirty dollars (\$30) (Waiver fine \$25) for each violation.

EXCERPT FROM "WINTER PARKING BAN" ORDINANCE

Sec. 1. No vehicle shall be left parked on any street or highway within the limits of the Village of Lyndonville between midnight and the following seven o'clock in the morning during the period from November 1st of each year to the 15th day of April of the following year unless special arrangements for parking are made with the Village Superintendent.

Sec. 2. The parking of any vehicle in violation of Section 1 of this chapter is hereby declared to be a public nuisance, and the Village Superintendent, or some other person as appointed by the Village Trustees, may remove any vehicle so parked, or cause it to be removed by towing or otherwise, at the sole expense of the owner of such vehicle, to any public garage or other place designated by the Superintendent.

The Village Ordinances can be found on the website (www.lyndonvt.org) or in the Village Clerk's Office.

VILLAGE OF LYNDONVILLE
TRUSTEES MINUTES
Informational Meeting for Australian Ballot Voting
March 15, 2021
VIA ZOOM
5:30 PM

Trustees

Susan Mills
Heather Bollman (by Phone)
Doug Conly
Sarah Whittemore
Chris Hunter

Press

Public Officials

Justin Smith
Bill Humphrey

Public

Jen Mitchell
Dave Keenan
Ellen Hinman
Clint Brake

1. Doug Conly called the meeting to order at 5:33 PM and welcomed everyone in attendance for the informational meeting on the Australian Ballot items for the Village Meeting which will be voted on Tuesday, March 16th, 2021 from 1:00 PM until 7:00PM.

Doug Conly made a presentation to those in attendance using Power Point (slides attached), with the assistance of Sarah Whittemore. Doug Conly explained how the meeting would operate including that this was like a regular Trustees' meeting and there is not a Moderator for an Informational Meeting. After going over the ground rules, Mr. Conly spoke about the projects which were completed in 2020 including: the water transmission line upgrade, some skim coat paving on the Williams, South East, and Grove Streets, and a new stretch of ADA compliant sidewalk on Center Street. Next, Mr. Conly spoke about the revenues and expenses for the 2021 budget. Revenues for 2021 are anticipated to be down from 2020 largely due to the fact that we are planning on less reimbursable time from the water department, we are not bringing in any revenue from savings for equipment purchases, and we have no revenues from loan proceeds to purchase new equipment. Overall, 2021 revenues are down \$122,808 from 2020. Likewise, budgeted expenses are also down from 2020. The major reasons for the decreases in expenditures are that there will be no new equipment purchases, the Village's share of the police contract is reduced, and we were able to reduce some of our materials expenses in the highway department. Overall, 2021 expenses are down \$119,859 from 2020. As a result of these changes, the Village tax rate will increase by \$.005.

Mr. Conly next read the 4 Articles on the Australian Ballot.

Mr. Conly asked if there were any questions regarding the Articles on the Australian Ballot. The public did not have any questions for the Board.

Mr. Smith noted that there were four people present who were likely here to speak about coin drops. Dave Keenan spoke on behalf of Tiger Company, Jen Mitchell spoke on behalf of Lyndon Youth Baseball Softball, Clint Brake spoke on behalf of the Food Shelf and Ecumenical Council, and Ellen Hinman spoke on behalf of the Caledonia County Special Olympics. All four spoke regarding the challenges and hardships Covid-19 has brought on their organizations.

With no other business the meeting adjourned at 6:13 PM.

VILLAGE OF LYNDONVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Unaudited)

December 31, 2021

	Governmental Fund		Proprietary		Fiduciary		Total
	Types		Fund Types		Account Groups		
	General Funds	Special Revenue Funds	ARPA Funds	Enterprise Funds	Trust Funds	General Fixed Assets	
ASSETS AND OTHER DEBITS							
Cash	\$ 782,375.09	\$ -	\$ 174,299.96	\$ 733,239.13	\$ -	\$ -	\$ 1,689,914.18
Restricted Cash	-	287,835.39	-	-	545.37	-	288,380.76
Receivables							
Delinquent Taxes	22,434.02	-	-	-	-	-	22,434.02
Accounts Receivable	-	-	-	10,236.97	-	-	10,236.97
Other Receivables	1.92	-	-	263.43	-	128,994.98	129,260.33
Due From Other Funds	-	-	-	389,708.33	-	-	389,708.33
Fixed Assets	-	-	-	7,518,467.34	-	772,436.65	8,290,903.99
Pension Deferred Outflows	-	-	-	-	-	51,262.00	51,262.00
Total Assets and Other Debits	<u>\$ 804,811.03</u>	<u>\$ 287,835.39</u>	<u>\$ 174,299.96</u>	<u>\$ 8,651,915.20</u>	<u>\$ 545.37</u>	<u>\$ 952,693.63</u>	<u>\$ 10,872,100.58</u>
LIABILITIES, EQUITY AND OTHER CREDITS							
Liabilities:							
Accrued Payroll	\$ 3,606.66	\$ -	\$ -	\$ 1,469.69	\$ -	\$ -	\$ 5,076.35
Due to Other Funds	670,213.39	-	-	-	-	-	670,213.39
Bond/Note Payable	-	-	-	3,768,046.71	-	128,994.98	3,897,041.69
Deferred Grant Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>673,820.05</u>	<u>-</u>	<u>-</u>	<u>3,769,516.40</u>	<u>-</u>	<u>128,994.98</u>	<u>4,572,331.43</u>
Equity and Other Credits:							
Investment in							
General Fixed Assets	-	-	-	-	-	859,592.78	859,592.78
Net Pension Liability	-	-	-	-	-	128,897.00	128,897.00
Pension Deferred Inflows	-	-	-	-	-	9,228.00	9,228.00
Retained Earnings:							
Unreserved	-	-	-	79,090.00	-	-	79,090.00
Fund Balances:							
Reserved	37,563.02	218,800.34	174,299.96	4,803,308.80	545.37	(62,277.92)	5,172,239.57
Unreserved:	93,427.96	69,035.05	-	-	-	(43,773.21)	118,689.80
VMERS Fund Balance	-	-	-	-	-	(67,968.00)	(67,968.00)
Total Equity and Other Credits	<u>130,990.98</u>	<u>287,835.39</u>	<u>174,299.96</u>	<u>4,882,398.80</u>	<u>545.37</u>	<u>823,698.65</u>	<u>6,299,769.15</u>
Total Liabilities, Equity and Other Credits	<u>\$ 804,811.03</u>	<u>\$ 287,835.39</u>	<u>\$ 174,299.96</u>	<u>\$ 8,651,915.20</u>	<u>\$ 545.37</u>	<u>\$ 952,693.63</u>	<u>\$ 10,872,100.58</u>

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2021

<u>Description</u>	<u>Balance</u> <u>January 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2021</u>
Highway Equipment	\$ 523,003.24	\$ -	\$ -	\$ 523,003.24
Garage Equipment	42,455.51	-	-	42,455.51
East Street Garage	117,032.16	-	-	117,032.16
Parks	4,833.09	-	-	4,833.09
Streets & Sidewalks	428,154.86	-	-	428,154.86
Swimming Pool at Powers Park	308,024.76	-	-	308,024.76
	<u>1,423,503.62</u>	<u>-</u>	<u>-</u>	<u>1,423,503.62</u>
Less: Accumulated Depreciation				<u>(651,066.97)</u>
Total General Fixed Assets Account Group				<u>\$ 772,436.65</u>

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN CAPITAL ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2021

<u>Description</u>	<u>Balance</u> <u>January 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2021</u>
Non-depreciable Property				
Land	30,002.00	-	-	30,002.00
Reservoirs	498,861.00	-	-	498,861.00
Dunn Property	44,918.09	-	-	44,918.09
	<u>573,781.09</u>	<u>-</u>	<u>-</u>	<u>573,781.09</u>
Depreciable property:				
Improvements (1975)	1,020,421.75	-	-	1,020,421.75
Pinehurst line replacement	108,682.11	-	-	108,682.11
Line expan-Lyndon Corner	1,179,248.51	-	-	1,179,248.51
Utility system improvement	678,021.44	-	-	678,021.44
River Crossing Leak	110,510.02	-	-	110,510.02
Filter Plant	864,370.81	-	-	864,370.81
Expansion project	1,493,347.42	-	-	1,493,347.42
East Side line replacement	995,396.48	-	-	995,396.48
Water meters	20,004.24	-	-	20,004.24
Fairground Meter Vault	29,789.98	-	-	29,789.98
LSC expansion	75,000.00	-	-	75,000.00
Well development	57,133.90	-	-	57,133.90
Vail Hill Wells	27,886.74	-	-	27,886.74
Generators & Backwash	74,267.06	-	-	74,267.06
Phase #6 System Improve.	2,583,802.20	-	-	2,583,802.20
Vail Line Transmission Imp.	1,461,623.10	336,798.60	-	1,798,421.70
Other Equipment	249,446.67	-	-	249,446.67
Dry hydrants	2,691.48	-	-	2,691.48
	<u>11,031,643.91</u>	<u>336,798.60</u>	<u>-</u>	<u>11,368,442.51</u>
Total Capital Assets	11,605,425.00	336,798.60	-	11,942,223.60
Less: Accumulated Depreciation				<u>(4,423,756.26)</u>
Total Capital Assets Account Group				<u>\$ 7,518,467.34</u>

**VILLAGE OF LYNDONVILLE
GENERAL FUND DEBT RETIREMENT SCHEDULE - PRINCIPAL ONLY**

As of December 31, 2021

Payment due	19 Int'l Trk	20 Cat Backhoe	Totals
2022	\$ 13,899.53	\$ 9,758.69	\$ 23,658.22
2023	14,284.39	9,949.92	24,234.31
2024	14,679.91	10,144.49	24,824.40
2025	15,806.39	10,343.85	26,150.24
2026	14,631.32	10,546.36	25,177.68
2027	-	4,950.13	4,950.13
	\$ 73,301.54	\$ 55,693.44	\$ 128,994.98

Community National Bank: Eight (8) year loan @ 2.75% with semi-annual payments due 5/18 & 11/18

Passumpsic Savings Bank: Seven (7) year loan @ 1.95% with semi-annual payments due 5/15 & 11/15

**VILLAGE OF LYNDONVILLE
WATER DEBT RETIREMENT SCHEDULE - PRINCIPAL ONLY**

As of December 31, 2021

Payment due	Vermont Bond Bank		USDA (Refinanced Loan)	USDA (Phase 6 Contract 1)	USDA (Phase 6 Contract 2)	Totals
	(Expansion Project)	(Well Project)				
2022	\$ 31,359.41	\$ 3,866.82	\$ 17,458.29	\$ 15,046.46	\$ 12,686.36	\$ 80,417.34
2023	31,359.41	3,866.83	18,095.51	15,463.08	13,005.50	81,790.33
2024	31,359.41	3,866.82	18,756.00	15,891.24	13,332.67	83,206.14
2025	31,359.41	3,866.82	19,440.60	16,331.25	13,668.07	84,666.15
2026	31,359.41	3,866.82	20,150.17	16,783.45	14,011.90	86,171.75
2027	31,359.41	3,866.82	20,885.65	17,248.16	14,364.40	87,724.44
2028	31,359.41	3,866.82	21,647.98	17,725.75	14,725.74	89,325.70
2029	31,359.41	3,866.82	22,438.14	18,216.56	15,096.19	90,977.12
2030	31,359.41	3,866.82	23,257.13	18,720.96	15,475.95	92,680.27
2031 - 2053	62,718.87	15,467.32	392,088.90	572,127.09	485,718.29	1,528,120.47
Totals	\$ 344,953.56	\$ 50,268.71	\$ 574,218.37	\$ 723,554.00	\$ 612,085.07	\$ 2,305,079.71

VT Bond Bank: Lyndon Heights Water Expansion Project. Annual payment of \$31,359.41 due January 1st. Matures in 2032.

VT Bond Bank: Well Project. Annual payment of \$3,866.82 due September 1st and matures in 2034.

USDA-Rural Development: Refinanced high interest rate bonds at 2% interest, semi-annual payments of \$39,563 due 5/15/13 to 11/15/43.

USDA-Rural Development: Phase 6-Contract 1 Water Line Replacement Project, at 2.75% interest. Semi-annual payments of \$17,421 due May 15, 2013 to November 15, 2052.

USDA-Rural Development: Phase 6-Contract 2 Water Line Replacement Project, at 2.5% interest. Semi-annual payments of \$13,955 due May 1, 2014 to November 1, 2053

VILLAGE OF LYNDONVILLE
GENERAL FUND SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2021

<u>Restricted Purpose</u>	Balance Jan. 1, 2021	Interest Income	Additions	Withdrawals	Balance Dec. 31, 2021
New Equipment	\$ 18,479.17	\$ 21.49	\$ 36,286.00	\$ -	\$ 54,786.66
Sidewalks	17,063.51	19.32	-	-	17,082.83
Garage	26,174.90	29.62	-	(5,000.00)	21,204.52
Tax Stabilization Account	42,575.70	48.19	-	-	42,623.89
Health Insurance Pool	1,897.94	0.47	-	-	1,898.41
Sale of Morrill Lot (1984)	44,908.17	591.00	-	-	45,499.17
Paving	50,022.39	57.10	36,945.30	-	87,024.79
Curbing	3,626.48	4.09	-	-	3,630.57
Fountain	2,697.59	19.63	-	-	2,717.22
Rte. 5 Project	11,354.49	12.84	-	-	11,367.33
Totals	<u>\$ 218,800.34</u>	<u>\$ 803.75</u>	<u>\$ 73,231.30</u>	<u>\$ (5,000.00)</u>	<u>\$ 287,835.39</u>

VILLAGE OF LYNDONVILLE
WATER SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2021

<u>Restricted Purpose</u>	Balance Jan. 1, 2021	Interest Income	Additions	Withdrawals	Balance Dec. 31, 2021
Debt Reduction	\$ 205,604.50	\$ 1,199.37	\$ 67,385.00	\$ -	\$ 274,188.87
Water Main Savings	300,611.35	1,755.32	100,000.00	-	402,366.67
Carbon Savings	36,360.81	199.21	-	-	36,560.02
Broad Street Engineering	-	21.56	20,102.00	-	20,123.56
Totals	<u>\$ 542,576.66</u>	<u>\$ 3,175.46</u>	<u>\$ 187,487.00</u>	<u>\$ -</u>	<u>\$ 733,239.12</u>

**VILLAGE OF LYNDONVILLE
GENERAL FUND
GRAND LIST - TAX RATE
FIVE-YEAR COMPARISON**

<u>YEAR</u>	<u>GRAND LIST</u>	<u>TAX RATE</u>
2017	\$ 695,205.00	\$ 0.7173
2018	\$ 697,474.00	\$ 0.7423
2019	\$ 690,494.00	\$ 0.8398
2020	\$ 696,217.00	\$ 0.8324
2021	\$ 698,583.00	\$ 0.8847

**VILLAGE OF LYNDONVILLE WATER DEPARTMENT
QUARTERLY WATER RATES
(Rates effective 2/1/22)**

ERU*	\$66.75
Plus	\$1.90 per 1,000 gallons used

*Equivalent Residential Unit (ERU) of \$66.75 per quarter is the minimum fee the Village must collect from each account to meet the fixed costs of the water system. This fee will be charged even if water has been shut off and the meter remains on the premise. (2021 Rates: ERU \$69 plus \$1.87 per 1,000 gallons used)

**TOWN OF LYNDON SEWER DEPARTMENT
QUARTERLY SEWER RATES
(Rates effective 2/1/22)**

Base fee	\$171.00
Plus	\$8.64 per 1,000 gallons used

(2021 Rates: Base fee \$153 plus \$8.72 per 1,000 gallons)

**VILLAGE OF LYNDONVILLE
STATEMENT OF TAXES RAISED
For the Year Ended December 31, 2021**

Grand List:

Village General Fund \$ 698,583.00

Taxes Assessed and Billed

General Fund (\$698,583.00 x .8847)	618,036.39	
Taxes to Account For		\$ 618,036.39

Taxes Collected and Uncollected

General Fund Taxes Collected	\$ 586,395.35	
Delinquent to Tax Collector	31,641.04	
Taxes Accounted For		\$ 618,036.39

2021 Equalization Study Results

Education Grand List (from 411)	373,528,510
Equalized Education Grand List (EEGL)	412,765,412
Common Level of Appraisal (CLA)	90.49%
Coefficient of Dispersion (COD)	15.33%

To find out more about how the equalization study is conducted see "Introduction to Vermont's Equalization Study" at tax.vermont.gov/research-and-reports/reports/equalization_study

**VILLAGE OF LYNDONVILLE
STATEMENT OF DELINQUENT PROPERTY TAXES
For the Year Ended December 31, 2021**

	Assessment Years				
	Total	2021	2020	2019	2018
Balance January 1, 2021	\$ 17,609.46		\$ 11,329.09	\$ 3,879.03	\$ 2,401.34
Additions:					
Delinquent Taxes to Collector	31,641.04	31,641.04	-	-	-
	49,250.50	31,641.04	11,329.09	3,879.03	2,401.34
Deductions:					
Abatements	-	-	-	-	-
Collections	30,947.99	21,472.07	8,313.64	1,162.28	-
Total Deductions	30,947.99	21,472.07	8,313.64	1,162.28	-
Balance December 31, 2020	\$ 18,302.51	\$ 10,168.97	\$ 3,015.45	\$ 2,716.75	\$ 2,401.34

VILLAGE OF LYNDONVILLE
STATEMENT OF REVENUES AND EXPENDITURES
ACTUAL COMPARED TO BUDGET
GENERAL FUND

For the Year Ended December 31, 2021
With Proposed Budget Figures for 2022

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
REVENUES			
Sewers & CSO:			
Reimbursement from Town of Lyndon	\$ 25,000	\$ 26,303.95	\$ 30,000
Sidewalks:			
Reimbursements (Town & Grants)	3,500	2,320.60	9,000
Parks:			
Village Improvement Society Reimbursement	-	319.00	-
Park Rent	-	425.00	-
Total Parks	-	744.00	-
Police:			
State Of Vermont - Fines	1,000	1,427.99	1,000
Fringe Benefits:			
Water Dept. Reimbursement	29,274	28,035.51	29,227
Delinquent Taxes:			
Delinquent Tax Interest	1,500	2,038.96	1,500
Delinquent 8% Penalty	2,500	2,531.30	2,500
Total Delinquent Taxes	4,000	4,570.26	4,000
Administration:			
Permits & Licenses	100	162.00	100
L.E.D. Office Rent	9,588	9,588.00	10,108
Water Dept. Reimbursement	32,771	32,771.00	34,540
Bank Interest	1,500	2,007.10	2,000
Total Administration	43,959	44,528.10	46,748
Garage:			
Water Department Rent	18,548	18,548.00	19,552
From Savings - New Facility	5,000	5,000.00	5,000
Total Garage	23,548	23,548.00	24,552
Equipment Operations & Maintenance:			
Water Equip. Reimbursement	9,500	8,050.50	8,000
Vacon P/R Reimbursement - T/L	1,000	520.90	1,000
Total Equipment Operations & Maint:	10,500	8,571.40	9,000
New Equipment:			
Proceeds from loan	-	-	56,001
Miscellaneous: Morrill Lot Interest			
	2,000	2,252.00	-
Highways:			
State Aid - Class 1	15,556	15,555.98	15,556
State Aid - Class 3	8,272	8,271.96	8,272
Outside Work	11,000	9,404.00	11,000
Parking Violations	500	267.50	500
Miscellaneous	-	659.30	-
Total Highways	35,328	34,158.74	35,328

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
Taxes:			
State of Vermont - PILOT	8,000	8,965.00	8,000
L.E.D. (In Lieu of Taxes)	32,800	37,368.31	37,000
Property Tax Revenue	579,315	618,036.39	-
Total Taxes	620,115	664,369.70	\$ 45,000
TOTAL REVENUES	\$ 798,224	\$ 840,830.25	\$ 289,856
			PROPOSED
	2021 BUDGET	2021 ACTUAL	2022 BUDGET
EXPENDITURES			
Sewer:			
Payroll & Fixed Costs	\$ 22,337	\$ 24,149.95	\$ 28,100
Equipment Use	2,663	2,154.00	1,900
Total Sewer	25,000	26,303.95	30,000
Sidewalks:			
Payroll & Fixed Costs	17,224	9,629.84	17,224
Hired Labor & Equipment	1,000	-	1,000
Materials & Supplies	8,000	244.18	12,000
Total Sidewalks	26,224	9,874.02	30,224
Parks:			
Payroll	12,918	20,758.23	12,918
Hired Labor & Equipment	2,500	1,431.62	5,500
Materials & Supplies	7,000	4,965.62	6,000
Downtown Beautification	3,000	3,399.27	3,000
Electricity	1,600	1,245.79	1,600
Landscaping & Shrubs	1,500	-	500
Total Parks	28,518	31,800.53	29,518
Village Improvement Society-Parks:			
VIS Insurance Reimbursement	-	150.00	-
Police Department:			
Contract with Town of Lyndon	45,007	34,110.01	49,640
Public Utilities:			
Street Lights	23,000	22,959.04	23,000
Village Clock - Electric	550	461.57	550
Village Clock - Maintenance	1,000	-	1,000
Total Public Utilities	24,550	23,420.61	24,550
Fringe Benefits:			
Pension	14,838	14,276.88	15,542
Workers' Compensation	17,693	20,833.00	14,756
Health Insurance & Buyout	81,036	67,362.36	97,592
Unemployment Insurance	882	882.00	1,029
Uniforms	3,000	2,325.12	2,600
Safety Footwear Allowance	600	446.99	600
Paid Leave	19,575	19,682.55	20,163

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
Fixed Costs	1,777	1,557.38	1,543
Total Fringe Benefits	139,401	127,366.28	153,825
Administrative and Office Expense:			
Reimbursement for Office Overhead	49,524	49,524.00	52,200
Postage	2,500	2,564.00	3,000
Notices	1,200	507.00	1,200
Dues	1,000	-	1,000
Annual Report	500	135.14	500
Machine Maintenance	658	201.07	200
Rent	4,132	4,132.00	4,356
Legal Fees	1,000	-	1,000
Trustees' Payroll & Fixed Costs	4,441	4,440.56	4,441
Stormwater Fees	-	740.00	750
Supplies	500	979.11	750
Total Administrative and Office Expense	65,455	63,222.88	69,397
Insurance:			
Property and Casualty	9,640	9,640.00	3,073
Garage:			
Payroll & Fixed Costs	14,264	7,812.41	15,071
MOB Pellet Boiler Payroll & Fixed Costs	538	67.65	538
Materials & Supplies	4,000	4,413.55	4,000
Maintenance	500	1,044.50	500
New Lights	2,000	1,010.91	-
Telephone	2,000	2,020.31	2,000
Water	400	249.90	400
New Facility	19,296	16,915.22	21,129
New Facility Lease Payment	73,440	72,678.00	72,225
Apparel	1,200	1,482.75	1,500
Miscellaneous	1,000	961.76	1,000
Total Garage	118,638	108,656.96	118,363
Equipment Operations & Maintenance:			
Payroll & Fixed Costs	21,530	17,920.49	21,530
Contracted Repairs	8,000	6,928.86	8,000
Parts and Supplies	20,000	15,291.49	20,000
Fuel	16,500	14,260.49	16,500
Lubricants	1,000	-	1,000
Tires	2,500	2,241.31	2,500
Tire Chains	2,000	1,876.00	2,000
Painting & Sandblasting	4,000	-	4,000
Loan Payment - '19 International Dump Trk	15,799	15,798.60	15,799
Loan Payment - '20 Backhoe	10,804	10,803.68	10,804
Loan Payment - '22 Tractor	-	-	6,111
Savings	36,286	36,286.00	-
Miscellaneous	500	-	500
Total Equip Operations & Maintenance	138,919	121,406.92	108,744

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
New Equipment:			
Hand Tools	1,000	1,839.24	2,000
Tool Boxes	1,000	-	1,000
Radios	500	-	500
Tractor	-	-	56,001
Sander	-	-	7,410
Miscellaneous	1,000	-	500
Total New Equipment	3,500	1,839.24	67,411
Materials:			
Salt	55,000	27,100.37	45,000
Sand	1,000	360.81	1,000
Hot Mix	2,500	540.69	2,500
Cold Patch	3,000	3,456.22	3,000
Sign Management Program	3,000	1,668.50	3,000
Calcium Chloride	1,500	241.60	1,000
Hay	200	70.00	250
Grass Seed	-	305.00	200
Gravel	500	203.24	500
Top Soil	300	607.56	300
Culverts and Catch Basins	4,000	100.00	4,000
Total Materials	71,000	34,653.99	60,750
Miscellaneous:			
Trustee Expense	200	-	200
Miscellaneous	125	125.00	125
Total Miscellaneous	325	125.00	325
Highways-Summer Class 1:			
Payroll & Fixed Costs	2,153	4,263.29	2,153
Street Sweeping	1,500	950.00	1,500
Crack Sealing	4,000	(126.80)	1,000
Drainage Basin Cleaning	3,000	1,750.00	3,000
Line Striping	2,000	2,390.15	4,000
Total Summer Class 1	12,653	9,226.64	11,653
Highways-Winter Class 1:			
Payroll & Fixed Costs	8,074	6,053.47	8,074
Hired Equipment	6,000	1,945.00	6,000
Miscellaneous	-	80.70	-
Total Winter Class 1	14,074	8,079.17	14,074
Highways-Summer Class 3:			
Payroll & Fixed Costs	15,609	24,380.70	15,609
Hired Equipment	1,000	-	1,000
Street Sweeping	2,800	2,800.00	2,800
Crack Sealing	4,000	8,000.00	3,000
Drainage Basin Cleaning	15,000	6,969.60	15,000
Line Striping	4,000	6,065.39	5,000
Savings - Paving	36,286	36,286.00	-
Total Summer Class 3	78,695	84,501.69	42,409

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
Highways-Winter Class 3:			
Payroll & Fixed Costs	32,295	31,527.36	32,295
Hired Equipment	4,000	-	4,000
Miscellaneous	-	242.10	-
Total Winter Class 3	36,295	31,769.46	36,295
Project - Skim Coat	50,000	45,660.21	50,000
TOTAL EXPENDITURES	887,894	771,807.56	900,251
Total Revenues Over (Under) Expenditures	(89,670)	69,022.69	(610,395)
Cash on Hand at Beginning of Year	89,670	89,670.00	158,692
Total Revenues and Cash on Hand			
Over (Under) Expenditures	-	\$ 158,692.69	
Required from Property Taxes	\$ -		\$ (451,703)

VILLAGE OF LYNDONVILLE
STATEMENT OF REVENUES AND EXPENDITURES
ACTUAL COMPARED TO BUDGET
WATER FUND
For the Year Ended December 31, 2021
With Proposed Budget Figures for 2022

	2021	2021	PROPOSED
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>2022</u>
			<u>BUDGET</u>
REVENUES			
User Fees	\$ 648,789	\$ 652,355.57	\$ -
Interest and Penalty	-	476.76	500
Interest Income - Banks	2,000	3,175.46	2,500
Permits	250	685.00	500
Meter Reading	4,308	4,308.00	4,540
Labor & Materials	3,000	2,768.21	3,000
Bond Proceeds -Vail Transmission Project	1,104,533	87,472.54	321,508
TOTAL REVENUES	<u>\$ 1,762,880</u>	<u>\$ 751,241.54</u>	<u>\$ 332,548</u>
EXPENDITURES			
	2021	2021	PROPOSED
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>2022</u>
			<u>BUDGET</u>
Water Mains:			
Payroll & Fixed Costs	\$ 26,213	\$ 22,834.11	\$ 22,706
Equipment Use	3,135	2,440.00	2,500
Hired Equipment	15,000	4,289.12	10,000
Materials & Supplies	15,000	7,332.47	10,000
Electricity	67,500	71,406.30	67,500
Engineering	10,000	-	10,000
Heat - Propane	8,000	6,900.18	1,000
Curb Stop Locator	1,000	-	1,000
Reservoir & Dam Cleaning	-	-	7,800
Security System	1,200	1,990.74	1,500
Water Main Savings	100,000	100,000.00	16,230
Water - Savings	67,385	67,385.00	16,231
Pump Station Maintenance	5,000	2,677.55	3,000
Well Maintenance	3,375	34,877.93	13,375
Customer Replacement Well	20,000	-	65,000
Miscellaneous	-	280.56	-
Total Water Mains	342,808	322,413.96	247,842
On Call:	12,539	12,314.92	12,771
Treatment Plant:			
Payroll & Fixed Costs	1,615	514.80	1,615
Operating Contract	64,566	64,486.32	66,507
Equipment Use	190	144.00	200
Hired Equipment	8,000	-	2,000
Materials & Supplies	7,500	3,536.78	7,500
Computer Maintenance	2,500	1,840.36	2,500

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
Computer Equipment	500	-	500
Pagers	750	491.40	750
Propane - Heat	-	-	7,000
Building Maintenance	2,000	2,046.66	5,000
Generator Upkeep	3,000	1,375.00	3,000
Training	2,000	449.50	2,000
Telemetry Maintenance	2,500	1,250.00	2,500
Chlorine System	2,000	1,208.60	2,000
Heaters	-	-	2,000
Total Treatment Plant	97,121	77,343.42	105,072
Hydrants:			
Payroll & Fixed Costs	8,612	7,546.38	8,612
Equipment Use	1,802	1,448.50	1,500
Hired Equipment	2,000	350.00	1,500
Materials & Supplies	5,000	21.55	5,000
Total Hydrants	17,414	9,366.43	16,612
Water Meters:			
Payroll & Fixed Costs	7,536	6,596.87	6,459
Equipment Use	1,710	1,864.00	1,900
Materials & Supplies	19,000	16,205.37	20,000
Total Water Meters	28,246	24,666.24	28,359
Fringe Benefits: Water Dept. Share	29,274	28,035.51	29,227
Administration:			
Rail Crossing Fee	3,750	3,750.00	3,750
State Assessment	7,000	4,714.08	7,500
Administrative Costs	32,771	32,771.00	34,540
Insurance-Property and Casualty	7,706	7,706.00	2,729
Taxes	2,600	2,616.52	2,700
Bond Payment-Expansion Project	31,359	31,359.41	31,359
Bond Payment-Well Project	3,867	3,866.82	3,867
Bond Payment - Refinance	38,417	38,417.25	38,417
Bond Payment - Phase 6 Contract 1	34,842	34,842.00	34,842
Bond Payment - Phase 6 Contract 2	27,910	27,910.00	27,910
Bond Payment - Vail Transmission Line	-	-	23,742
Notices	500	-	500
Water Reports	600	563.76	600
Supplies	300	171.55	300
Dues	410	1,070.00	410
Garage Rent	18,548	18,548.00	19,552
Legal	1,500	900.00	1,500
Audit	14,000	12,500.00	14,000
Municipal Administrator Reimbursement	22,471	22,471.00	22,906
Water Testing	5,000	1,520.00	5,000
Total Administration	253,551	245,697.39	276,124

	2021 BUDGET	2021 ACTUAL	PROPOSED 2022 BUDGET
Broad St Vtrans Project: Engineering Savings	20,102	20,102.00	20,102
Vail Transmission Line:			
Engineering - Construction	40,000	45,791.90	9,688
Legal & Administrative	44,020	-	-
Construction	<u>1,019,933</u>	<u>291,006.70</u>	<u>55,738</u>
Total Vail Transmission Line	1,103,953	336,798.60	65,426
 TOTAL EXPENDITURES	 <u>1,905,008</u>	 <u>1,076,738.47</u>	 <u>801,535</u>
 Revenue over/(under) Expenditures	 (142,128)	 \$ (325,496.93)	 (468,987)
Cash on Hand Beginning of Year	<u>142,128</u>	<u>142,128.00</u>	<u>(183,368)</u>
Total Revenues and Cash on Hand	-		
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (183,368.93)</u>	<u>\$ (652,355)</u>

Village of Lyndonville Electric Department 2021 General Manager's Year-End Report

To the Board of Trustees, Village of Lyndonville Electric Department's ratepayers, and citizens of the Village of Lyndonville.

This year was another tough one regarding the COVID crisis, wash, rinse and repeat. 2021 was the same as 2020 with disconnect moratoriums, government assistance programs, COVID restrictions, and illness in our workplace. However, after a lot of diligent work assisting customers, we ended 2021 in a better financial position than 2020. Surprisingly, arrearages were back down to our pre-COVID level. So, it was surprising that a government-designed and administered plan worked; kudos to the Feds and the State for doing a great job. At the writing of this report, the OMIROM variant has swept through our workforce, infecting both the unvaccinated and the fully vaccinated with the booster. As a result, we have struggled to manage workload and storm restoration with a reduced workforce. Hopefully, as a result, natural immunity will allow us to return to normal with a full complement of staff.

As it has been for a decade, our mandated transition to Renewable Energy is the driver of change in what used to be a constant business paradigm for us. Loss of revenue attributable to Net Metering, including roof-top installations and solar fields, grew to \$465,447, increasing \$51,000 over the previous year. That is revenue that could have gone to Right-Of-Way clearing, a new reliable bucket truck, upgrades on our system, and other such endeavors that would build reliability and resiliency into our system to benefit *all* ratepayers. The logic for Net Metering was that generating energy locally (distributed generation), even in small amounts, means less energy would be imported from outside sources equal to distributed generation, thus reducing the cost of power. However, our reality is with minimal growth on our system and some years no growth, we have not seen a reduction in our capacity and energy charges. We are possibly not far enough into this energy transformation to realize benefits, and only at renewal energy critical mass will the benefits flow to utility companies. However, I will not be around to see if that is true; more on that later.

Notable cases in front of the Public Utility Commission (PUC) from this past year that carry over into this year having an enormous impact on our Cost-of-Services are Case #19-0085 Net Metering Rule; the investigation, and possible revamping thereof. This investigation happens every couple of years, and as stated previously, has an enormous effect on our bottom line. Case #20-0203 Low Income Rates; investigation into and funding a statewide low-income rate for eligible Vermonters, which most stakeholders (utilities et al.) are opposed to offering. Case #21-3883 Energy Storage; the aggregation of resources and treatment of energy storage at existing net-metering and standard-offer projects. Energy storage can be a traditional battery application on a large scale or innovative ideas such as utilizing compressed air or closed-loop water storage. Technologies used for these projects are exciting and complex, codes words for expensive.

Additionally, the State has future mandates for the electrification of both the thermal sector (structure heating) a transportation sector (automobiles). In concept, electrifying these sectors will move renewable energy toward the previously mentioned "critical mass" where increased electricity sales will compensate for the increased expense of utilizing renewable energy. In addition, there must be adequate renewable energy available to meet this increase in growth for this "concept" to be successful. For the longevity of local power departments, I hope they are correct.

Integration of the above technologies into our utility systems depends on installing an Automated Meter Interrogation (AMI) system, which presently our/your Light Department does not have. Over the past two years, working with Vermont Public Power Supply Authority (VPPSA), we have developed a plan for installing AMI in member municipalities' service territories currently lacking this technology. Performance standards are developed, a vendor is chosen, reviewing contracts and negotiating pricing for a "shovel-ready" project that will hopefully qualify for grant money. In addition, VPPSA is strongly lobbying Montpelier for six million dollars of ARPA funds to cover half the installation cost for participating municipalities. Therefore, we are hopeful for a successful outcome of our endeavor in this legislative session.

Integration of any AMI system is dependent on communication to the furthest reaches of our system. Any AMI vendor that has experience with projects in northern New England will tell you that our state's topography makes communication for these systems extremely difficult. Existing phone wires are inadequate, broadband from the incumbent communication company

does not exist to the “last mile” of our backroads, our hills and valleys challenge the best radio frequency (RF) solutions. However, a solution to this problem is on the horizon; the Northeast Kingdom Communication District (NEKUD) put forth a herculean effort and obtained funding to construct the “backbone” of a Kingdom-wide broadband installation. It will be years until they reach all the “last miles” of backroads in the Kingdom, but as with any long journey, it begins with the first step.

While we continue to generate a small portion of our energy needs, purchase power contracts provide us with the bulk of our energy. The following summarizes all of the major power agreements in place for the year 2021.

Chester Solar

- Size: 4.8 MW
- Fuel: Solar
- Location: Chester, MA
- Entitlement: 29.8% (1.423 MW), PPA
- Products: Energy, capacity
- End Date: 6/30/39
- Notes: The contract does not include the environmental attributes and is listed in the summary table as system mix.

Fitchburg Landfill

- Size: 4.5 MW
- Fuel: Landfill Gas
- Location: Westminster, MA
- Entitlement: 24.8%, PPA
- Products: Energy, capacity, renewable energy credits (MA I)
- End Date: 12/31/31
- Notes:

Hydro Quebec US (HQUS)

- Size: 212 MW
- Fuel: Hydro
- Location: Quebec
- Entitlement: 0.284% (0.602) MW, PPA
- Products: Energy, renewable energy credits (Quebec system mix)
- End Date: 10/31/38
- Notes:

Kruger Hydro

- Size: 6.7 MW
- Fuel: Hydro
- Location: Maine and Rhode Island
- Entitlement: 25.45% (1.730) MW, PPA
- Products: Energy, capacity
- End Date: 12/31/37
- Notes: The Electric Department has an agreement with VPPSA to purchase unit contingent Energy and capacity from six hydroelectric generators. The contract does not include the environmental attributes.

McNeil Station

- Size: 54 MW
- Fuel: Wood
- Location: Burlington, Vermont
- Entitlement: 3% (1.5 MW), joint-owned through VPPSA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: Life of Unit
- Notes: As the joint-owner, VPPSA has agreements with the Electric Department to pay for and purchase 3% of the unit's output.

New York Power Authority (NYPA)

- Size: 2,675 MW (Niagara), 1,957 MW (St. Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.405 MW (Niagara PPA), 0.025 MW (St. Lawrence PPA)
- Products: Energy, capacity, renewable energy credits (New York System Mix)
- End Date: 9/1/25 (Niagara), 4/30/2032 (St. Lawrence)
- Notes: NYPA provides hydropower to the Electric Department under two contracts that will be extended at the end of their term.

PUC Rule 4.100 (VEPPI Program)

- Size: Small hydro < 80 MW
- Fuel: Hydro
- Location: Vermont
- Entitlement: 1.06% (Statutory)
- Products: Energy, capacity
- End Date: 10/31/2021
- Notes: The Electric Department is required to purchase hydropower from small power producers through Vermont Electric Power Producers, Inc. (“VEPPI”), per PUC Rule #4.100. The entitlement percentage fluctuates slightly each year with the Electric Department’s pro-rata share of Vermont’s retail energy sales, and does not include the renewable energy credits.

PUC Rule 4.300 (Standard Offer Program)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas, and micro-hydro
- Location: Vermont
- Entitlement: 1.14% (Statutory)
- Products: Energy, capacity, renewable energy credits
- End Date: Varies
- Notes: The Electric Department must purchase power from small power producers through the Vermont Standard Offer Program in 2021, under PUC Rule #4.300. The entitlement percentage fluctuates slightly each year with the Electric Department’s pro-rata share of Vermont’s retail energy sales.

Project 10

- Size: 40 MW
- Fuel: Oil
- Location: Swanton, VT
- Entitlement: 19.6% (7.84 MW), joint-owned through VPPSA
- Products: Energy, capacity, reserves
- End Date: Life of unit
- Notes: As the joint-owner, VPPSA has agreements with the Electric Department pay for and purchase 19.6% of the unit’s output.

Ryegate

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, VT
- Entitlement: 1.13% (0.232 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 10/31/2021
- Notes:

Seabrook 2018-22

- Size: 1,250 MW
- Fuel: Nuclear
- Location: Seabrook, NH
- Entitlement: 3.825 MW On-Peak, 2.808 MW Off-Peak (PPA)
- Products: Energy, capacity, environmental attributes (Carbon-free nuclear)
- End Date: 12/31/2022
- Notes:

Stonybrook

- Size: 352 MW
- Fuel: Natural Gas, Oil
- Location: Ludlow, MA
- Entitlement: 0.44%, (1.55 MW), PPA
- Products: Energy, capacity, reserves
- End Date: Life of unit
- Notes:

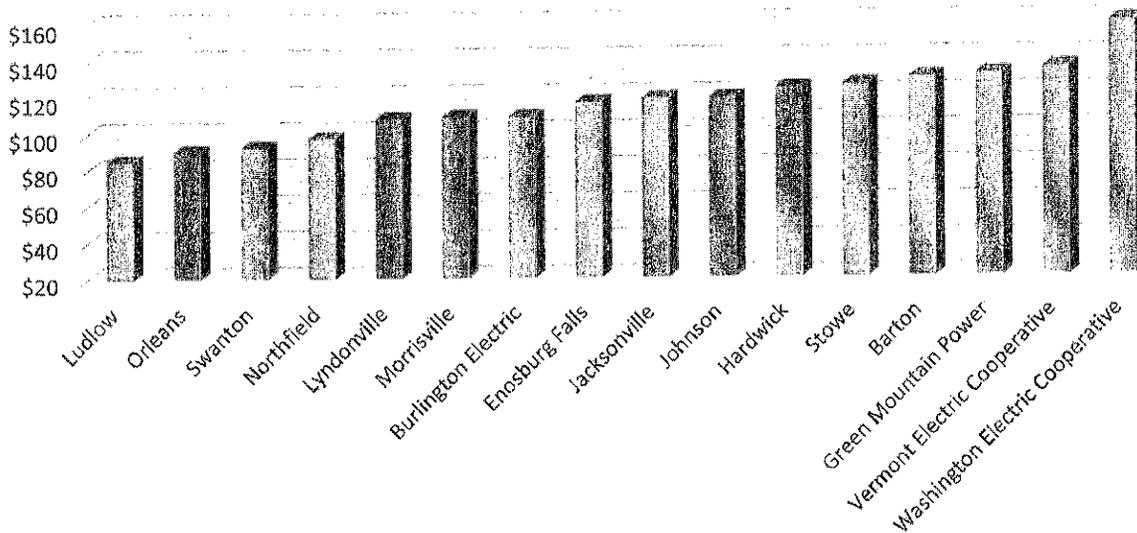
Vail & Great Falls Hydro

- Size: 2.4 MW
- Fuel: Hydro
- Location: Lyndonville, VT
- Entitlement: 100%, Owned
- Products: Energy, capacity, renewable energy credits (VT Tier I & II)
- End Date: Life of unit
- Notes:

Market Contracts

- Size: Varies
- Fuel: New England System Mix
- Location: New England
- Entitlement: Varies (PPA)
- Products: Energy, renewable energy credits
- End Date: Varies, less than five years.
- Notes: In addition to the above resources, the Electric Department purchases system power from various other entities under short-term (5 years or less) agreements

2021 Average Monthly Residential Bill



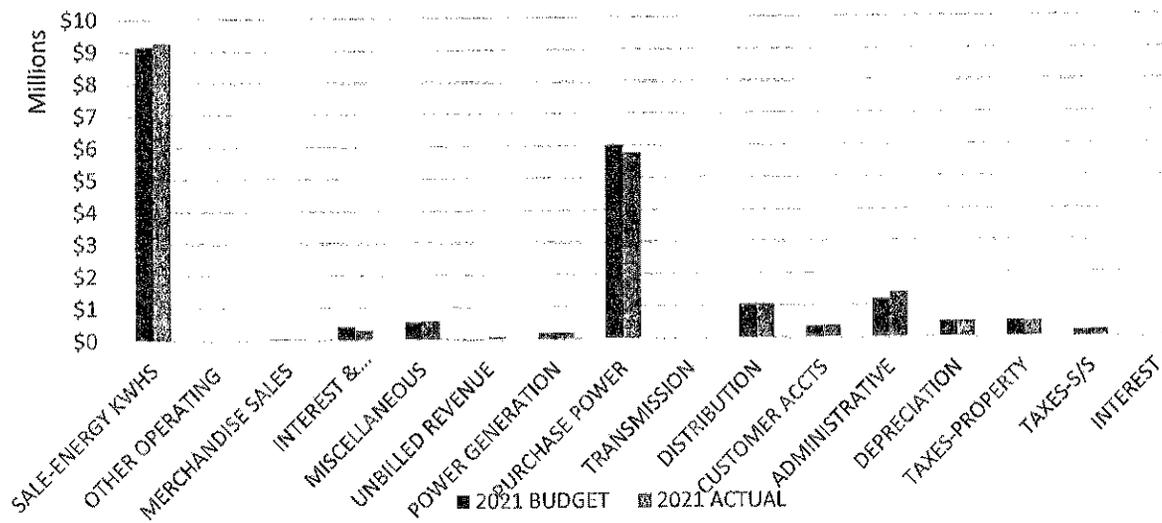
■ Vermont Distribution Utilities

Vermont Public Power Supply Authority

2021 Vermont Utility Rankings Based on Kilo Watts Hours Sales

Utility	kWH 200	Utility	kWH 600	Utility	kWH 1000
Ludlow	26.32	Ludlow	78.23	Ludlow	130.14
Jacksonville	28.52	Orleans	84.23	Orleans	136.72
Northfield	30.44	Swanton	86.78	Swanton	140.06
Orleans	31.75	Northfield	90.01	Northfield	149.59
Swanton	33.49	Lyndonville	100.43	Lyndonville	164.99
Morrisville	34.74	Morrisville	100.93	Burlington Electric	166.24
Lyndonville	35.87	Burlington Electric	101.5	Morrisville	167.11
Enosburg Falls	35.92	Jacksonville	107.63	Enosburg Falls	179.47
Burlington Electric	36.76	Enosburg Falls	107.69	Johnson	180.34
Hardwick	38.38	Johnson	110.79	Jacksonville	186.74
Johnson	41.24	Hardwick	114.67	Stowe	189.76
Barton	41.33	Stowe	117.08	Hardwick	190.96
Stowe	44.41	Barton	123.65	Vermont Electric Cooperative	202.48
Vermont Electric Cooperative	47.38	Vermont Electric Cooperative	124.93	Green Mountain Power	204.04
Green Mountain Power	53.34	Green Mountain Power	128.69	Barton	205.97
Washington Electric Cooperative	55.32	Washington Electric Cooperative	148.95	Washington Electric Cooperative	242.59

2021 Cost of Service Budget to Actual



**2021 ACTUAL to 2021 BUDGET
COST OF SERVICE SHEET For 2021**

	2021 BUDGET	2021 ACTUAL	% TO BUDGET
OPERATING REVENUE			
SALE-ENERGY KWHS	\$9,135,423	\$9,242,422	101.17%
OTHER OPERATING REVENUE			
MERCHANDISE SALES	50,000	42,144	84.29%
INTEREST & DIVIDENDS	415,025	301,566	72.66%
MISCELLANEOUS	550,000	575,255	104.59%
UNBILLED REVENUE	10,000	82,137	
TOTAL REVENUES	10,160,448	10,243,524	100.82%
OPERATING EXPENSES			
POWER GENERATION	\$199,146	\$184,716	92.75%
PURCHASE POWER	6,005,304	5,774,956	96.16%
TRANSMISSION	13,082	39,953	305.40%
DISTRIBUTION	1,049,188	1,036,797	98.82%
CUSTOMER ACCTS	356,136	374,380	105.12%
ADMINISTRATIVE	1,193,480	1,407,660	117.95%
DEPRECIATION	481,833	482,188	100.07%
TAXES-PROPERTY	500,000	481,028	96.21%
TAXES-S/S	200,800	203,610	101.40%
INTEREST	32,828	34,312	104.52%
TOTAL EXPENSES	10,031,796	10,019,600	99.88%
INCOME OR (LOSS)	\$128,652	\$223,924	

March 7, 2022, marks both the end of my tenure as General Manager for the Village of Lyndonville Electric Department and the end of my forty-two-year career in the electric utility industry. It has been my utmost pleasure to serve this community that I hold dear to my heart and feel extremely fortunate to call home. My time at LED has genuinely been the best years of my career. Each day I looked forward to coming to work, even during stormy times when the wind was strong and the snow deep, or when a customer(s) expressed their concern for my lackadaisical performance. I felt my obligations to LED were more akin to fulfilling a community service than a trade of my time for Department dollars. The fulfillment I felt from being integrated into this community is almost immeasurable. But, more importantly, I hope ratepayers, citizens, visitors, friends, and enemies judge that this Department and the community are better due to the brief role I played in adding to the lineage of LED. Finally, I want to thank you all for the opportunity you extended to me to serve our community.

Respectfully Submitted,



Village of Lyndonville Electric Department
Bill Humphrey
General Manager

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)

FINANCIAL STATEMENTS

December 31, 2021

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
TABLE OF CONTENTS
December 31, 2021

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	
MANAGEMENT'S DISCUSSION AND ANALYSIS	
FINANCIAL STATEMENTS	
Statements of Net Position	1
Statements of Revenues, Expenses and Changes in Net Position	2
Statements of Cash Flows	3
Notes to Financial Statements	5
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability – VMERS	28
Schedule of Contributions – VMERS	30
SUPPLEMENTARY INFORMATION	
Schedule of Operating Expenses – 2021	32
Schedule of Operating Expenses – 2020	33



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
Lyndonville, Vermont

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Village of Lyndonville Electric Department, a component unit of the Village of Lyndonville, Vermont, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Village of Lyndonville Electric Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Village of Lyndonville Electric Department as of December 31, 2021 and 2020, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Lyndonville Electric Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Lyndonville Electric Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Lyndonville Electric Department's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Lyndonville Electric Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of Net Pension Liability – VMERS on page 28 and the Schedule of Contributions – VMERS on page 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lyndonville Electric Department's basic financial statements. The schedules of operating expenses on pages 32 and 33 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Village of Lyndonville Electric Department and do not purport to, and do not present fairly the financial position of the Village of Lyndonville, Vermont, as of December 31, 2021 and 2020, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

Kithree Brangan & Saynt

St. Albans, Vermont
February 2, 2022

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

The management of Village of Lyndonville Electric Department (the Department) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the years ended December 31, 2021 and 2020. Please read it in conjunction with the Department's financial statements, which follow this section.

The Department maintains its accounting records in the manner prescribed by the Federal Energy Regulatory Commission (FERC). The Department is regulated to rates, accounting and other matters by the Public Service Board of Vermont (PSB). 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 financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Revenue is recorded in the year it was earned and expenses are recorded in the year they were incurred. The basic financial statements include the statements of net position, statements of revenues, expenses and changes in net position, and the statements of cash flows. Utility Plant in Service is stated at cost. Major expenditures for plant and those which substantially increase useful lives are capitalized. When assets are retired or otherwise disposed of, their costs are removed from plant, plus removal cost, less salvage.

This section of the Village of Lyndonville Electric Department's (the Department's) annual report presents a discussion and analysis of the Department's financial performance during the fiscal years that ended on December 31, 2021 and 2020.

Financial Highlights

- Operating revenues in 2021 were \$9,921,497; an increase of \$329,263 from 2020. The 2020 total operating revenues were \$9,592,234, which was a decrease of \$154,912 from 2019 total operating revenue.
- Total operating expenses were \$9,964,830 in 2021; a decrease of \$343,940 from 2020. The 2020 total operating expenses were \$10,308,770, which a decrease of \$14,159 from 2019 operating expenses.
- Total net position at December 31, 2021 was \$11,158,319, an increase of \$223,921 from 2020. Net position in 2020 was \$10,934,398 as compared to 2019 net position of \$11,255,150; a decrease of \$320,752.
- Utility plant in service net of accumulated depreciation at December 31, 2021 was \$6,027,264 a \$134,628 decrease from 2020. Utility plant in service net of accumulated depreciation in 2020 was \$6,161,892, a \$142,287 decrease from 2019.

Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital assets, net	\$ 6,027,264	\$ 6,161,892	\$ 6,304,179
Current assets	2,279,303	2,483,022	3,063,137
Noncurrent assets	4,789,924	4,233,632	3,885,671
Deferred Outflows	<u>290,039</u>	<u>180,356</u>	<u>196,945</u>
 Total Assets	 <u>\$ 13,386,530</u>	 <u>\$ 13,058,902</u>	 <u>\$ 13,449,932</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current liabilities	\$ 739,952	\$ 726,960	\$ 769,262
Noncurrent liabilities	1,475,144	1,393,224	1,418,412
Deferred Inflows	<u>13,115</u>	<u>4,320</u>	<u>7,108</u>
 Total Liabilities	 <u>2,228,211</u>	 <u>2,124,504</u>	 <u>2,194,782</u>
 Invested in capital assets	 5,133,918	 5,148,239	 5,171,102
Restricted - future capital additions	145,687	145,558	195,295
Unrestricted	<u>5,878,714</u>	<u>5,640,601</u>	<u>5,888,753</u>
 Total Net Position	 <u>11,158,319</u>	 <u>10,934,398</u>	 <u>11,255,150</u>
 Total Net Position and Liabilities	 <u>\$ 13,386,530</u>	 <u>\$ 13,058,902</u>	 <u>\$ 13,449,932</u>

Financial Highlights and Analysis

For the year ending December 31, 2021 capital assets, also known as utility plant in service decreased \$134,628. Current year additions of \$510,041 were offset by current year depreciation of \$482,188, contributions in aid of construction of \$177,591, retirements of \$57,362 and cost to retire of \$72,475. For the year ending December 31, 2020 capital assets decreased \$142,287 from 2019. Additions of \$464,737 were offset by depreciation of \$480,933, contributions in aid of construction of \$141,458, retirements of \$14,518 and cost to retire of \$15,368.

Current assets in December 31, 2021 decreased \$203,719 from 2020. In 2021 cash/cash equivalents decreased \$151,468, accts receivable decreased \$69,220, unbilled revenue increased \$82,138, material and supplies increased \$10,593, prepaid expenses decreased \$66,575 and other current assets decreased \$9,187. In 2020 current assets decreased \$580,115 from 2019. In 2020 cash/cash equivalents decreased \$605,396, accts receivable decreased \$33,832, unbilled revenue increased \$23,927, material and supplies increased \$27,845, prepaid expenses increased \$4,919 and other current assets increased \$2,422.

In 2021 non-current assets increased \$556,292 from 2020. In 2021 Investment in an associated company increased \$559,162, restricted cash increased \$129 and customer deposit decreased \$2,999. In 2020 non-current assets increased \$347,961 from 2019. In 2020 Investment in an associated company increased \$408,055, restricted cash decreased \$49,737 and customer deposit decreased \$10,357.

Current liabilities in 2021 increased \$12,992, the result of an increase in accounts payable of \$15,101, increase current payment on long term debt of \$890 and an decrease in customer deposits of \$2,999. Current liabilities in 2020 decreased \$42,302, the result of an decrease in accounts payable of \$32,818, increase current payment on long term debt of \$870 and an decrease in customer deposits of \$10,357. Current liabilities in 2019 increased \$18,988, the result of an increase in accounts payable of \$9,007, decrease current payment on long term debt of \$4,147 and an increase in customer deposits of \$14,128.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

Non-Current liabilities in 2021 increased \$81,920, the result of a decrease in long term debt of \$121,197 and an increase in net pension liability of \$203,117. Non-Current liabilities in 2020 decreased \$25,185, the result of a decrease in long term debt of \$120,294 and an increase in net pension liability of \$95,109.

Net position may serve over time as a useful indicator of a government's financial position. The Department's net position totaled \$11,158,319 as of December 31, 2021, \$10,934,398 as of December 31, 2020, \$11,255,150 as of December 31, 2019. Included in the net position at December 31, 2020 and 2019 were restrictions of \$145,558 and \$195,295 for future capital additions, respectively.

Change in Net Position

The following table summarizes the changes in net position for the years ended December 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 9,921,497	\$ 9,592,234	\$ 9,747,146
Operating expenses	9,964,830	10,308,770	10,322,929
Nonoperating revenue, net	<u>267,254</u>	<u>395,784</u>	<u>383,432</u>
Change in net position	223,921	(320,752)	(192,351)
Net position, beginning	<u>10,934,398</u>	<u>11,255,150</u>	<u>11,447,501</u>
Net position, ending	<u>\$ 11,158,319</u>	<u>\$ 10,934,398</u>	<u>\$ 11,255,150</u>

Operating revenues in 2021 were \$99,921,497, an increase of \$329,263 from 2020. There was an increase in electric sales to customers of \$334,430, a \$4,501 increase in customer balances written off in 2021 and a decrease in miscellaneous income of \$666. Operating revenues in 2020 were \$9,592,234, a decrease of \$154,912 from 2019. There was a decrease in electric sales to customers of \$122,464, a \$5,227 increase in customer balances written off in 2020 and a decrease in miscellaneous income of \$27,221. Operating revenues in 2019 were \$9,747,146, an increase of \$3,325 from 2018. There was a decrease in electric sales to customers of \$95,405, a \$7,016 decrease in customer balances written off in 2019 and an increase in miscellaneous income of \$91,714.

Operating expenses in 2021 were \$9,964,830, a decrease of \$343,940 from 2020. In 2021, there were decreases in distribution of \$473,552, an increases in customer accts of \$1,622, an increase administrative expenses of \$107,449, and a decrease in hydro/purchase power of \$43,974. Operating expenses in 2020 were \$10,308,770, a decrease of \$14,159 from 2019. In 2020, there were decreases in distribution of \$53,142, a decreases in customer accts of \$33,385, an increase administrative expenses of \$100,318, and a decrease in hydro/purchase power of \$43,974. Operating expenses in 2019 were \$10,322,929, an increase of \$618,368 from 2018. In 2019, there were increases in distribution of \$133,300, increases in customer accts and administrative expenses of \$40,270, and an increase in hydro/purchase power of \$369,357.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

Capital contributions represent contributions in aid to construction that are paid by customers of the Department to construct additions to utility plant in service. For the years ended December 31, 2021, 2020 and 2019 the Department received \$177,591, \$141,158 and \$55,167 in aid to construction, respectively. Beginning in 2015 the Department began recording capital contributions as a reduction of utility plant in service.

Financial Information

Investments in Associated Company

Investments at December 31, for which there is no active market, and stated at cost.

	<u>Shares</u>	<u>Purchased</u>	<u>Value Per Share</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Velco Class B common stock	42	10/19/1972	\$100	\$ 4,200	\$ 4,200	\$ 4,200
	116	10/19/1972		11,600	11,600	11,600
	65	6/28/1979		6,500	6,500	6,500
	97	7/3/1979		9,700	9,700	9,700
	36	9/24/1984		3,600	3,600	3,600
	26	9/24/1984		2,600	2,600	2,600
	25	2/27/1987		2,500	2,500	2,500
	2,192	12/29/2004		<u>219,200</u>	<u>219,200</u>	<u>219,200</u>
				<u>259,900</u>	<u>259,900</u>	<u>259,900</u>
Velco Class C common stock	77	9/13/2002	\$100	7,700	7,700	7,700
	713	5/19/2004		71,300	71,300	71,300
	56	5/19/2004		<u>5,600</u>	<u>5,600</u>	<u>5,600</u>
				<u>84,600</u>	<u>84,600</u>	<u>84,600</u>
Velco Class C preferred stock - Net of Return of Capital	1,102	12/31/2006	\$100	<u>1,653</u>	<u>1,653</u>	<u>1,653</u>
Total Velco Stock				<u>346,153</u>	<u>346,153</u>	<u>346,153</u>
Transco Class A & B Units - Assigned to VPPSA in 2021, 2020 and 2019: Non-Specific Facilities Units				<u>4,212,383</u>	<u>3,653,221</u>	<u>3,115,576</u>
Transco Class A & B Units Specific Facilities Units				<u>1,410</u>	<u>1,410</u>	<u>131,000</u>
TOTAL INVESTMENTS				<u>\$4,559,946</u>	<u>\$4,000,784</u>	<u>\$3,592,729</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

Dividends in Velco Stock

The Department receives annual dividend payments on the Common and Preferred Stock investments. The dividend payment, for the years ended December 31, 2021 and 2020 was \$40,425 and \$55,095 respectively.

Interest in Transco

The Department's interests in Vermont Transco are units owned by VPPSA, held for the benefit of Lyndonville Electric Department. To date, this includes 752,914 general membership units in Vermont Transco valued at \$7,529,140. As the owner of the units, VPPSA receives a quarterly distribution from Transco related to the investment. VPPSA uses the funds to pay the related debt service on the financing obtained to facilitate the investment purchase, and returns the excess to its members. The Department records these funds received from VPPSA as distribution income in its financial statements and the principal payment made by VPPSA on the debt service is recorded as "Other Investment". In theory, as VPPSA pays down the related debt service, the Department is growing its investment. Once VPPSA has paid the debt service in full, the Department can request the corresponding investment to be transferred to the Village of Lyndonville Electric Department. As of 2021, the Departments financial statements show an investment in others of \$4,212,383 this amount represents the portion of VPPSA's investment that has been paid through quarterly distributions.

VPPSA's financing units with Vermont Transco are noted as follows at December 31, 2021:

	<u>A Units</u>	<u>B Units</u>	<u>Total</u>	<u>Value</u>
2006	33,017	42,022	75,039	\$ 750,390
2007	96,388	122,672	219,060	2,190,600
2008	2,056	2,617	4,673	46,730
2009	22,037	28,048	50,085	500,850
2010	28,745	36,586	65,331	653,310
2012	26,269	33,434	59,703	597,030
2014	29,620	37,700	67,320	673,200
2016	25,552	32,520	58,072	580,720
2017	12,522	15,936	28,458	284,580
2017	26,062	33,171	59,233	592,330
2018	14,371	18,291	32,662	326,620
2019	5,516	7,021	12,537	125,370
2020	118	150	268	2,680
2020	9,008	11,465	20,473	204,730
	<u>331,281</u>	<u>421,633</u>	<u>752,914</u>	<u>\$7,529,140</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

The Department owns 141 specific facilities membership units in Vermont Transco, related to the exclusive portion of the 115kv substation valued at \$1,410, which the Department receives as distribution income from VPPSA on a quarterly basis.

As of December 31, 2021 the Department has recorded in its financial statements a direct investment of \$1,410 in Vermont Transco and an investment in other of \$4,212,383 which represents the Department's interest in the general Transco membership units owned by VPPSA. In 2021, distribution income received related to the Departments direct investment was \$10,406 and excess earnings received from VPPSA related to the general membership units owned by VPPSA for the benefit of the Department totaled \$243,637.

Vermont Transco pays an average of 12.5% return on equity while the cost of financing these units mentioned above is just 6%.

Long term-debt

The following chart summarizes the Department's long-term debt for the years ended December 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Long term debt:			
2010 Series 5 Bond	\$ 720,000	\$ 800,000	\$ 880,000
N/P - Passumpsic Bank	173,346	213,653	253,077
Less: Current Portion	<u>(121,118)</u>	<u>(120,228)</u>	<u>(119,358)</u>
 Total Long-Term Debt	 <u>\$ 772,228</u>	 <u>\$ 893,425</u>	 <u>\$ 1,013,719</u>

Capital Assets

The following chart summarizes capital assets and accumulated depreciation for the years ended December 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital assets	\$ 18,392,244	\$ 18,117,157	\$ 17,808,397
Less accumulated depreciation	<u>12,364,980</u>	<u>11,955,265</u>	<u>11,504,218</u>
 Total capital assets, net	 <u>\$ 6,027,264</u>	 <u>\$ 6,161,892</u>	 <u>\$ 6,304,179</u>

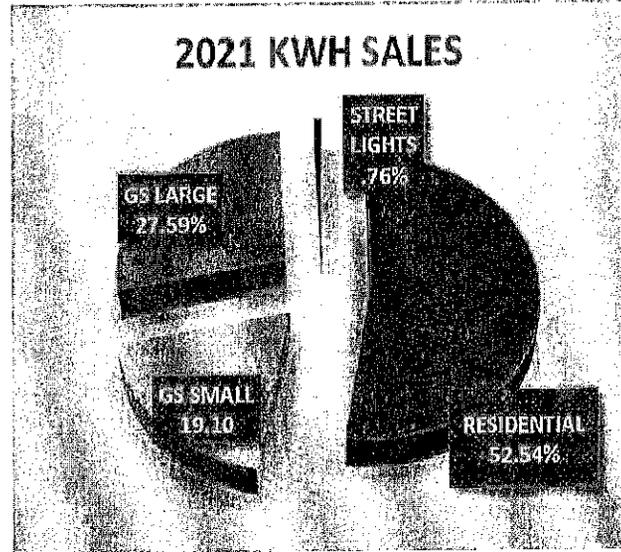
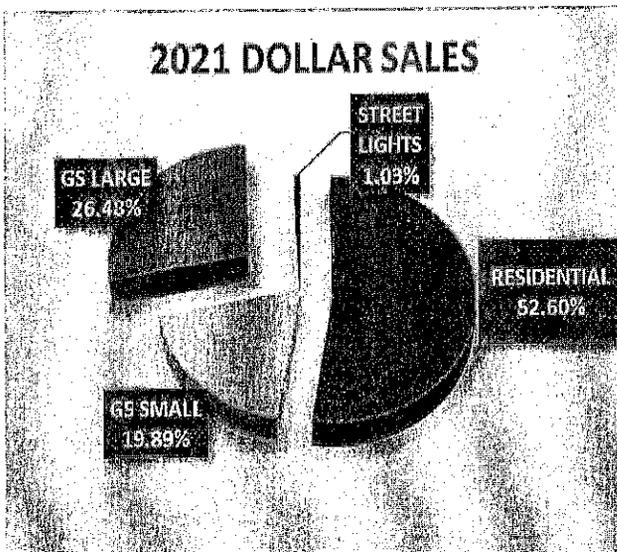
Revenue

The following charts represent a breakdown of sales by customer class for the years ended December 31, 2021, 2020, and 2019. The pie chart on the left shows dollar sales by customer class while the chart on the right side shows actual KWH's sold by customer class. Percentages on each class of service are calculated before credits.

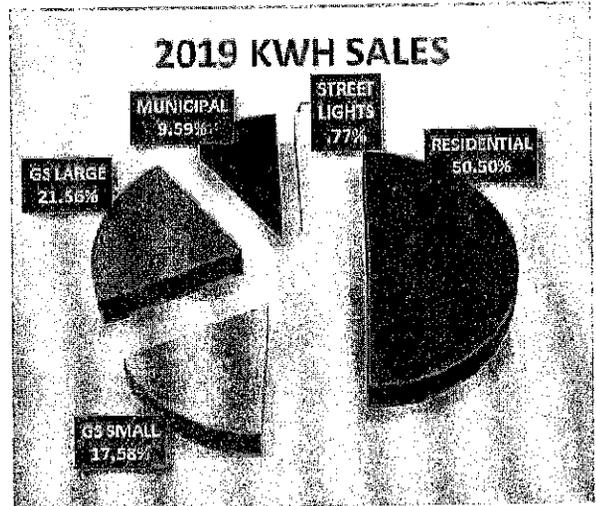
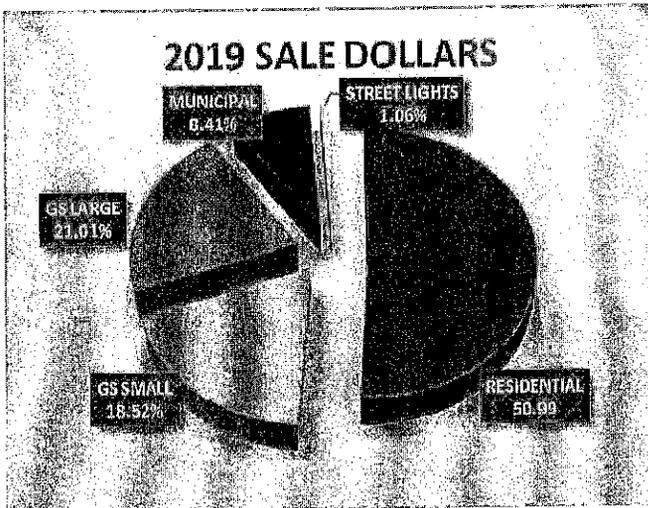
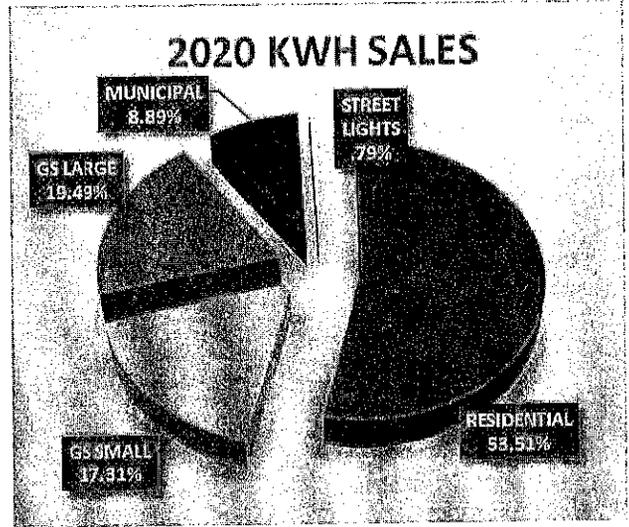
Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

DOLLARS	2021	%	2020	%	2019	%
RESIDENTIAL	\$ 5,186,787	53.00%	\$5,045,395	53.63%	\$4,837,949	50.99%
GS SMALL	1,930,565	19.73%	1,689,908	17.96%	1,757,216	18.52%
GS LARGE	2,569,691	26.26%	1,848,808	19.65%	1,993,419	21.01%
MUNICIPAL	-	0.00%	724,486	7.70%	798,242	8.41%
STREET LIGHTS	99,842	1.02%	100,004	1.06%	100,297	1.06%
EXCESS GENERATION	(341,195)	0.00%	(305,027)	0.00%	(270,298)	0.00%
SOLAR CREDIT	(100,908)	0.00%	(105,882)	0.00%	(95,170)	0.00%
WINDMILL CREDIT	(20,222)	0.00%	(7,562)	0.00%	(9,061)	0.00%
TOTAL	\$ 9,324,560	100.00%	\$8,990,130	100.00%	\$9,112,594	100.00%

KWHS	2021	%	2020	%	2019	%
RESIDENTIAL	32,753,090	52.54%	32,187,261	53.51%	31,319,238	50.50%
GS SMALL	11,903,747	19.10%	10,410,105	17.31%	10,901,331	17.58%
GS LARGE	17,200,721	27.59%	11,723,526	19.49%	13,373,049	21.56%
MUNICIPAL	-	0.00%	5,349,248	8.89%	5,948,566	9.59%
STREET LIGHTS	476,514	0.76%	476,968	0.79%	477,867	0.77%
EXCESS GENERATION	(2,614,743)	0.00%	(2,129,600)	0.00%	(1,815,734)	0.00%
SOLAR CREDIT	(2,291,743)	0.00%	(2,576,614)	0.00%	(2,315,206)	0.00%
WINDMILL CREDIT	(123,051)	0.00%	(64,796)	0.00%	(77,640)	0.00%
TOTAL	57,304,535	100.00%	55,376,098	100.00%	57,811,471	100.00%



Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

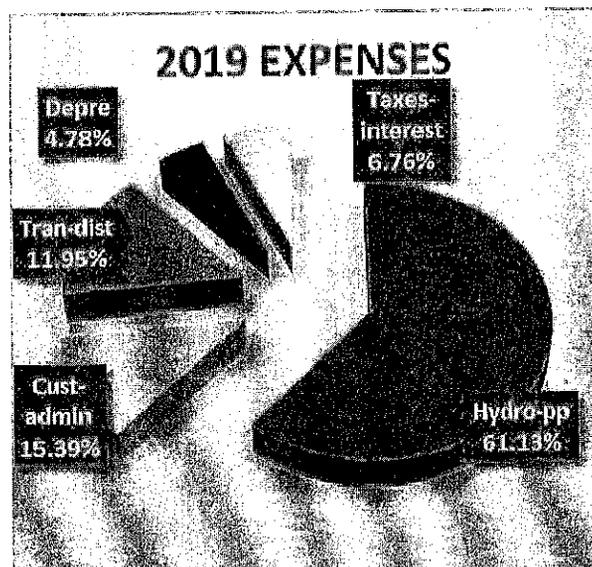
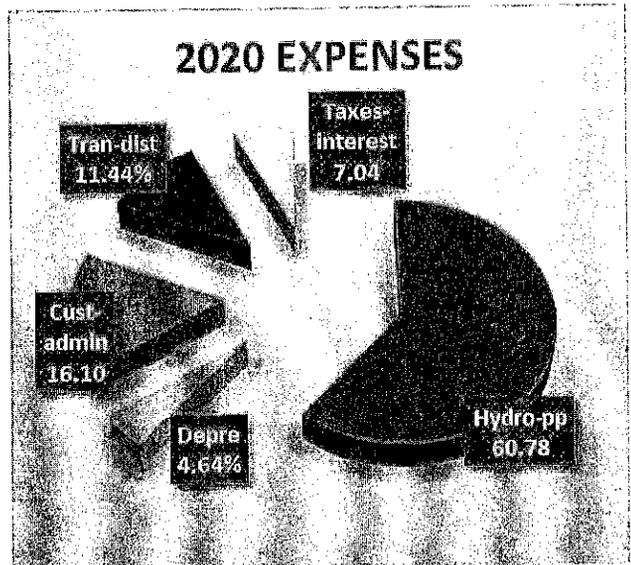
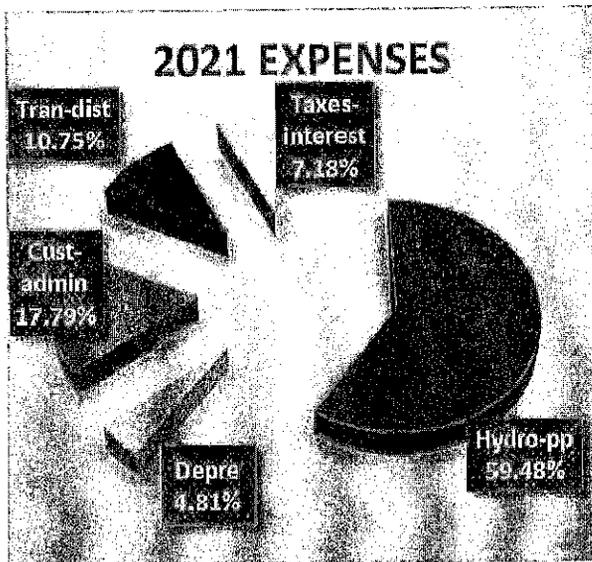


Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

Expenses

The following chart summarizes the Department's expense for the years ended December 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Hydro-purchase power	\$ 5,959,673	59.48%	\$ 6,297,669	60.78%	\$ 6,341,643	61.13%
Transmission distribution	1,076,750	10.75%	1,185,363	11.44%	1,239,344	11.95%
Customer accts-administrative	1,782,041	17.79%	1,668,469	16.10%	1,596,309	15.39%
Depreciation-administrative	482,188	4.81%	480,933	4.64%	495,826	4.78%
Taxes-interest	718,952	7.18%	729,430	7.04%	700,804	6.75%
	<u>\$ 10,019,604</u>	<u>100.00%</u>	<u>\$ 10,361,864</u>	<u>100.00%</u>	<u>\$ 10,373,926</u>	<u>100.00%</u>



Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
STATEMENTS OF NET POSITION
December 31,

ASSETS AND DEFERRED OUTFLOWS

	<u>2021</u>	<u>2020</u>
CAPITAL ASSETS		
Net utility plant in service	\$ 6,027,264	\$ 6,161,892
CURRENT ASSETS		
Cash and cash equivalents	570,816	722,284
Accounts receivable - net of allowance for doubtful accounts of \$30,000	732,889	802,109
Unbilled revenue	626,590	544,452
Materials, supplies and fuel stock	318,378	307,785
Prepaid expenses	20,517	87,092
Other current assets	10,113	19,300
TOTAL CURRENT ASSETS	<u>2,279,303</u>	<u>2,483,022</u>
NON-CURRENT ASSETS		
Investments in associated company	4,559,946	4,000,784
Restricted cash	145,687	145,558
Customer cash deposit	84,291	87,290
TOTAL NON-CURRENT ASSETS	<u>4,789,924</u>	<u>4,233,632</u>
DEFERRED OUTFLOWS	<u>290,039</u>	<u>180,356</u>
TOTAL ASSETS	<u>\$ 13,386,530</u>	<u>\$ 13,058,902</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	\$ 534,543	\$ 519,442
Current portion of long-term debt	121,118	120,228
Customer deposits	84,291	87,290
TOTAL CURRENT LIABILITIES	<u>739,952</u>	<u>726,960</u>
NON CURRENT LIABILITIES		
Long-term debt, excluding current installments	772,228	893,425
Net pension liability	702,916	499,799
TOTAL LONG-TERM LIABILITIES, net of current portion	<u>1,475,144</u>	<u>1,393,224</u>
DEFERRED INFLOWS	<u>13,115</u>	<u>4,320</u>
NET POSITION		
Net investment in capital assets	5,133,918	5,148,239
Restricted - future capital additions	145,687	145,558
Unrestricted	5,878,714	5,640,601
TOTAL NET POSITION	<u>11,158,319</u>	<u>10,934,398</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 13,386,530</u>	<u>\$ 13,058,902</u>

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the Year Ended December 31,

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Electric sales to customers	\$ 9,324,560	\$ 8,990,130
Miscellaneous income	617,399	618,065
Provision for uncollectible accounts	<u>(20,462)</u>	<u>(15,961)</u>
TOTAL OPERATING REVENUES	<u>9,921,497</u>	<u>9,592,234</u>
OPERATING EXPENSES		
Operation, maintenance, and general and administrative expenses	8,798,002	9,135,540
Depreciation	482,188	480,933
Taxes	<u>684,640</u>	<u>692,297</u>
TOTAL OPERATING EXPENSES	<u>9,964,830</u>	<u>10,308,770</u>
LOSS FROM OPERATIONS	<u>(43,333)</u>	<u>(716,536)</u>
NON-OPERATING REVENUE (EXPENSE)		
Investment income	301,566	432,917
Interest expense	<u>(34,312)</u>	<u>(37,133)</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>267,254</u>	<u>395,784</u>
CHANGE IN NET POSITION	223,921	(320,752)
NET POSITION, Beginning of Year	<u>10,934,398</u>	<u>11,255,150</u>
NET POSITION, End of Year	<u>\$ 11,158,319</u>	<u>\$ 10,934,398</u>

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
STATEMENTS OF CASH FLOWS
For the Year Ended December 31,

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts:		
Electric sales to customers	\$ 9,280,587	\$ 8,956,229
Miscellaneous	693,161	610,724
Payments made for:		
Power production, transmission, and purchase power	(6,672,164)	(7,046,148)
Outside services and other general expenses	(1,036,797)	(1,172,353)
Others and employees	<u>(1,659,350)</u>	<u>(1,543,601)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>605,437</u>	<u>(195,149)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital expenditures, net	<u>(347,560)</u>	<u>(338,646)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in investment in others	(559,162)	(408,055)
Investment income	<u>301,566</u>	<u>432,917</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(257,596)</u>	<u>24,862</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments	(120,307)	(119,424)
Interest paid	<u>(34,312)</u>	<u>(37,133)</u>
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(154,619)</u>	<u>(156,557)</u>
NET DECREASE IN CASH	(154,338)	(665,490)
CASH - Beginning of Year	<u>955,132</u>	<u>1,620,622</u>
CASH - End of Year	<u>\$ 800,794</u>	<u>\$ 955,132</u>

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
STATEMENTS OF CASH FLOWS
For the Year Ended December 31,

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating loss	\$ (43,333)	\$ (716,536)
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	482,188	480,933
(Increase) decrease in:		
Accounts receivable	69,220	33,832
Unbilled revenue	(82,138)	(23,927)
Materials, supplies, and fuel stock	(10,593)	(27,845)
Prepaid expenses	66,575	(4,919)
Other current assets	9,187	(2,422)
Deferred outflows	(109,683)	16,589
Increase (decrease) in:		
Accounts payable	15,101	(32,815)
Customer deposits liability	(2,999)	(10,357)
Net pension liability	203,117	95,106
Deferred inflows	8,795	(2,788)
Total adjustments	<u>648,770</u>	<u>521,387</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>\$ 605,437</u>	 <u>\$ (195,149)</u>

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lyndonville Electric Department (the Department) is a municipal utility providing retail electric power to Lyndonville, Vermont and surrounding towns. The Department is a component unit of the Village of Lyndonville, Vermont (the Village) whose board of trustees oversees the operations of the Department, and the Village 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 as to rates, accounting, and other matters, by the Public Service Board of Vermont (PSB). 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.

In accordance with U.S. generally accepted accounting principles, 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.

Reporting Entity

The Electric Department is a fund of the Village of Lyndonville, Vermont. It is categorized as a separate proprietary fund and these financial statements are not intended to present fairly the financial position and results of operations and the cash flows of the proprietary fund types of the Village of Lyndonville, Vermont. The primary criteria used in determining the separate nature of the Electric Department is its special accounting and report practices required by various regulatory authorities.

Basis of Presentation

The department's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Capital Assets and Depreciation

Capital assets or utility plant in service is stated at cost. Major expenditures for plant and those which substantially increase useful lives are capitalized. When assets are retired or otherwise disposed of, their costs are removed from plant, and such costs, plus removal cost, less salvage, are charged against accumulated depreciation.

The Department provides for depreciation of utility plant in service using annual rates to amortize the cost of depreciable assets over their estimated useful lives, which range from five to sixty-three years. The Department uses the straight-line method of depreciation. The depreciable lives of utility plant in service are as follows:

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	<u>Lives</u>
Production plant	33 - 63 years
Transmission plant	33 - 44 years
Distribution plant	25 - 57 years
General plant	5 - 40 years

Investments in Associated Company

The Department follows the cost method of accounting for its minority ownership interest in Vermont Electric Power Company, Inc. (VELCO). VELCO owns and operates a transmission system in the State of Vermont over which bulk power is delivered to all electric utilities in the State of Vermont. Under a Power Transmission Contract with the State of Vermont, VELCO bills all costs, including amortization of its debt and a fixed return on equity, to the State of Vermont and others using the system. In addition, the Department accounts for its share of Vt. Transco, LLC as described in Note 3.

Cash and Investments

For purposes of the statement of cash flows, the Department considers all highly liquid investments, including restricted cash assets, with a maturity of three months or less when purchased to be cash equivalents.

Additional cash and investment disclosures are presented in Note 3.

Unbilled Revenue

The Department records revenue from sales of electricity in the month service is rendered. The Department records unbilled revenue for the amount of electricity used from the last meter reading date to the end of the year.

Materials, Supplies, and Fuel Stock

Materials, supplies, and fuel stock are valued at the lower of cost or market under the average cost method of valuation.

Contributions in Aid of Construction

The Department follows FERC accounting guidelines, except as otherwise allowed or prescribed by its state regulator, the PSB. In accordance with state regulatory requirements, contributions in aid of construction consist of amounts paid by customers of the Department to construct additions to utility plant in service. These additions provide these customers with access to the Department's existing plant in service. During 2021 and 2020, the Department reported \$177,591 and \$141,458, respectively, of capital contributions as a reduction of utility plant in service.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortization

The Department follows the policy of charging to operating expenses annual amounts of amortization which allocate the cost of various deferred charges over periods established for ratemaking purposes. The Department employs the straight-line method for determining the annual charge for amortization.

Taxes

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

The Department pays both property and weatherization taxes each year. Property taxes represent amounts paid by the Department to towns based upon the assessed value of the land owned by the Department in each town the Department services. 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.

Operating and Non-Operating Revenues and Expenses

Operating revenues are defined as revenue received from the sale of electricity to retail customers. In addition, it includes fees for changing, connecting, or disconnecting service.

Operating expenses are defined as the ordinary costs and expenses of the Department for the operation, maintenance, and repair of the electric plant. Operating expenses include the cost of production by the Department's owned generating facilities, purchased power, system control and load dispatch, maintenance of transmission and distribution systems, customer accounting and service expenses, administrative and general expenses, and depreciation and amortization. All other expenses are considered non-operating.

Non-operating revenues are defined as revenue received from sources other than the sale of electricity. Non-operating revenues include investment income.

Revenues are billed monthly based on billing rates authorized by the PSB which are applied to customers' consumption of electricity.

Restricted Net Position

Net position is restricted when constraints are placed on them externally. When both restricted and non-restricted resources are available for use, it is the Department's policy to use unrestricted assets first with restricted resources utilized as needed.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant items subject to such estimates and assumptions include the valuation allowances for receivables and the valuation of unbilled revenue. Actual results could differ from those estimates.

NOTE 2 CAPITAL ASSETS – UTILITY PLANT IN SERVICE

An analysis of utility plant in service at December 31,:

	<u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>2021</u>
Utility Plant in Service:				
Land - Non-depreciable	\$ 216,875	\$ 90	\$ -	\$ 216,965
Total	<u>216,875</u>	<u>90</u>	<u>-</u>	<u>216,965</u>
Production Plant	4,308,440	154,933	-	4,463,373
Transmission Plant	3,093,655	-	-	3,093,655
Distribution Plant	8,499,603	326,958	(207,269)	8,619,292
General Plant	1,998,584	28,059	(27,684)	1,998,959
Depreciable Operating	<u>17,900,282</u>	<u>509,950</u>	<u>(234,953)</u>	<u>18,175,279</u>
Total	<u>18,117,157</u>	<u>510,040</u>	<u>(234,953)</u>	<u>18,392,244</u>
Accumulated Depreciation:				
Production Plant	1,998,155	71,254	-	2,069,409
Transmission Plant	1,528,414	90,391	-	1,618,805
Distribution Plant	6,660,518	246,404	(44,791)	6,862,131
General Plant	<u>1,768,178</u>	<u>74,139</u>	<u>(27,682)</u>	<u>1,814,635</u>
Total	<u>11,955,265</u>	<u>482,188</u>	<u>(72,473)</u>	<u>12,364,980</u>
Net Utility Plant in Service	<u>\$6,161,892</u>	<u>\$ 27,852</u>	<u>\$ (162,480)</u>	<u>\$6,027,264</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 CASH AND INVESTMENTS

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Department's deposits may not be recovered. The deposits in Community National Bank which are in excess of the insured amount are collateralized up to \$1,500,000 by FHLB Boston. The total bank deposits at December 31, 2021 were \$1,355,083, of which \$506,234 was insured by the federal deposit insurance corporation (FDIC) and \$848,849 was collateralized. The book deposits at December 31, 2021 were \$800,794 which were collateralized at December 31, 2021.

Investments represent VELCO stock and VELCO, LLC units. The investments are carried at cost which is estimated fair market value. These investments are not publicly traded on an active market. VT, Transco, LLC units are held by VPPSA on behalf of the Department.

The balance at December 31, was:

	<u>2021</u>	<u>2020</u>
Velco Class C preferred stock - Net of Return Capital	\$ 1,653	\$ 1,653
Velco Class B common stock - 2,659 shares in 2021	259,900	259,900
Velco Class C common stock - 846 shares in 2021	<u>84,600</u>	<u>84,600</u>
 Total Velco Stock	 <u>346,153</u>	 <u>346,153</u>
 Transco Class A & B Units - Assigned to VPPSA in 2021.	 <u>4,213,793</u>	 <u>3,654,631</u>
 TOTAL INVESTMENTS	 <u>\$4,559,946</u>	 <u>\$4,000,784</u>

NOTE 4 RETIREMENT - VMERS

Information Required Under GASB Statement No. 68

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide Village of Lyndonville Electric Department's proportional share of the overall amounts of the VMERS plan. Village of Lyndonville Electric Department's portion has been allocated based on Village of Lyndonville Electric Department's proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

Schedule A – Employers' Allocation as of June 30, 2019

Fiscal Year Ended June 30, 2019						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.50% Disc Rate)	Net Pension Liability 1% Decrease (8.50% Disc Rate)
\$ 55,351	0.28808%	\$ 499,799	\$ 123,439	\$ 4,320	\$ 819,594	\$ 235,067

Schedule B – Employers' Allocation as of June 30, 2020

Fiscal Year Ended June 30, 2020						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Disc Rate)	Net Pension Liability 1% Decrease (8.00% Disc Rate)
\$ 57,588	0.27786%	\$ 702,916	\$ 229,274	\$ 13,115	\$ 1,073,908	\$ 397,662

Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2020

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportional Share of Contributions and Proportionate Share of Contributions	Total Deferred Outflows
0.27786%	\$ 702,916	\$ 63,305	\$ 94,238	\$ -	\$ 67,228	\$ 4,503	\$ 229,274

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT – VMERS (continued)

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
\$ 2,083	\$ -	\$ -	\$ -	\$ 11,032	\$ 13,115

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
\$ 162,967	\$ 695	\$ 163,662

Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2020

Fiscal Year Ending June 30,					
2021	2022	2023	2024	2025	Thereafter
\$ 63,106	\$ 63,261	\$ 52,973	\$ 36,819	\$ -	\$ -

Schedule E – Contribution History for Fiscal Years 2018-2020

FY 2020	FY 2019	FY 2018
\$ 57,588	\$ 55,351	\$ 50,389

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the Vermont Municipal Employees’ Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont’s Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State’s Department of Finance & Management website at:

http://finance.vermont.gov/reports_and_publications/cafr

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2020, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives – one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Summary of System Provisions

Membership	Full time employees of participating municipalities. Municipality elects coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Group A – average annual compensation during highest 5 consecutive years. Groups B and C – average annual compensation during highest 3 consecutive years. Group D – average annual compensation during highest 2 consecutive years.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

Service Retirement Allowance

Eligibility	<p>Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service.</p> <p>Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service.</p> <p>Groups C and D – Age 55 with 5 years of service.</p>
Amount	<p>Group A – 1.4% of AFC x service</p> <p>Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC</p> <p>Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC</p> <p>Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC</p> <p>Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.</p>

Early Retirement Allowance

Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.
Amount	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Group A and B member, and payable without reduction to Group D members.

Vested Retirement Allowance

Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

Disability Retirement Allowance

Eligibility 5 years of service and disability as determined by Retirement Board.

Amount Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit

Eligibility Death after 5 years of service.

Amount For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after Retirement

For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint or survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution

Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments

Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.

Retirement Stipend

\$25 per month payable at the option of the Board of retirees.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

<u>Member Contributions</u>	<u>Group</u>	<u>Effective 7/1/20</u>	<u>For the Fiscal year ended 6/30/20</u>
	Group A	3.00%	2.75%
	Group B	5.375%	5.125%
	Group C	10.50%	10.25%
	Group D	11.85%	11.60%
<u>Employer Contributions</u>	<u>Group</u>	<u>Effective 7/1/20</u>	<u>For the Fiscal year ended 6/30/20</u>
	Group A	4.50%	4.25%
	Group B	6.00%	5.75%
	Group C	7.75%	7.50%
	Group D	10.35%	10.10%

Significant Actuarial Assumptions and Methods

Interest Rate: 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases: Varying service-based rates from 0-10 years of service then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-retirement:

Groups A, B and C – 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

Group D – PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

Healthy Post-retirement - Retirees:

Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with general projection using scale MP-2019.

Group D – PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

Healthy Post-retirement – Beneficiaries:

Groups A, B and C – 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Group D – Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Disabled Post-retirement:

All Groups – PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Group B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

Actuarial Cost Method: Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the system. The system uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Inflation: 2.30 per year%

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plans target asset allocation as of June 30, 2020 are summarized in the following table:

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 RETIREMENT - VMERS (continued)

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non- US Equity-Large Cap	5.00%	7.01%
Non- US Equity-Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bonds	20.00%	0.39%
Private & Alternate Credit	10.00%	6.03%
US Tips	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmland	2.00%	5.44%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$ 1,073,908	\$ 702,913	\$ 397,662

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 DEFINED CONTRIBUTION PLAN

All non-unionized employees are eligible to participate in a money purchase retirement plan. Participants are eligible under this plan after 1 year of service and upon attaining age 21. The contribution rate for the employer under this plan is 10%, with no required contribution rate on behalf of the employee.

Pension expense which equaled the annual required contribution for the year ended December 31, 2021 and 2020 was \$44,943 and \$44,715, respectively.

NOTE 6 NOTES AND BONDS PAYABLE

	<u>2021</u>	<u>2020</u>
2010 Vermont Municipal Bank Bond payable to US Bank, requiring annual principal repayments ranging from \$80,000 to \$85,000 plus interest rates per annum ranging from .777% to 3.546% over the 20 year life of the bond. Matures in December, 2030	\$ 720,000	\$ 800,000
Note payable to Passumpsic Bank, requiring monthly payments of \$3,715 including fixed interest at 2.19% Matures in March, 2026	<u>173,346</u>	<u>213,653</u>
	893,346	1,013,653
Less Current Portion:	<u>(121,118)</u>	<u>(120,228)</u>
	<u>\$ 772,228</u>	<u>\$ 893,425</u>

The annual debt service requirements to maturity, including principle and interest, for long-term as of December 31, 2021 are as follows:

<u>For the years then ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 121,118	\$ 27,819	\$ 148,937
2023	122,028	24,438	146,466
2024	122,957	21,038	143,995
2025	123,908	17,506	141,414
2026	83,335	14,203	97,538
2027-2031	<u>320,000</u>	<u>28,372</u>	<u>348,372</u>
	<u>\$ 893,346</u>	<u>\$ 133,376</u>	<u>\$ 1,026,722</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS

Village of Lyndonville Electric Department (the Electric Department) is a member of the Vermont Public Power Supply Authority ("VPPSA"). The Electric Department pays a proportionate share of VPPSA's operating costs and holds a seat on the VPPSA Board of Directors.

Central Dispatch Agreement

The Electric Department has entered into a Central Dispatch Agreement (CDA) with VPPSA for the economic dispatch of its generating sources. Under the CDA, the Electric Department authorizes VPPSA to act as its billing agent with regard to its generating sources and transmission providers. VPPSA continues to provide dispatch services to the Electric Department under the terms of the CDA between the Electric Department and VPPSA dated 8/9/2001.

Power Supply Resources

The energy sold through the Village Electric Department is obtained from a combination of sources. While some energy is generated by the Electric Department, most is provided by other sources through power purchase contracts. The following section summarizes all of the major power agreements as of December 31, 2021.

Chester Solar

- Size: 4.8 MW
- Fuel: Solar
- Location: Chester, MA
- Entitlement: 29.8% (1.423 MW), PPA
- Products: Energy, capacity
- End Date: 6/30/39
- Notes: The contract does not include the environmental attributes and is listed in the summary table as system mix.

Fitchburg Landfill

- Size: 4.5 MW
- Fuel: Landfill Gas
- Location: Westminster, MA
- Entitlement: 24.8%, PPA
- Products: Energy, capacity, renewable energy credits (MA I)
- End Date: 12/31/31

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

Hydro Quebec US (HQUS)

- Size: 212 MW
- Fuel: Hydro
- Location: Quebec
- Entitlement: 0.284% (0.602) MW, PPA
- Products: Energy, renewable energy credits (Quebec system mix)
- End Date: 10/31/38

Kruger Hydro

- Size: 6.7 MW
- Fuel: Hydro
- Location: Maine and Rhode Island
- Entitlement: 25.45% (1.730) MW, PPA
- Products: Energy, capacity
- End Date: 12/31/37
- Notes: The Electric Department has an agreement with VPPSA to purchase unit contingent energy and capacity from six hydroelectric generators. The contract does not include the environmental attributes and is listed as system mix in the summary table.

Market Contracts

- Size: Varies
- Fuel: England System Mix
- Location: New England
- Entitlement: Varies (PPA)
- Products: Energy, renewable energy credits
- End Date: Varies, less than 5 years.
- Notes: In addition to the above resources, the Electric Department purchases system power from various other entities under short-term (5 year or less) agreements. These contracts are described as Planned and Market Purchases in the tables below.

McNeil Station

- Size: 54 MW
- Fuel: Wood
- Location: Burlington, Vermont
- Entitlement: 3% (1.5 MW), joint-owned through VPPSA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: Life of Unit
- Notes: As the joint-owner, VPPSA has agreements with the Electric Department to pay for and purchase 3% of the unit's output.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

New York Power Authority (NYPA)

- Size: 2,675 MW (Niagara), 1,957 MW (St. Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.405 MW (Niagara PPA), 0.025 MW (St. Lawrence PPA)
- Products: Energy, capacity, renewable energy credits (New York System Mix)
- End Date: 9/1/25 (Niagara), 4/30/2032 (St. Lawrence)
- Notes: NYPA provides hydro power to the Electric Department under two contracts, which will be extended at the end of their term.

PUC Rule 4.300 (Standard Offer Program)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 1.14% (Statutory)
- Products: Energy, capacity, renewable energy credits
- End Date: Varies
- Notes: The Electric Department is required to purchase power from small power producers through the Vermont Standard Offer Program in 2021, in accordance with PUC Rule #4.300. The entitlement percentage fluctuates slightly each year with the Electric Department's pro rata share of Vermont's retail energy sales.

Project 10

- Size: 40 MW
- Fuel: Oil
- Location: Swanton, VT
- Entitlement: 19.6% (7.84 MW), joint-owned through VPPSA
- Products: Energy, capacity, reserves
- End Date: Life of unit
- Notes: As the joint-owner, VPPSA has agreements with the Electric Department pay for and purchase 19.6% of the unit's output.

Ryegate

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, VT
- Entitlement: 1.13% (0.232 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 10/31/2023

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

Seabrook 2018-22

- Size: 1,250 MW
- Fuel: Nuclear
- Location: Seabrook, NH
- Entitlement: 3.825 MW On-Peak, 2.808 MW Off-Peak (PPA)
- Products: Energy, capacity, environmental attributes (Carbon-free nuclear)
- End Date: 12/31/2022

Stonybrook

- Size: 352 MW
- Fuel: Natural Gas, Oil
- Location: Ludlow, MA
- Entitlement: 0.44%, (1.55 MW), PPA
- Products: Energy, capacity, reserves
- End Date: Life of unit

Vail & Great Falls Hydro

- Size: 2.4 MW
- Fuel: Hydro
- Location: Lyndonville, VT
- Entitlement: 100%, Owned
- Products: Energy, capacity, renewable energy credits (VT Tier I & II)
- End Date: Life of unit

Other Resource Commitments

The Electric Department has a 20-year commitment to support the Phase I Transmission Facilities from Quebec to Vermont through the Vermont Support Agreement with the Vermont Electric Power Company (VELCO). The terms of the commitment are summarized below.

Phase I Transmission Facilities

- Size: 2,000 MW
- Facilities: High Voltage Direct Current (HVDC) converter station and lines
- Location: Highgate, Vermont
- Entitlement: 1.1356%
- Products: Transmission Rights, Capacity Credits, Lease Payments

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

- End Date: 10/31/2040
- Notes: The transmission rights give capacity credits to the Electric Department, and may also be leased to third parties to generate revenue. The net-present value of the VPPSA-wide support costs have been estimated to be about \$49,000, and the capacity credits and lease payments have been estimated to be about \$152,000 and \$148,000 respectively. Default risk is expected to be very low because the parties to the support agreement are all utilities. As a result, the resource is expected to be a low-risk resources that generates a net revenue to the Electric Department.

The percentage of energy (MWH) acquired from the above sources for the year ended December 31, 2021 was as follows:

<u>Resource</u>	<u>2021 MWH</u>	<u>%</u>	<u>Fuel</u>	<u>Exp. Date</u>
Chester Solar	2,024	3.00%	System	6/30/2039
Fitchburg Landfill	9,022	13.20%	Landfill Gas	12/31/2031
HQUS Contract	3,522	5.20%	Hydro	10/31/2038
Kruger Hydro	5,411	7.90%	System	12/31/2037
Market Contracts	-1,105	-1.60%	System	< 5 Years
McNeil Facility	8,201	12.00%	Wood	Life of Unit
NYPA Niagara Contract	5,725	8.40%	Hydro	9/1/2025
NYPA St. Lawrence Contract	109	0.20%	Hydro	4/30/2032
Phase I/II Transmission Facilities	0	0.00%	N/A	Life of Unit
Project #10	77	0.10%	Oil	Life of Unit
Ryegate Facility	1,962	2.90%	Wood	10/31/2023
Seabrook 2018-22 Purchase	28,764	42.10%	Nuclear	12/31/2022
Standard Offer Program	1,356	2.00%	Solar	Varies
Stony Brook Station	233	0.30%	Oil	Life of Unit
Vail & Great Falls Hydro	<u>3,053</u>	<u>4.50%</u>	Hydro	Life of Unit
TOTAL RESOURCES	<u>68,354</u>	<u>100.00%</u>		
Total Load Including Losses	<u>64,830</u>			
ISO Exchange (+Purchase/-Sale)	-3,524	-5.20%		

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

The cost of power from all power vendor sources for the year ended December 31, 2021 was as follows:

POWER SUPPLY COSTS	
Resource	Total
Chester Solar	\$ 54,512
Fitchburg Landfill	(7,828)
HQUS Contract	23,936
Kruger Hydro	(1,775)
Market Contracts	28,201
McNeil Facility	(77,738)
NYPA Niagara Contract	(98,014)
NYPA St. Lawrence Contract	(4,319)
Phase VII Transmission Facilities	(22,654)
Project #10	(24,842)
Ryegate Facility	62,903
Seabrook 2018-22 Purchase	181,260
Standard Offer Program	243,231
Stony Brook Station	<u>(41,442)</u>
SUBTOTAL POWER SUPPLY	<u>315,431</u>

TRANSMISSION COSTS	
Resource	Total
Open Access Transmission Tariff	1,373,909
1991 VTA - Common Facilities	125,773
1991 SPA - Shared & Exclusive	40,010
VELCO & St Lawrence Transmission	<u>2,882</u>
SUBTOTAL TRANSMISSION	<u>1,542,574</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

ISO MARKETS & MISC COSTS	
<u>Resource</u>	<u>Total</u>
Energy Market	2,934,510
Capacity Market	792,093
Reserve Market	14,564
NCPC	10,786
Regulation Services	12,366
Marginal Loss Revenues	(9,277)
Auction Revenue Rights	(5,321)
Other Load Settlement	2,338
VPPSA Fees - Power Supply	66,073
ISONE Self Funding Tariff	92,830
VELCO Tariff Allocation	1,653
VELCO Market Settlement	1,692
VELCO Service Fees	1,988
GIS Costs	<u>656</u>
SUBTOTAL ISO MARKETS & MISC	<u>3,916,951</u>
GRAND TOTAL	<u>\$5,774,956</u>

Lyndonville has not participated in the purchase of energy for delivery from any counterparty whose contract has not already begun delivery as of 12/31/2021. All contracted energy purchases are specifically reflected in the 2021 Power Supply Audit Note above.

For many years, VELCO offered stock to the Vermont distribution companies when it undertook a financing. The distribution companies were encouraged to acquire VELCO stock for several reasons. First, the FERC-approved dividend rate substantially exceeds the cost of money used to purchase the stock. Second, as shareholders of VELCO, the municipalities have a voice in the operation of VELCO through the "municipal representative" director who has historically been elected to the VELCO Board. Finally, if each of VELCO's Vermont customers own its' load ratio share of stock, then VELCO and its customers can avoid disputes at FERC over the rate of return on equity of VELCO. In 2006, VELCO created Vt. Transco, a Limited Liability Company. Whereas VELCO previously offered stock, all future financings would be funded by the offer of membership units in Vt. Transco, LLC.

In 2007, Vt. Transco, LLC offered \$113.5 Million of equity in the form of membership units to the Vermont Distribution companies. At the time of the offer, each member had the opportunity to purchase Transco units. As an alternative to purchasing the equity itself, a member of the Vermont Public Power Supply Authority ("VPPSA") had the authority to elect to have VPPSA acquire the units as allowed by the Vt. Transco, LLC operating agreement and a separate TRANSCO equity agreement between the member and VPPSA.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 COMMITMENTS (continued)

The latter agreement does not eliminate the municipality's right to purchase equity in Vt. Transco; it simply provides the option to have VPPSA purchase the units for the benefit of the member and defines the terms should it be advantageous to do so. Between the years 2006 and 2021, VPPSA purchased the following units for the benefit of the Village of Lyndonville Electric Department:

	<u>A Units</u>	<u>B Units</u>	<u>Total</u>	<u>Value</u>
2006	33,017	42,022	75,039	\$ 750,390
2007	96,388	122,672	219,060	2,190,600
2008	2,056	2,617	4,673	46,730
2009	22,037	28,048	50,085	500,850
2010	28,745	36,586	65,331	653,310
2012	26,269	33,434	59,703	597,030
2014	29,620	37,700	67,320	673,200
2016	25,552	32,520	58,072	580,720
2017	12,522	15,936	28,458	284,580
2017	26,062	33,171	59,233	592,330
2018	14,371	18,291	32,662	326,620
2019	5,516	7,021	12,537	125,370
2020	118	150	268	2,680
2020	9,008	11,465	20,473	204,730
	<u>331,281</u>	<u>421,633</u>	<u>752,914</u>	<u>\$7,529,140</u>

The units are owned by VPPSA, the associated debt is an obligation of VPPSA and VPPSA will receive the distributions related to the units. However, as outlined in the Transco Equity Agreement and further recognized by the Vt. Public Service Board in Docket 7340, the Village of Lyndonville Electric Department will receive all the benefits of the units related to their load share. The distributions received by VPPSA related to these units shall be used first, to cover VPPSA's debt service costs related to those units, and second, all net earnings from the investment will be recorded as investment income in the Village of Lyndonville Electric Department's financial statements. In addition, as principle payments are made on this debt, the member will record an investment in others with an offsetting credit to miscellaneous income. At December 31, 2021 the investment in others is \$4,213,793.

NOTE 8 RISKS AND UNCERTANTIES

During the past year, a global pandemic was declared regarding COVID-19 Coronavirus. As a result of the spread of the virus, economic uncertainties have arisen which may cause a disruption to business operations. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Department has evaluated subsequent events through February 2, 2022 the date which the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2021 have been incorporated into these financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Lyndonville Electric Department
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS
 For the Year Ended December 31, 2021

	2013	2014	2015	2016	2017	2018	2019	2020
Department's proportion of the net pension liability (asset)	0.2416%	0.2321%	0.2681%	0.2624%	0.2819%	0.2877%	0.2881%	0.2779%
Department's proportionate share of the net pension liability (asset)	\$ 87,961	\$ 21,179	\$ 206,701	\$ 337,670	\$ 341,535	\$ 404,693	\$ 499,799	\$ 229,274
Department's covered-employee payroll	\$ 726,617	\$ 683,875	\$ 696,559	\$ 770,720	\$ 881,335	\$ 975,212	\$ 990,760	\$ 968,718
Department's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.11%	3.10%	29.67%	43.81%	38.75%	41.50%	50.45%	23.67%
Plan fiduciary net position as a percentage of the total pension liability	92.71%	98.32%	87.42%	80.95%	83.64%	82.60%	80.35%	74.52%

Significant Actuarial Assumptions and methods are described in Note 4 to the financial statements. The following changes in assumptions and methods were effective June 30, 2020:

1. The investment return assumption was lowered from 7.50% to 7.00%
2. The inflation assumption was lowered from 2.50% to 2.30%
3. The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
4. The mortality assumptions were updated as follows:

Pre-Retirement:
 Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using Scale MP-2019
 Group D - PubG-2010 General Employee above-median, with generational projection using scale MP-2019

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS
For the Year Ended December 31, 2021

Healthy Post-Retirement - Retirees:

Groups A/B/C - 104% of PubG-2010 General Healthy Retirees below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019
Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019

Healthy Post-Retirement - Beneficiaries

Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019
Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019

Disables Retirees:

All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019

5. The salary scale assumption was revised for varying service based rated from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%
6. The active retirement rates were updated as follows:
 - Group A: Decreased the rates throughout all ages.
 - Group B: For females, slightly decreased the rates at most ages.
 - Group C: Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
 - Group D: For members with less than 20 years of service, increased the rates for ages 55-59.
7. The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age
8. The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulation contributions. Inactive Members who are vested immediately become Deferred Members, and the liabilities for all Deferred Members are based on the accrued benefit.
9. The termination rates were as follows:
 - Simplified female rates to one set of slightly reduced rates for all females.
10. These changes increased the Total Pension Liability as of June 30, 2020 by \$22.6 million and increased the service cost as of June 30, 2020 by \$2.0 million.

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - VMERS
 For the Year Ended December 31, 2021

	2013	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contributions (Actuarially Determined)	\$ 29,933	\$ 29,001	\$ 37,478	\$ 39,878	\$ 46,036	\$ 50,389	\$ 55,351	\$ 57,588
Contributions in Relation to the Actuarially Determined Contributions	29,933	29,001	37,478	39,878	46,036	50,389	55,351	57,588
Covered Employee Payroll	\$ 737,580	\$ 667,330	\$ 696,559	\$ 770,720	\$ 881,335	\$ 975,212	\$ 990,760	\$ 968,718
Contributions as a Percentage of Covered Employee Payroll	4.06%	4.35%	5.38%	5.17%	5.22%	5.17%	5.59%	5.94%

Significant Actuarial Assumptions and methods are described in Note 4 to the financial statements. The following changes in assumptions and methods were effective June 30, 2020:

1. The investment return assumption was lowered from 7.50% to 7.00%
2. The inflation assumption was lowered from 2.50% to 2.30%
3. The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
4. The mortality assumptions were updated as follows:

Pre-Retirement:
 Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using Scale MP-2019
 Group D - PubG-2010 General Employee above-median, with generational projection using scale MP-2019

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - VMERS
For the Year Ended December 31, 2021

Healthy Post-Retirement - Retirees:

Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019
Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019

Healthy Post-Retirement - Beneficiaries

Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019
Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019

Disables Retirees:

All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019

5. The salary scale assumption was revised for varying service based rated from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%
6. The active retirement rates were updated as follows:
Group A: Decreased the rates throughout all ages.
Group B: For females, slightly decreased the rates at most ages.
Group C: Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
Group D: For members with less than 20 years of service, increased the rates for ages 55-59.
7. The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age
8. The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulation contributions. Inactive Members who are vested immediately become Deferred Members, and the liabilities for all Deferred Members are based on the accrued benefit.
9. The termination rates were as follows:
Simplified female rates to one set of slightly reduced rates for all females.
10. These changes increased the Total Pension Liability as of June 30, 2020 by \$22.6 million and increased the service cost as of June 30, 2020 by \$2.0 million.

See Accompanying Notes to Financial Statements.

SUPPLEMENTARY INFORMATION

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
SUPPLEMENTARY INFORMATION
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2021

	<u>Operation</u>	<u>Maintenance</u>	<u>Total</u>
PRODUCTION EXPENSES			
Power Generation:			
Supervision and labor	\$ 49,058	\$ 10,740	\$ 59,798
Supplies and expense	107,787	17,132	124,919
Total Power Generation Expenses	<u>\$ 156,845</u>	<u>\$ 27,872</u>	184,717
Purchased Power			5,774,956
TOTAL PRODUCTION EXPENSES			<u>5,959,673</u>
 TRANSMISSION SUPPLIES AND EXPENSE	<u>\$ 21,404</u>	<u>\$ 18,549</u>	<u>39,953</u>
 DISTRIBUTION EXPENSES			
Supervision and labor	\$ 22,745	\$ 43	22,788
Line and station expense	243,774	494,569	738,343
Street lighting and signal system	394	14,778	15,172
Meter expense	29,202	1,027	30,229
Customer installation	1,422	-	1,422
Miscellaneous distribution expenses	188,598	-	188,598
Rent	40,245	-	40,245
TOTAL DISTRIBUTION EXPENSES	<u>\$ 526,380</u>	<u>\$ 510,417</u>	<u>1,036,797</u>
 CUSTOMER ACCOUNTS EXPENSES			
Meter reading expense			97,387
Customer record and collection expense			225,267
Uncollectible accounts			23,058
Promotional expense			2,016
Miscellaneous expense			6,191
TOTAL CUSTOMER ACCOUNTS EXPENSES			<u>353,919</u>
 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries			107,322
Office supplies and expense			39,295
Outside services employed			355,822
Property insurance			61,422
Injuries and damages			37,365
Employee pension and benefits			585,284
Miscellaneous			221,150
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES			<u>1,407,660</u>
 TOTAL OPERATION, MAINTENANCE AND GENERAL AND ADMINISTRATIVE EXPENSE			<u>\$ 8,798,002</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
SUPPLEMENTARY INFORMATION
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2020

	Operation	Maintenance	Total
PRODUCTION EXPENSES			
Power Generation:			
Supervision and labor	\$ 47,740	\$ 7,382	\$ 55,122
Supplies and expense	<u>100,411</u>	<u>54,885</u>	<u>155,296</u>
Total Power Generation Expenses	<u>\$ 148,151</u>	<u>\$ 62,267</u>	210,418
Purchased power			<u>6,087,251</u>
TOTAL PRODUCTION EXPENSES			<u>6,297,669</u>
 TRANSMISSION SUPPLIES AND EXPENSE	 <u>\$ 9,316</u>	 <u>\$ 3,694</u>	 <u>13,010</u>
 DISTRIBUTION EXPENSES			
Supervision and labor	\$ 41,600	\$ -	41,600
Line and station expense	236,702	603,202	839,904
Street lighting and signal system	894	9,064	9,958
Meter expense	26,002	744	26,746
Customer installation	3,701	-	3,701
Miscellaneous distribution expenses	214,429	-	214,429
Rent	<u>36,015</u>	<u>-</u>	<u>36,015</u>
TOTAL DISTRIBUTION EXPENSES	<u>\$ 559,343</u>	<u>\$ 613,010</u>	<u>1,172,353</u>
 CUSTOMER ACCOUNTS EXPENSES			
Meter reading expense			103,404
Customer record and collection expense			216,153
Uncollectible accounts			22,203
Promotional expense			125
Miscellaneous expense			<u>10,412</u>
TOTAL CUSTOMER ACCOUNTS EXPENSES			<u>352,297</u>
 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries			157,332
Office supplies and expense			37,558
Outside services employed			374,823
Property insurance			56,634
Injuries and damages			26,031
Employee pension and benefits			556,384
Miscellaneous			<u>91,449</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES			<u>1,300,211</u>
 TOTAL OPERATION, MAINTENANCE AND GENERAL AND ADMINISTRATIVE EXPENSES			 <u>\$ 9,135,540</u>

**2021 BUDGET/2021 ACTUAL/2022 BUDGET
COST OF SERVICE SHEET**

	2021 BUDGET	2021 ACTUAL	2022 BUDGET
OPERATING REVENUE			
SALE-ENERGY KWHS	9,135,423	9,242,422	9,395,021
OTHER OPERATING REVENUE			
MERCHANDISE SALES	50,000	42,144	45,000
INTEREST & DIVIDENDS	415,025	301,566	304,752
MISCELLANEOUS	550,000	575,255	575,000
UNBILLED REVENUE	10,000	82,137	10,000
TOTAL REVENUES	10,160,448	10,243,524	10,329,773
OPERATING EXPENSES			
POWER GENERATION	199,146	184,716	185,969
PURCHASE POWER	6,005,304	5,774,956	6,062,223
TRANSMISSION	13,082	39,953	38,769
DISTRIBUTION	1,049,188	1,036,797	953,130
CUSTOMER ACCTS	356,136	374,380	375,591
ADMINISTRATIVE	1,193,480	1,407,660	1,386,967
DEPRECIATION	481,833	482,188	497,958
TAXES-PROPERTY	500,000	481,028	485,000
TAXES-S/S	200,800	203,610	209,914
INTEREST	32,828	34,312	29,404
TOTAL EXPENSES	10,031,797	10,019,600	10,224,924
INCOME OR (LOSS)	128,651	223,924	104,849