

Village of Lyndonville Annual Report



Year Ending
December 31, 2023

This will be the final Village Report since the merger of the Town of Lyndon and Village of Lyndonville became official on July 1, 2023.

The eagle has landed at the new Sanborn Bridge Riverfront Park. Artist Martin McGowan of West Burke created the nine foot-tall eagle with a twenty-five foot wingspan from recycled steel. The eagle was made possible by a Vermont Arts Council grant.

Photo Credit: Dawn Dwyer

TABLE OF CONTENTS

Village Officers	1
Statistics and Auditors' Report	2
Important Dates for 2024.....	3
Trustees' Report	4
Trash and Littering Ordinance and Winter Parking Ban Ordinance	5
Minutes of 2023 Village Meeting.....	6-9
Combined Balance Sheet – All Fund Types and Account Groups.....	10
Schedule of Changes in Fixed Assets.....	11
Debt Retirement Schedule	12
Schedule of Restricted Cash.....	13
Tax Rate Five-Year Comparisons, Water & Sewer Rates.....	14
Statement of Taxes Raised and Statement of Delinquent Property Taxes	15
Statement of Revenues and Expenditures – Actual Compared to Budget –	
General Fund – 2023	16-19
Statement of Revenues and Expenditures – Actual Compared to Budget –	
Water Fund – 2023	20-22

Lyndon Electric Department

Managers' and Auditors' Report to follow.

VILLAGE OF LYNDONVILLE

(Website: www.lyndonvt.org)

VILLAGE OFFICERS

Moderator	Sean McFeeley	6/30/2023
Clerk & Treasurer	Dawn R. Dwyer	6/30/2023
Trustees	Doug Conly - Chair	6/30/2023
	Heather McPhee	6/30/2023
	Sean Cousino	6/30/2023
	Christopher Hunter	6/30/2023
	Susan Mills	6/30/2023
Village Agent	Vacant	2023

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	Vacant (villagewater@lyndonvt.com)	(802) 626-5468
Planning Director	Nicole Gratton (planning@lyndonvt.org) Resigned 4/28/23	(802) 626-3910
Zoning Administrator	Jon Prue (zoning@lyndonvt.org)	(802) 626-1269
Electric Department Manager	Jon Elwell (jelwell@lyndonelectric.com)	(802) 626-3366
Police Advisory Committee	Amy Bean, Curtis Carpenter, Tracy Gilman, Christopher Hunter	

ZONING

Development Review Board (DRB)

Amy Rast	2024
Vacant	2024
Curtis Carpenter, Vice Chair	2025
Kevin Cole	2025
Kevin McKeon, Chair	2025
Jeremiah Aiken	2026
Travis Glodgett	2026

DRB Alternates: Brandon Carpenter
Dave Keenan, Eric Paris, Craig Weston

PLANNING

Planning Commission

Ken Mason, Chair	2025
Dan Guest	2024
Vacant	2024
John Peters	2025
Holly Taylor	2025
Curtis Carpenter	2026
Robert Little	2026

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 (cadyc13@hotmail.com)	(802) 626-7297
Health Officer	Patrick McLaughlin (patrick.mclaughlin@vermont.gov)	(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 - Merge with Town of Lyndon July 1, 2023 (142 Years, 6 Months & 7 Days)

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

2023 Grand List \$ 694,837.00

2023

	<u>Residential</u>	<u>Nonresidential</u>
Village General	\$ 0.8434	\$ 0.8434
School District	1.5126	1.6667
Local Agreement	0.0050	0.0050
Town General	0.4766	0.4766
Total Village Tax Rate	<u>\$ 2.8376</u>	<u>\$ 2.9917</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 4:30 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 2024

- February 14 Absentee and early voting ballots available for Town Meeting.
- March 4 **INFORMATIONAL MEETING** – held at the Municipal Office Building at 5:30 PM or join by Zoom (see inside front cover for meeting information)
- March 5 **TOWN MEETING** – Due to health concerns, voting will be by Australian Ballot at the Municipal Office Building gymnasium at 119 Park Avenue from 10:00 AM to 7:00 PM.
- April 1 Last day to license dogs without a late fee. Licensing can be done in person or by mail. Call the office for more information.
- June 28 Absentee and early voting ballots available for the Primary Election.
- August 13 **PRIMARY ELECTION DAY** – voting at the Municipal Office Building 8 AM – 7 PM
- September Tax bills are mailed as soon as possible after receipt of State Education Payments information from the State.
- September 23 Mailing of ballots for the General Election, by the Secretary of State’s Office, to all active voters will begin no later than this date.
- November 1 Last day to pay 2024 property taxes, by 4:30 PM, without penalty and interest.
- POSTMARKS ARE NOT ACCEPTED.**
- November 5 **GENERAL ELECTION DAY** – voting at the Municipal Office Building 8 AM -7 PM.

DATES THE TOWN CLERK’S OFFICE IS CLOSED

- | | | | |
|-------------|------------------------------|------------------|-----------------|
| January 1 | New Year’s Day | February 19 | President’s Day |
| March 5 | TOWN MEETING DAY | May 27 | Memorial Day |
| July 4 & 5 | Independence Day & Day After | September 2 | Labor Day |
| November 11 | Veteran’s Day | November 28 & 29 | Thanksgiving |
| December 25 | Christmas | | |

TIMES OF IMPORTANT MEETINGS

The Selectboard meets the first and third Monday of each month at 5:30 PM in the Conference Room of the Municipal Office Building. Agendas and minutes can be found on our website: www.lyndonvt.org.

The Development Review Board meets the first and third Thursday of the month in the Conference Room of the Municipal Office Building. 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 times.

The Planning Commission meets the second and fourth Wednesday of the month at 6:00 PM in the Conference Room of the Municipal Office Building. Agendas and minutes can be found on the website.

All meetings are hybrid and can be attended either in person or via ZOOM. The links can be found on the website in the appropriate agenda.



2023 Lyndonville Trustees Report

With a tinge of sadness but excitement for what the future will bring, we bring you the final report of the Village of Lyndonville Board of Trustees. Following years of discussion, research, and planning, on July 1, 2023, the Village of Lyndonville and the Town of Lyndon merged into one governmental entity.

As part of our final budget, several projects were completed. These included finishing the Elm Street sidewalk project, shim coating East Street and planting four trees in locations identified in our Urban Forestry Plan.

The Better Connections Report for the Downtown area was completed and presented to the Town in November. As part of that project, a "block party" was held in June, which presented some traffic calming strategies. We are looking for ways to slow the traffic and make pedestrian traffic more visible. Some of these options were successful and others will require more work before considering whether to make them permanent.

The village crew was small but mighty, completing the tasks necessary to keep the village running prior to the merger. Like many businesses, we were unable to fill vacancies and we are grateful for the efforts of the individuals who stayed with us. The merger will provide the road crew with more flexibility to accomplish all the tasks asked of them.

As part of the merger, two of the Trustees, Susan Mills and Christopher Hunter, moved to the Selectboard and the remaining three, Douglas Conly, Heather McPhee, and Sean Cousino, formed the newly established Electric Board of Commissioners, which oversees the Lyndon Electric Department. Susan and Christopher are running for three and two year terms on the Selectboard. Doug and Heather intend to retire from the Electric Board, and we thank them for their multiple terms as Trustees and for their efforts in the inaugural months of the Electric Board. This means there will be two openings for Electric Commissioners, and we urge anyone desiring to serve to contact the Municipal Administrator, Justin Smith.

We extend our thanks to everyone in the Town Clerk's office for their efforts on behalf of the village. We especially thank Justin Smith and Dawn Dwyer for their work merging the village budget into the town budget.

Lyndon will always be the Gem in the Green and we look forward to the opportunities that will be available to the newly merged municipality.

Douglas Conly, Sean Cousimo, Christopher Hunter, Heather McPhee, Susan Mills

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 current Ordinances can be found on the website (www.lyndonvt.org) or in the Town Clerk's Office. The Ordinances are currently being redrafted to reflect the merger.

**VILLAGE OF LYNDONVILLE
MINUTES OF THE
2023 ANNUAL MEETING**

The 2023 Annual Meeting of the Village of Lyndonville was held in person at the Municipal ice Building Conference Room Tuesday, March 21, 2023, after a two year pause due to COVID19. Village Trustee Chair, Doug Conly, gaveled the meeting to order at 7:00 PM, thanked the eleven (11) Village voters and eleven (11) non-Village voters for attending the Annual Village Meeting. Mr. Conly introduced himself and asked the other Trustees to introduce themselves as well. Mr. Conly introduced Justin Smith, Municipal Administrator, Dawn Dwyer, Village Clerk & Treasurer, and Jon Elwell, General Manager of Lyndonville Electric Department and granted non-village residents' permission to speak. Mr. Conly asked that when speaking to please identify themselves for the minutes. Trustee Christopher Hunter led the assembly in the Pledge of Allegiance and Mr. Conly asked for a moment of silence for those how passed in the previous year. Mr. Conly commenced with the reading of the Warning.

Article 1: To elect a Moderator and a Clerk.

Motion made by Susan Mills, seconded by Steve Gray, to nominate Sean McFeeley for the position of Moderator. There being no other nominations, Sean McFeeley was elected as Moderator by voice vote.

At this time, Moderator Sean McFeeley assumed the podium and continued with the reading of the Warning.

Motion made by Elsie Lawrence, seconded by Christopher Hunter, to nominate Dawn Dwyer for the position of Clerk. There being no other nominations, Dawn Dwyer was elected as Village Clerk by voice vote.

Article 2: Shall the voters of the Village of Lyndonville vote to adopt the proposed General Fund budget for the ensuing year?

Motion made by Susan Mills, seconded by Steve Gray, to adopt the proposed General Fund budget in the amount of \$962,005 for the ensuing year.

Mr. Conly pointed out a few of the highlights of the 2023 budget as follows:

\$60,000 as the Village's share of a new sidewalk/sanding machine. The current sidewalk machine clears a 48" path. The American Disability Act (ADA) sidewalk requirements are now 60". In addition, with the proposed Broad Street Project, there will be sidewalks on both sides of Broad Street which the Town will be responsible for maintaining.

\$30,000 for a skim-coat of pavement on East Street. This will prolong the need for a complete rebuild of the road.

\$11,000 to complete the remaining Elm Street sidewalk. The first part was done in 2022. The project is expected to cost \$22,000 and the Village has been awarded a \$11,000 grant.

\$22,000 to paving savings to help offset future paving projects.

\$20,102 to engineering savings (water) to be used for the Broad Street Project.

Mr. Conly thanked Mr. Smith and Ms. Dwyer for the hard work done to propose a level funded budget. The effect on the tax rate will not be known until the Village Grand List is set in August.

With no further discussion, Article 2 was adopted in the amount of \$962,005 by voice vote.

Article 3: 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 3, 2023 with delinquent taxes having an eight percent late penalty charged against them from the due date of November 3, 2023 at 4:30 PM, and interest charges of one percent per month will be charged for the first three months, whereafter interest rates will be one and one-half percent per month?

Motion made by Elsie Lawrence, seconded by Christopher Hunter, to adopt Article 3. There being no discussion, Article 3 was adopted by voice vote.

Article 4: 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?

Motion made by Christopher Hunter, seconded by Elsie Lawrence, to adopt Article 4. There being no discussion, Article 4 was adopted by voice vote.

Article 5: To elect the following officers as required: Delinquent Tax Collector; Treasurer, and Trustee for five (5) years.

Motion made by Christopher Hunter, seconded by Elsie Lawrence, to elect the following officers as required: Delinquent Tax Collector; Treasurer, and Trustee for five (5) years. There being no discussion, the motion passed by voice vote.

Delinquent Tax Collector: Motion made by Elsie Lawrence, seconded by Christopher Hunter, to nominate Dawn Dwyer as Delinquent Tax Collector. There being no other nominations, Dawn Dwyer was elected as Delinquent Tax Collector by voice vote.

Treasurer: Motion made by Susan Mills, seconded by Elsie Lawrence, to nominate Dawn Dwyer for the position of Treasurer. There being no other nominations, Dawn Dwyer was elected as Treasurer by voice vote.

Trustee (5 Year term): Steve Gray nominated Jeremiah Aiken for the Five-year Trustee position. Mr. Aiken thanked Mr. Gray but declined the nomination stating that he had to devote more of his time to the Development Review Board (DRB).

Motion made by Gayle Galvin, seconded by Jeremiah Aiken, to nominate Steve Gray for the position of Trustee to a Five (5) year term. Mr. Gray stated that due to his eyesight, he would decline the nomination. Mr. Smith explained that should no one accept a nomination tonight, a notice of vacancy would be posted according to state statutes. Interested parties would submit a letter of interest and the Trustees would hold interviews and appoint a Trustee from those interested.

Sarah Cousino asked if the Board could talk about the time commitment required to be a Trustee. Mr. Smith explained that Trustees meet every other week on Mondays at 5:30 PM. He explained that there could be some weeks when there was nothing on the agenda, therefore, the Trustees would not meet. Mr. Smith discussed that should the pending merger be approved in Legislature, the Trustee position would be until July 1, 2023. At that time, two of the five trustees would become Selectboard members and the remaining three would become the Electric Commission, overseeing the Lyndonville Electric Department. All the Selectboard and Commission positions would then be filled by election during the Annual Town Meeting in March 2024.

Motion made by Sarah Cousino, seconded by Steve Gray, to nominate Sean Cousino for the position of Trustee to a Five (5) year term. There being no further nominations, Sean Cousino was elected as Trustee to a Five (5) year term by voice vote.

Article 6: Do the voters of the Village of Lyndonville desire to transact any other proper business?

Steve Gray asked to hear from representatives of organizations requesting a coin drop. Mr. Gray would also like to hear how their organization would spend the money. Finally, Mr. Gray asked the Trustees if they would explain the rules of the coin drop.

Mr. Smith explained that coin drops could only be held from May through October, during daylight hours. Participants must be 16 years of age or older, wear high visibility vests and stand in one location on Depot

Street. There are three dates during the allotted time that coin drops cannot be held: Stars in Strips, the Fair, and Labor Day.

The following representatives spoke on behalf of their organization:

Caledonia Special Olympics – Ellen Hinman, Coordinator. Currently 30 athletes are participating in sports opportunities such as snowshoeing, basketball, and others. The money would be spent on equipment and more uniforms. They blew out snowshoes during the last session.

CPL – Bryn Hoffman – Director. Money goes toward the operation of Bookmobile which is grant and donation funded. There are no tax dollars used to operate the Bookmobile.

Darling Inn Sr. Meal Site – Martha Reed- Home delivered meals. 33,000 meals including those served in the dining room. The price to provide the meal is \$6.75 and the contribution asked is \$4. The freezer just quit so money may go towards a replacement.

Lyndon Area Emergency Food Shelf– Lawrie Easterbrooks. Those with food insecurities are rising weekly. Used for insurance, rent, etc. to run the business.

LYBS – Gary Royer. Mr. Royer likes holding the coin drop at one location, less volunteers needed. The money collected would go into their general fund to purchase equipment, softballs, baseballs, uniforms and pay for insurance.

Lyndonville Fire Dept Tiger Co. – Dave Keenan – replace equipment. Last year a gear rack was built to dry turnout gear after fires. For 2023: purchase a “Rescue Randy” (dummy) to be used for search and rescue at a cost of \$2500 - \$3000.

Neighbors In Action – Elizabeth Vitale. Previously known as Faith in Action. Offer food daily. Food pantry, cooking classes, food preservation, knitting night.

Support Healing Advocate Resources Everyday Shelter (SHARES) – Darlene Theriault. Outreach for the homeless, NEK and beyond. Cost of food raising. Serving food insecurities. Available 7 days a week.

Mr. Royer withdrew LYBS’s name from the list. Other organizations present need the coin drop more than LYBS.

The assembly was reminded to vote for six (6) of the seven (7) organizations listed on the ballot and leave it with Denise Montgomery on their way out.

Elsie Lawrence asked if Jon Elwell wanted to address the assembly. Mr. Elwell introduced himself. He has had a good first year as the General Manager. It is an exciting time with lots of challenges. He looks forward to working through the issues. Mr. Elwell spoke of the Christmas weekend storm. Mr. Elwell is impressed with the crew both in the office and in the garage. Mr. Elwell has an open-door policy. Please stop in the office should you have any questions or concerns you wish to discuss.

There being no further business, motion made by Elsie Lawrence, seconded by Christopher Hunter, to adjourn the meeting at 7:35 PM. The motion passed by unanimous voice approval.

RESULTS OF THE COIN DROP BALLOT


Organizations granted a coin drop:

Lyndon Area Emergency Food Shelf	14
Caledonia Special Olympics	13
Cobleigh Public Library	13
Darling Inn Senior Meal Site	13
Lyndonville Fire Department Tiger Co.	12
Neighbors In Action	12

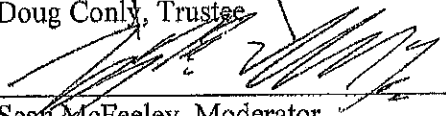
Organizations did not grant a coin drop:

Support-Healing-Advocate-Resources-Everyday-Shelter (SHARES)	9
--	---

ATTEST: A True Copy:



Doug Conly, Trustee



Sean McFeeley, Moderator



Dawn R. Dwyer, Village Clerk

VILLAGE OF LYNDONVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Unaudited)
December 31, 2023

	Governmental Fund		Proprietary		Fiduciary		Account Groups	
	Types		Fund Types		Fund Types		Account Groups	
	General	Special	ARPA	Enterprise	Trust	General	Fixed Assets	Total
	Funds	Revenue	Funds	Funds	Funds	Funds		
ASSETS AND OTHER DEBITS								
Cash	\$ 1,239,048.23	\$ -	\$ 186,256.83	\$ 777,157.78	\$ -	\$ -	\$ -	\$ 2,202,462.84
Restricted Cash	-	441,974.02	-	-	545.92	-	-	442,519.94
Receivables								
Delinquent Taxes	21,047.91	-	-	-	-	-	-	21,047.91
Accounts Receivable	-	-	-	17,469.25	-	-	-	17,469.25
Other Receivables	-	-	-	-	-	-	121,290.26	121,290.26
Due From Other Funds	(982,559.92)	2,736.22	-	690,251.71	-	-	-	(289,571.99)
Fixed Assets	-	-	-	7,169,940.27	-	-	884,872.58	8,054,812.85
Pension Deferred Outflows	-	-	-	-	-	-	59,913.00	59,913.00
Total Assets and Other Debits	<u>\$ 277,536.22</u>	<u>\$ 444,710.24</u>	<u>\$ 186,256.83</u>	<u>\$ 8,654,819.01</u>	<u>\$ 545.92</u>	<u>\$ 1,066,075.84</u>	<u>\$ 10,629,944.06</u>	
LIABILITIES, EQUITY AND OTHER CREDITS								
Liabilities:								
Accrued Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Grant Revenue	-	-	341,742.80	-	-	-	-	341,742.80
Bond/Note Payable	-	-	-	2,831,239.50	-	-	121,290.26	2,952,529.76
Tax Credits	(550.00)	-	-	-	-	-	-	(550.00)
Total Liabilities	<u>(550.00)</u>	<u>-</u>	<u>341,742.80</u>	<u>2,831,239.50</u>	<u>-</u>	<u>121,290.26</u>	<u>3,293,722.56</u>	
Equity and Other Credits:								
Investment in								
General Fixed Assets	-	-	-	-	-	-	963,241.81	963,241.81
Net Pension Liability	-	-	-	-	-	-	158,127.00	158,127.00
Pension Deferred Inflows	-	-	-	-	-	-	7,155.00	7,155.00
Retained Earnings:								
Unreserved	-	-	-	99,909.87	-	-	-	99,909.87
Fund Balances:								
Reserved	(87,581.26)	416,993.31	718.81	5,862,969.24	545.92	(57,027.73)	6,136,618.29	6,136,618.29
Unreserved:	(189,404.96)	27,716.93	(156,204.78)	(139,299.60)	-	(37,923.50)	(495,115.91)	(495,115.91)
VMERS Fund Balance	-	-	-	-	-	(88,787.00)	(88,787.00)	(88,787.00)
Total Equity and Other Credits	<u>(276,986.22)</u>	<u>444,710.24</u>	<u>(155,485.97)</u>	<u>5,823,579.51</u>	<u>545.92</u>	<u>944,785.58</u>	<u>6,781,149.06</u>	
Total Liabilities, Equity and Other Credits	<u>\$ 277,536.22</u>	<u>\$ 444,710.24</u>	<u>\$ 186,256.83</u>	<u>\$ 8,654,819.01</u>	<u>\$ 545.92</u>	<u>\$ 1,066,075.84</u>	<u>\$ 10,629,944.06</u>	

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2023

<u>Description</u>	<u>Balance</u> <u>January 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2023</u>
Highway Equipment	\$ 583,373.78	\$ -	\$ -	\$ 583,373.78
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	498,466.41	60,123.07	-	558,589.48
Swimming Pool at Powers Park	308,024.76	-	-	308,024.76
	<u>1,554,185.71</u>	<u>60,123.07</u>	<u>-</u>	<u>1,614,308.78</u>
Less: Accumulated Depreciation				<u>(729,436.20)</u>
Total General Fixed Assets Account Group				<u>\$ 884,872.58</u>

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN CAPITAL ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2023

<u>Description</u>	<u>Balance</u> <u>January 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2023</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.	1,954,805.41	-	-	1,954,805.41
Other Equipment	249,446.67	3,278.58	-	252,725.25
Dry hydrants	2,691.48	-	-	2,691.48
	<u>11,524,826.22</u>	<u>3,278.58</u>	<u>-</u>	<u>11,528,104.80</u>
Total Capital Assets	12,098,607.31	3,278.58	-	12,101,885.89
Less: Accumulated Depreciation				<u>(4,931,945.62)</u>
Total Capital Assets Account Group				<u>\$ 7,169,940.27</u>

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

As of December 31, 2023

<u>Payment due</u>	<u>19 Int'l Trk</u>	<u>20 Cat Backhoe</u>	<u>Ventrac</u>	<u>Totals</u>
2024	14,679.91	10,144.49	11,007.74	35,832.14
2025	15,806.39	10,343.85	11,372.32	37,522.56
2026	14,644.13	10,546.36	11,746.65	36,937.14
2027	-	4,938.02	6,060.40	10,998.42
	\$ 45,130.43	\$ 35,972.72	\$ 40,187.11	\$ 121,290.26

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
 Union Bank - Six (6) year loan @ 3.27% with semi-annual payments due 4/11 & 10/11

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

As of December 31, 2023

<u>Payment Due</u>	<u>Vermont Bond Bank</u>		<u>USDA</u>		<u>Totals</u>
	<u>(Expansion Project)</u>	<u>(Well Project)</u>	<u>(Refinanced Loan)</u>	<u>(Phase 6 Contract 1)</u>	<u>(Phase 6 Contract 2)</u>
2024	31,359.41	3,866.82	18,115.16	15,891.24	13,332.67
2025	31,359.41	3,866.82	18,115.16	16,331.25	13,668.07
2026	31,359.41	3,866.82	18,115.16	20,150.17	16,783.45
2027	31,359.41	3,866.82	18,115.16	20,885.65	17,248.16
2028	31,359.41	3,866.82	18,115.16	21,647.98	17,725.75
2029	31,359.41	3,866.82	18,115.16	22,438.14	18,216.56
2030	31,359.41	3,866.82	18,115.16	23,257.13	18,720.96
2031	31,359.41	3,866.82	18,115.16	24,106.01	19,239.32
2032 - 2053	31,359.46	11,600.51	543,454.85	367,982.89	552,882.64
Totals	\$ 282,234.74	\$ 42,535.07	\$ 688,376.13	\$ 538,664.57	\$ 586,389.66
				\$ 693,039.33	\$ 2,831,239.50

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.
 VT Bond Bank: Vail Transmission Project. Annual payment of \$18,115.16 due November 1st and matures in 2061.
 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, 2023

<u>Restricted Purpose</u>	<u>Balance</u> <u>Jan. 1, 2023</u>	<u>Interest</u> <u>Income</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
New Equipment	\$ 88,345.64	\$ 2,496.35			\$ 90,841.99
Sidewalks	42,210.35	1,190.55			43,400.90
Garage	16,362.88	461.95		(5,000.00)	11,824.83
Tax Stabilization Account	42,942.07	1,217.20			44,159.27
Health Insurance Pool	1,898.87	0.46			1,899.33
Sale of Morrill Lot (1984)	43,394.40	169.69			43,564.09
Paving	164,002.48	4,630.96	22,112.00		190,745.44
Curbing	3,657.69	103.67			3,761.36
Fountain	2,726.74	9.48		(2,736.22)	-
Rte. 5 Project	11,452.19	324.62	-	-	11,776.81
Totals	<u>\$ 416,993.31</u>	<u>\$ 10,604.93</u>	<u>\$ 22,112.00</u>	<u>\$ (7,736.22)</u>	<u>\$ 441,974.02</u>

VILLAGE OF LYNDONVILLE
WATER SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2023

<u>Restricted Purpose</u>	<u>Balance</u> <u>Jan. 1, 2023</u>	<u>Interest</u> <u>Income</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Debt Reduction	\$ 292,337.34	\$ 3,532.13	\$ -	\$ (43,500.00)	\$ 252,369.47
Water Main Savings	421,403.86	5,091.55	-	-	426,495.41
Carbon Savings	36,813.80	444.79	-	-	37,258.59
Broad Street Engineering	40,382.87	549.43	20,102.00	-	61,034.30
Totals	<u>\$ 790,937.87</u>	<u>\$ 9,617.90</u>	<u>\$ 20,102.00</u>	<u>\$ (43,500.00)</u>	<u>\$ 777,157.77</u>

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

<u>YEAR</u>	<u>GRAND LIST</u>	<u>TAX RATE</u>
2019	\$ 690,494.00	\$ 0.8398
2020	\$ 696,217.00	\$ 0.8324
2021	\$ 698,583.00	\$ 0.8847
2022	\$ 697,028.00	\$ 0.8391
2023	\$ 694,837.00	\$ 0.8434

**VILLAGE OF LYNDONVILLE WATER DEPARTMENT
QUARTERLY WATER RATES**

(Rates effective 4/1/23)

(2024 Rates have not been approved at the time of this report)

*ERU- \$90/quarter for the 1st one and \$39.63 for each one thereafter
1 ERU billed for every 38,000 gallons used annually
Plus \$1.79 per 1,000 gallons used.

**TOWN OF LYNDON SEWER DEPARTMENT
QUARTERLY SEWER RATES**

(Rates effective 4/1/23)

(2024 Rates have not been approved at the time of this report)

*ERU - \$189/quarter for the 1st ERU and \$67.50 for each one thereafter
1 ERU billed for every 38,000 gallons used annually
Plus \$3.56 per 1,000 gallons billed.

*Equivalent Residential Unit (ERU) rate 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.

VILLAGE OF LYNDONVILLE
STATEMENT OF TAXES RAISED
For the Year Ended December 31, 2023

Grand List:

Village General Fund \$ 694,837.00

Taxes Assessed and Billed

General Fund (\$694,837.00 x .8434) \$ 586,025.49
Taxes to Account For \$ 586,025.49

Taxes Collected and Uncollected

General Fund Taxes Collected \$ 547,010.97
Delinquent to Tax Collector \$39,014.52
Taxes Accounted For \$ 586,025.49

2023 Equalization Study Results
Education Grand List (from 411) \$378,592,333
Equalized Education Grand List (EEGL) \$498,733,506
Common Level of Appraisal (CLA) 75.91%
Coefficient of Dispersion (COD) 26.52%

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, 2023

		Assessment Years		
	Total	2023	2022	2021
Balance January 1, 2023	\$ 11,815.11	\$ -	10,590.69	1,224.42
Additions:				
Delinquent Taxes to Collect	<u>\$39,014.52</u>	<u>\$39,014.52</u>	<u>\$0.00</u>	<u>-</u>
	50,829.63	39,014.52	10,590.69	1,224.42
Deductions:				
Abatements	-	-	-	-
Collections	<u>32,055.04</u>	<u>22,625.66</u>	<u>9,429.38</u>	<u>-</u>
Total Deductions	<u>32,055.04</u>	<u>22,625.66</u>	<u>9,429.38</u>	<u>-</u>
Balance December 31, 2023	<u>\$ 18,774.59</u>	<u>\$ 16,388.86</u>	<u>\$1,161.31</u>	<u>\$ 1,224.42</u>

VILLAGE OF LYNDONVILLE
STATEMENT OF REVENUES AND EXPENDITURES
ACTUAL COMPARED TO BUDGET
GENERAL FUND
For the Year Ended December 31, 2023

	PROPOSED 2023 BUDGET	2023 ACTUAL
REVENUES		
Sewers & CSO:		
Reimbursement from Town of Lyndon	\$ 30,000	\$ 13,067.52
Sidewalks:		
Reimbursements (Town & Grants)	14,500	11,936.54
Parks:		
Park Rent	-	638.00
Police:		
State Of Vermont - Fines	1,000	306.01
Fringe Benefits:		
Water Dept. Reimbursement	39,325	26,258.26
Delinquent Taxes:		
Delinquent Tax Interest	1,000	920.16
Delinquent 8% Penalty	1,500	3,121.16
Total Delinquent Taxes	2,500	4,041.32
Administration:		
Permits & Licenses	100	59.00
L.E.D. Office Rent	10,756	10,756.00
Water Dept. Reimbursement	36,752	36,752.00
Bank Interest	2,250	6,107.39
Total Administration	49,858	53,674.39
Garage:		
Water Department Rent	20,804	20,804.00
From Savings - New Facility	5,000	5,000.00
Total Garage	25,804	25,804.00
Equipment Operations & Maintenance:		
Water Equip. Reimbursement	12,700	13,874.00
Vacon P/R Reimbursement - T/L	1,000	841.34
Total Equipment Operations & Maint:	13,700	14,715.34
Miscellaneous: Morrill Lot Interest	500	-
Highways:		
State Aid - Class 1	15,765	24,420.88
State Aid - Class 3	8,383	12,993.92
Outside Work	11,000	40,541.64
Parking Violations	500	157.50
Total Highways	35,648	78,113.94
Taxes:		
State of Vermont - PILOT	-	10,277.00
L.E.D. (In Lieu of Taxes)	36,000	42,377.43

	PROPOSED	
	2023	2023
	BUDGET	ACTUAL
Property Tax Revenue	-	586,025.49
Total Taxes	\$ 36,000	638,679.92
TOTAL REVENUES	\$ 248,835	\$ 867,235.24

EXPENDITURES

Sewer:

Payroll & Fixed Costs	\$ 25,500	\$ 11,383.52
Equipment Use	4,500	2,684.00
Total Sewer	30,000	14,067.52

Sidewalks:

Payroll & Fixed Costs	21,530	18,941.31
Hired Labor & Equipment	1,000	979.50
Materials & Supplies	17,000	4,102.89
Total Sidewalks	39,530	24,023.70

Parks:

Payroll	6,988	4,733.13
Hired Labor & Equipment	5,500	360.00
Materials & Supplies	6,000	5,206.76
Mowing	7,031	10,781.10
Downtown Beautification	3,000	2,937.50
Electricity	1,500	1,147.65
Landscaping & Shrubs	500	-
Total Parks	30,519	25,166.14

Village Improvement Society-Parks:

VIS Insurance Reimbursement	-	215.00
-----------------------------	---	--------

Police Department:

Contract with Town of Lyndon	69,434	65,430.91
------------------------------	--------	-----------

Public Utilities:

Street Lights	23,000	22,201.84
Village Clock - Electric	588	489.18
Village Clock - Maintenance	1,000	325.00
Total Public Utilities	24,588	23,016.02

Fringe Benefits:

Pension	17,972	8,815.35
Workers' Compensation	14,964	14,156.00
Health Insurance & Buyout	104,944	51,250.32
Unemployment Insurance	1,091	1,091.00
Uniforms	3,000	2,589.16
Safety Footwear Allowance	600	300.00
Paid Leave and Fixed Costs	21,285	11,925.64
Total Fringe Benefits	163,856	90,127.47

Administrative and Office Expense:

Reimbursement for Office Overhead	55,540	55,540.00
Postage	3,150	2,574.75
Notices	1,000	480.00
Dues	17 1,750	1,456.30

	PROPOSED	
	2023	2023
	BUDGET	ACTUAL
Annual Report	500	255.84
Machine Maintenance	250	235.07
Rent	4,636	4,636.00
Legal Fees	2,500	-
Trustees' Payroll & Fixed Costs	4,441	1,110.13
Stormwater Fees	650	640.00
Supplies	750	33.36
Total Administrative and Office Expense	75,167	66,961.45
Insurance:		
Property and Casualty	6,734	14,126.68
Garage:		
Payroll & Fixed Costs	7,536	4,125.63
MOB Pellet Boiler Payroll & Fixed Costs	538	-
Materials & Supplies	5,000	5,061.69
Maintenance	500	8.53
Telephone	1,500	2,200.20
Water	400	193.05
New Facility	21,520	17,587.00
New Facility Lease Payment	70,281	-
Apparel	500	400.00
Miscellaneous	1,000	-
Total Garage	108,775	29,576.10
Equipment Operations & Maintenance:		
Payroll & Fixed Costs	25,836	14,187.90
Personal Protection Equipment	500	30.59
Contracted Repairs	8,000	2,445.77
Parts and Supplies	20,000	7,106.00
Fuel	20,000	13,222.82
Tires	2,500	1,185.08
Tire Chains	2,000	-
Painting & Sandblasting	4,000	1,087.50
Loan Payment - '19 International Dump Trk	15,799	15,798.60
Loan Payment - '20 Backhoe	10,804	10,803.68
Loan Payment - '22 Tractor	12,222	12,232.02
Total Equip Operations & Maintenance	121,661	78,099.96
New Equipment:		
Hand Tools	1,000	89.77
Radios	500	-
Sidewalk Machine	60,000	60,000.00
Miscellaneous	500	-
Total New Equipment	62,000	60,089.77
Materials:		
Salt	45,000	39,579.84
Sand	1,000	-
Hot Mix	2,500	1,721.18

	PROPOSED	
	2023	2023
	BUDGET	ACTUAL
Cold Patch	3,000	1,118.18
Sign Management Program	2,000	2,222.59
Calcium Chloride	1,500	-
Hay	250	-
Grass Seed	500	475.00
Gravel	500	-
Top Soil	300	275.00
Culverts and Catch Basins	4,000	365.00
Total Materials	60,550	45,756.79
Miscellaneous:		
Trustee Expense	200	-
Miscellaneous	125	75.00
Total Miscellaneous	325	75.00
Highways-Summer Class 1:		
Payroll & Fixed Costs	5,383	2,925.90
Street Sweeping	1,500	1,436.40
Crack Sealing	1,000	-
Drainage Basin Cleaning	3,000	-
Line Striping	4,000	3,000.00
Total Summer Class 1	14,883	7,362.30
Highways-Winter Class 1:		
Payroll & Fixed Costs	9,689	5,299.51
Hired Equipment	3,000	-
Total Winter Class 1	12,689	5,299.51
Highways-Summer Class 3:		
Payroll & Fixed Costs	23,683	28,818.76
Hired Equipment	-	354.45
Street Sweeping	4,000	3,883.60
Crack Sealing	3,500	4,800.00
Drainage Basin Cleaning	15,000	4,725.00
Line Striping	5,000	5,576.48
Savings - Paving	22,112	22,112.00
Total Summer Class 3	73,295	70,270.29
Highways-Winter Class 3:		
Payroll & Fixed Costs	35,999	25,237.69
Hired Equipment	2,000	91.00
Total Winter Class 3	37,999	25,328.69
Project - Skim Coat	30,000	32,836.98
TOTAL EXPENDITURES	962,005	677,830.28
Total Revenues Over (Under) Expenditures	(713,170)	189,404.96
Cash on Hand at Beginning of Year	118,063	118,063.00
Total Revenues and Cash on Hand		
Over (Under) Expenditures		\$ 307,467.96
Required from Property Taxes	\$ (595,107)	

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

For the Year Ended December 31, 2023

	2023 BUDGET	2023 ACTUAL
REVENUES		
User Fees	\$ 679,320	\$ 659,503.71
Interest and Penalty	1,500	2,359.86
Interest Income - Banks	4,000	9,617.90
Permits	900	300.00
Meter Reading	4,832	4,832.00
Labor & Materials	3,000	1,510.10
From Savings-Water Debt Reduction	43,500	43,500.00
TOTAL REVENUES	\$ 737,052	\$ 721,623.57

	2023 BUDGET	2023 ACTUAL
EXPENDITURES		
Water Mains:		
Payroll & Fixed Costs	\$ 32,295	\$ 17,333.20
Equipment Use	4,000	5,196.50
Hired Equipment	15,000	14,860.00
Materials & Supplies	12,000	11,711.04
Electricity	65,000	58,364.36
Engineering	10,000	324.75
Heat - Propane	2,500	3,169.61
Curb Stop Locator	1,000	65.43
Security System	1,500	1,114.42
Water Main Savings	-	-
Water - Savings	-	-
Pump Station Maintenance	3,000	1,978.58
Well Maintenance	22,500	28,500.60
Customer Replacement Well	75,000	130.00
Total Water Mains	243,795	142,748.49
On Call:	13,360	12,304.53
Treatment Plant:		
Payroll & Fixed Costs	1,077	397.77
Operating Contract	68,639	68,834.43
Equipment Use	200	42.00
Hired Equipment	2,000	525.00
Materials & Supplies	6,500	7,623.98
Computer Maintenance	3,600	1,182.61
Computer Equipment	500	-
Pagers	750	198.17
Propane - Heat	8,500	6,189.61

	2023 BUDGET	2023 ACTUAL
Building Maintenance	5,000	1,572.32
Generator Upkeep	3,000	484.68
Training	3,000	862.00
Telemetry Maintenance	2,500	-
Chlorine System	2,000	1,762.45
Heaters	2,000	-
Mowing	4,219	4,218.75
Total Treatment Plant	113,485	93,893.77
Hydrants:		
Payroll & Fixed Costs	8,612	9,935.06
Equipment Use	1,500	3,226.50
Hired Equipment	1,500	4,725.00
Materials & Supplies	8,000	10,380.86
Total Hydrants	19,612	28,267.42
Water Meters:		
Payroll & Fixed Costs	10,765	7,351.25
Equipment Use	2,500	2,725.00
Materials & Supplies	20,000	11,539.04
Total Water Meters	33,265	21,615.29
Fringe Benefits: Water Dept. Share	39,325	26,258.26
Administration:		
Rail Crossing Fee	3,750	-
State Assessment	7,000	9,884.02
Administrative Costs	36,752	36,752.00
Insurance-Property and Casualty	7,510	7,510.32
Taxes	2,700	2,738.78
Bond Payment-Expansion Project	31,359	31,359.41
Bond Payment-Well Project	3,867	3,866.82
Bond Payment - Refinance	38,417	18,095.51
Bond Payment - Phase 6 Contract 1	34,842	15,465.67
Bond Payment - Phase 6 Contract 2	27,910	13,007.30
Bond Payment - Vail Transmission Line	20,200	18,115.16
Interest Expense	-	49,436.29
Notices	500	-
Water Reports	600	617.90
Supplies	300	243.05
Dues	450	435.00
Garage Rent	20,804	20,804.00
Legal	1,500	-
Audit	15,000	15,000.00
New Meter Reader (2023)	-	0
Municipal Administrator Reimbursement	24,692	24,692.00

	2023 BUDGET	2023 ACTUAL
Water Testing	5,000	2,935.00
Total Administration	283,153	270,958.23
Broad St Vtrans Project: Engineering Svgs	20,102	20,102.00
TOTAL EXPENDITURES	766,097	616,147.99
Revenue over/(under) Expenditures	(29,045)	\$ 105,475.58
Cash on Hand Beginning of Year	(183,368)	(183,368.00)
Total Revenues and Cash on Hand	(212,413)	
Over (Under) Expenditures	\$ (212,413)	\$ (77,892.42)

Town of Lyndon Electric Department 2023 General Manager's Year-End Report

To the Electric Board of Commissioners, Town of Lyndon Electric Department's ratepayers, and residents of the Town of Lyndon.

First, let me say it has been a pleasure serving our customers through 2023. Many challenges were undertaken through the course of the year. Through it all, our department and staff persevered, and it is our hope that our customers feel we provided quality service at a fair cost.

Finances for the Electric Department continue to be stretched. Due to market conditions, high inflation rates over the past three years, and continued State of Vermont mandates to "renewable energy" sources, the Lyndon Electric Department ended 2023 with a \$847,970 deficit. Continued bottlenecks in supply chain resources, and materials were also issues we struggled with throughout the year.

In 2023, LED filed for its first rate increase in thirteen years. The last rate increase had been in 2010. The rate case, originally filed in April 2023 at 12.44%, was approved in December 2023 by the Public Utility Commission at 9.72%. Another rate increase will likely need to be filed in 2024.

Following up on discussions going back to 2022, the Village of Lyndonville Board of Trustees (the governing body of LED at the time) voted to move forward on a joint AMI (Advanced Metering Infrastructure) project being spear-headed by Vermont Public Power Supply Authority (VPPSA.) This type of technology is commonly known as "smart metering." LED is a member of VPPSA – one of eleven municipally-owned electric utilities – and acts as a joint-action agency to provide power supply services, and other projects as directed by its members. This will be a challenging project given the rural nature of our service territory; however, it could also create important efficiencies in the department, and help keep LED compliant with future state policies, and regulations. The AMI project for Lyndon Electric Department is currently scheduled with VPPSA to begin summer 2026.

Also of interest in 2023 was the consolidation or "merger" of the Town of Lyndon and the Village of Lyndonville. After a public vote held in November 2022 to approve the merger of the two local governments passed, the State of Vermont then approved the merger which became effective July 1, 2023. The Electric Department is now owned by the Town of Lyndon, and overseen by the Town of Lyndon Board of Electric Commissioners.

Storm related power outages were a central theme to operations throughout 2023. It seemed high winds, torrential rainstorms, and heavy, wet snow loading were always around the corner. December 2023 was particularly difficult with four major storms hitting LED's service territory four weeks in a row. Not all heroes wear capes, and I want to extend special appreciation, and acknowledgment to our line crews for their heroic efforts to restore power to all customers during these emergency situations. Their dedication and performance under prolonged periods of duress, and fatigue was inspirational. I thank you all for what you achieved when the call to service was made.

Lyndon Electric Department continues to generate a small portion of our energy needs, while the bulk of our power continues to be provided through outside power contracts. The following summarizes the major power supply agreements in place for the year 2023:

Brookfield

- Size: Various
- Fuel: Hydro
- Location: Regional
- Entitlement: 1.5MW OnPeak, 1.299MW OffPeak, PPA
- Products: Energy, VT1, RECs
- End Date: 12/31/2027
- Notes: Volumes change throughout the contract period.

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: 6.7 MW
- Fuel: Hydro
- Location: Quebec
- Entitlement: 0.284% (0.603) 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 New 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: 2.7% (1.5MW), 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

- Size: 2,675 MW (Niagara), 1,957 MW (St Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.5940 MW Niagara PPA, 0.0374 MW (St Lawrence PPA)
- Products: Energy, capacity, renewable energy credits (New York System Mix)
- End Date: 4/30/2032
- 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 Size: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 1.26% (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 2023, 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: 40MW
- Fuel: Oil
- Location: Swanton, Vermont
- Entitlement: 19.6% (7.84 MW), jointly-owned through VPPSA
- Products: Energy, capacity, reserves
- End Date: Life of unit
- Notes: AS the joint-owner, VPPSA has agreements with the Electric Department to pay for and purchase 19.6% of the unit's output.

Ryegate

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, Vermont
- Entitlement: 1.2% (0.246 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 11/1/2032

Stetson Wind 2023 – 2027

- Size: 57 MW
- Fuel: Wind
- Location: Washington County, ME
- Entitlement: 9.3%, 5.3 MW
- Products: Energy, capacity, environmental attributes (carbon-free nuclear)
- End Date: 12/31/2027
- Notes:

Stony Brook

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

Vail and Great Falls Hydro

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

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: 2,000MW

Facilities: High Voltage Direct Current (HVDC) converter station and lines

Location: Highgate, Vermont

Entitlement: 1.1356%

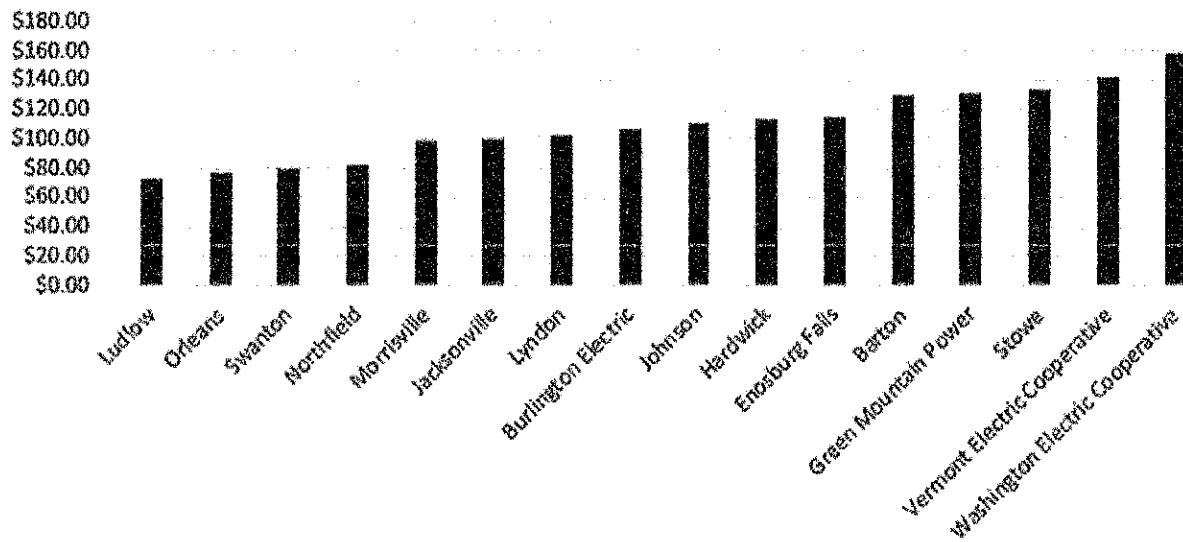
Products: Transmission rights, capacity credits, lease payments

End Date: 10/31/40

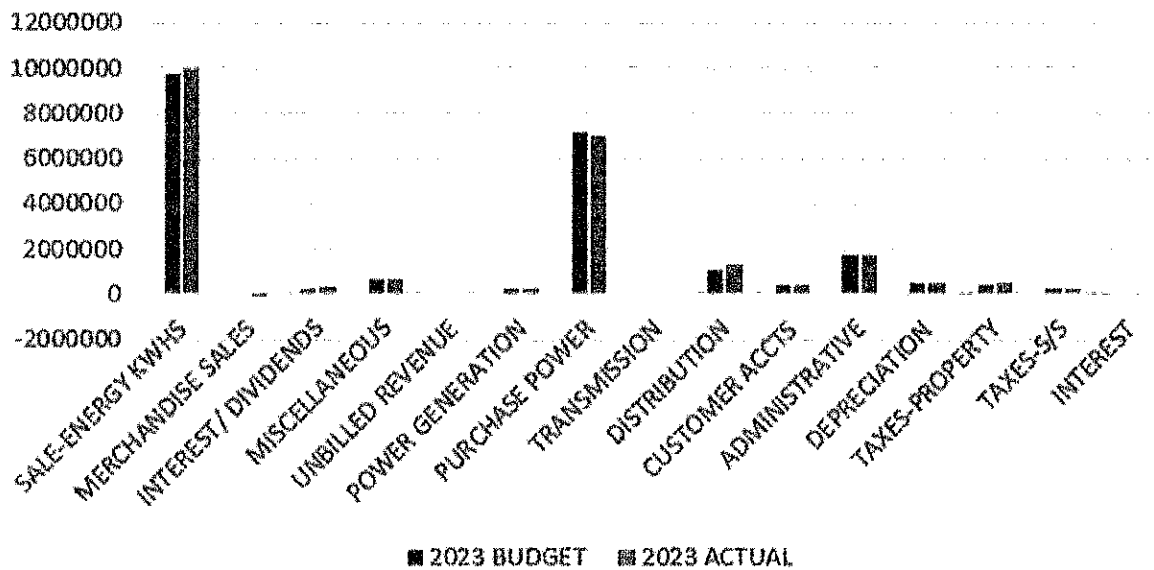
Notes: The transmission rights give capacity credits to the Electric Department, and may also be leased to third parties to generate revenue. Default risk is expected to be very low because the parties to the support agreement are all utilities. As a result, the resource is expected to be a low-risk resource that generates net revenue to the Electric Department.

Vermont Public Power Supply Authority					
2023 Vermont Utility Rankings Based on Kilo Watts Hours Sales					
Utility	200 kWh	Utility	600 kWh	Utility	1,000 kWh
Ludlow	\$24.39	Ludlow	\$72.43	Ludlow	\$120.47
Jacksonville	\$26.15	Orleans	\$77.10	Orleans	\$124.84
Northfield	\$28.07	Swanton	\$79.65	Swanton	\$128.18
Orleans	\$29.37	Northfield	\$82.89	Northfield	\$137.71
Swanton	\$31.12	Morrisville	\$98.64	Morrisville	\$163.24
Morrisville	\$34.04	Jacksonville	\$100.50	Lyndon	\$167.99
Lyndon	\$36.75	Lyndon	\$102.37	Burlington Electric	\$174.47
Burlington Electric	\$37.77	Burlington Electric	\$106.12	Jacksonville	\$174.86
Hardwick	\$38.01	Johnson	\$111.26	Johnson	\$180.80
Enosburg Falls	\$38.20	Hardwick	\$113.53	Hardwick	\$189.05
Johnson	\$41.71	Enosburg Falls	\$114.53	Enosburg Falls	\$190.86
Barton	\$43.17	Barton	\$129.13	Green Mountain Power	\$206.74
Stowe	\$51.28	Green Mountain Power	\$130.78	Barton	\$215.10
Vermont Electric Cooperative	\$54.00	Stowe	\$134.16	Stowe	\$217.04
Green Mountain Power	\$54.83	Vermont Electric Cooperative	\$141.34	Vermont Electric Cooperative	\$228.68
Washington Electric Cooperative	\$63.32	Washington Electric Cooperative	\$158.76	Washington Electric Cooperative	\$254.21

2023 Average Monthly Residentail Bill



2023 Cost of Service Budget to Actual



**2023 ACTUAL TO 2023 BUDGET
COST OF SERVICE SHEET FOR 2023**

OPERATING REVENUE	2023 BUDGET	2023 ACTUAL	PERCENT
SALE-ENERGY KWHS	\$ 9,710,432	\$ 9,976,310	102.74%

**OTHER OPERATING
REVENUE**

MERCHANDISE SALES	\$ 50,000	\$ (16,287)	-32.57%
INTEREST/ DIVIDENDS	\$ 245,000	\$ 346,547	141.45%
MISCELLANEOUS	\$ 650,000	\$ 645,893	99.37%
UNBILLED REVENUE	\$ 30,000	\$ 57,659	192.20%
TOTAL REVENUES	\$ 10,685,432	\$ 11,010,123	103.04%

OPERATING EXPENSES

POWER GENERATION	\$ 194,882	\$ 229,399	117.71%
PURCHASE POWER	\$ 7,161,975	\$ 6,965,480	97.26%
TRANSMISSION	\$ 18,164	\$ 12,731	70.09%
DISTRIBUTION	\$ 1,095,172	\$ 1,272,425	116.18%
CUSTOMER ACCTS	\$ 374,852	\$ 407,729	108.77%
ADMINISTRATIVE	\$ 1,681,000	\$ 1,728,733	102.84%
DEPRECIATION	\$ 513,022	\$ 495,162	96.52%
TAXES-PROPERTY	\$ 420,000	\$ 483,286	115.07%
TAXES-S/S	\$ 215,000	\$ 227,427	105.78%
INTEREST	\$ 29,023	\$ 35,720	123.08%
TOTAL EXPENSES	\$ 11,703,090	\$ 11,858,093	101.32%

NET INCOME OR (LOSS)	\$ (1,017,658)	\$ (847,970)	
-----------------------------	-----------------------	---------------------	--

In closing, I would like to thank our Electric Board of Commissioners, and the Electric Department employees for their dedication, and hard work throughout the past year. The Board of Commissioners meet the fourth Monday of each month 5:30pm in the Public Conference Room of the Municipal Building, 119 Park Avenue, Lyndonville, VT. These meetings are open to the public, and all are welcome to attend.

Respectfully Submitted,



Jonathan Elwell
General Manager
Lyndon Electric Department

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)

FINANCIAL STATEMENTS

December 31, 2023

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
TABLE OF CONTENTS
December 31, 2023

	<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	29
SUPPLEMENTARY INFORMATION	
Schedule of Operating Expenses – 2023	30
Schedule of Operating Expenses – 2022	31



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
Lyndon, Vermont

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Town of Lyndon Electric Department, a component unit of the Town of Lyndon, Vermont, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Town of Lyndon 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 Town of Lyndon Electric Department as of December 31, 2023 and 2022, 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 Town of Lyndon 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 Town of Lyndon 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 Town of Lyndon 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 Town of Lyndon 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 29 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 Town of Lyndon Electric Department's basic financial statements. The schedules of operating expenses on pages 30 and 31 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 Town of Lyndon Electric Department and do not purport to, and do not present fairly the financial position of the Town of Lyndon, Vermont, as of December 31, 2023 and 2022, 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.

Kittie Branagan & Synt

St. Albans, Vermont
February 7, 2024

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

The management of the Town of Lyndon 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, 2023 and 2022. 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 Department's annual report presents a discussion and analysis of the Department's financial performance during the fiscal years that ended on December 31, 2023 and 2022.

Financial Highlights

- Operating revenues in 2023 were \$10,645,577; an increase of \$490,662 from 2022. The 2022 total operating revenues were \$10,154,915, which was an increase of \$233,418 from 2021 total operating revenue.
- Total operating expenses were \$11,804,374 in 2023; an increase of \$778,418 from 2022. The 2022 total operating expenses were \$11,025,956, which was an increase of \$1,061,126 from 2021 operating expenses.
- Total net position at December 31, 2023 was \$9,721,291, a decrease of \$847,970 from 2022. Net position in 2022 was \$10,569,261 as compared to 2021 net position of \$11,158,319; a decrease of \$589,058.
- Utility plant in service net of accumulated depreciation at December 31, 2023 was \$5,669,862, a \$275,408 decrease from 2022. Utility plant in service net of accumulated depreciation in 2022 was \$5,945,270, an \$81,994 decrease from 2021.

Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Capital assets, net	\$ 5,669,862	\$ 5,945,270	\$ 6,027,264
Current assets	2,220,345	1,895,278	2,279,303
Noncurrent assets	5,851,824	5,251,493	4,789,924
Deferred Outflows	<u>298,617</u>	<u>201,414</u>	<u>290,039</u>
Total Assets	<u>\$ 14,040,648</u>	<u>\$ 13,293,455</u>	<u>\$ 13,386,530</u>

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current liabilities	\$ 2,992,694	\$ 1,430,412	\$ 739,952
Noncurrent liabilities	1,288,177	1,036,451	1,475,144
Deferred Inflows	<u>38,486</u>	<u>257,331</u>	<u>13,115</u>
 Total Liabilities	 <u>4,319,357</u>	 <u>2,724,194</u>	 <u>2,228,211</u>
 Invested in capital assets	 5,019,798	 5,173,114	 5,133,918
Restricted - future capital additions	-	-	145,687
Unrestricted	<u>4,701,493</u>	<u>5,396,147</u>	<u>5,878,714</u>
 Total Net Position	 <u>9,721,291</u>	 <u>10,569,261</u>	 <u>11,158,319</u>
 Total Net Position and Liabilities	 <u>\$ 14,040,648</u>	 <u>\$ 13,293,455</u>	 <u>\$ 13,386,530</u>

Financial Highlights and Analysis

For the year ending December 31, 2023 capital assets, also known as utility plant in service decreased \$275,408. Current year additions of \$439,961 were offset by current year depreciation of \$495,162, contributions in aid of construction of \$115,751, retirements of \$50,518 and cost to retire of \$11,295. For the year ending December 31, 2022 capital assets decreased \$81,994 from 2021. Additions of \$586,553 were offset by depreciation of \$493,809, contributions in aid of construction of \$206,010, retirements of \$44,529 and cost to retire of \$75,801.

Current assets in December 31, 2023 decreased \$275,408 from 2022. In 2023 cash/cash equivalents decreased \$91,873, accts receivable increased \$127,959, unbilled revenue increased \$66,652, material and supplies increased \$201,885 and prepaid expenses increased \$20,444. In 2022 current assets decreased \$384,025 from 2021. In 2022 cash/cash equivalents decreased \$289,330, accts receivable decreased \$30,005, unbilled revenue decreased \$32,450, material and supplies decreased \$1,610, prepaid expenses decreased \$20,517 and other current assets decreased \$10,113.

In 2023 non-current assets increased \$600,331 from 2022. In 2023 Investment in an associated company increased \$599,169 and customer deposit increased \$1,162. In 2022 non-current assets increased \$461,569 from 2021. In 2022 Investment in an associated company increased \$610,525, restricted cash decreased \$145,687 and customer deposit decreased \$3,269.

Current liabilities in 2023 increased \$1,562,282, the result of an increase in accounts payable of \$1,428,826, an increase in current payment on long term debt of \$929 and an increase in customer deposits of \$1,262. Current liabilities in 2022 increased \$690,460, the result of an increase in accounts payable of \$692,919, an increase in current payment on long term debt of \$910 and a decrease in customer deposits of \$3,369. Current liabilities in 2021 decreased \$12,992, the result of a decrease in accounts payable of \$15,101, an increase in current payment on long term debt of \$890 and a decrease in customer deposits of \$2,999.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Non-Current liabilities in 2023 increase \$251,726, the result of a decrease in long term debt of \$123,021 and an increase in net pension liability of \$374,747. Non-Current liabilities in 2022 increased \$438,693, the result of a decrease in long term debt of \$122,100 and an increase in net pension liability of \$316,593.

Net position may serve over time as a useful indicator of a government's financial position. The Department's net position totaled \$9,721,291 as of December 31, 2023, \$10,569,261 as of December 31, 2022, \$11,159,319 as of December 31, 2021. Included in the net position at December 31, 2023, 2022 and 2021 were restrictions of \$-0-, \$-0- and \$145,687 for future capital additions, respectively.

Change in Net Position

The following table summarizes the changes in net position for the years ended December 31, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenues	\$ 10,645,577	\$ 10,154,915	\$ 9,921,497
Operating expenses	11,804,374	11,025,956	9,964,830
Nonoperating revenue, net	<u>310,827</u>	<u>281,983</u>	<u>267,254</u>
Change in net position	(847,970)	(589,058)	223,921
Net position, beginning	<u>10,569,261</u>	<u>11,158,319</u>	<u>10,934,398</u>
Net position, ending	<u>\$ 9,721,291</u>	<u>\$ 10,569,261</u>	<u>\$ 11,158,319</u>

Operating revenues in 2023 were \$10,645,577, a increase of \$490,662 from 2022. There was an increase in electric sales to customers of \$535,299, a \$8,118 increase in customer balances written off in 2023 and a decrease in miscellaneous income of \$36,519. Operating revenues in 2022 were \$10,154,915, an increase of \$233,418 from 2021. There was an increase in electric sales to customers of \$174,110, a \$10,581 decrease in customer balances written off in 2022 and an increase in miscellaneous income of \$48,727. Operating revenues in 2021 were \$9,921,497, 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 expenses in 2023 were \$11,804,374, an increase of \$778,418 from 2022. In 2023, there were increases in distribution of \$89,519, a decrease in customer accts of \$26,415, an increase administrative expenses of \$142,546, and an increase in hydro/purchase power of \$501,460. Operating expenses in 2022 were \$11,025,956, an increase of \$1,061,126 from 2021. In 2022, there were increase in distribution of \$146,109, an increase in customer accts of \$62,229, an increase administrative expenses of \$178,525, and a decrease in hydro/purchase power of \$733,746. 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 increase in customer accts of \$1,622, an increase in administrative expenses of \$107,449, and a decrease in hydro/purchase power of \$43,974.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

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, 2023, 2022 and 2021 the Department received \$115,751, \$206,010 and \$177,591 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>2023</u>	<u>2022</u>	<u>2021</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		219,200	219,200	219,200
				<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		5,600	5,600	5,600
				<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 2023, 2022 and 2021: Non-Specific Facilities Units				<u>5,422,077</u>	<u>4,822,908</u>	<u>4,212,383</u>
Transco Class A & B Units Specific Facilities Units				<u>1,410</u>	<u>1,410</u>	<u>1,410</u>
TOTAL INVESTMENTS				<u>\$ 5,769,640</u>	<u>\$ 5,170,471</u>	<u>\$ 4,559,946</u>

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

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, 2023 and 2022 was \$40,868 and \$40,451 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 788,917 general membership units in Vermont Transco valued at \$7,889,190. 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 2023, the Department's financial statements show an investment in others of \$5,422,077 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, 2023:

	<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
2022	502	639	1,141	11,430
2023	15,339	19,523	34,862	348,620
	<u>\$ 347,122</u>	<u>\$ 441,795</u>	<u>\$ 788,917</u>	<u>\$ 7,889,190</u>

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

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, 2023 the Department has recorded in its financial statements a direct investment of \$1,410 in Vermont Transco and an investment in other of \$5,422,077 which represents the Department's interest in the general Transco membership units owned by VPPSA. In 2023, distribution income received related to the Departments direct investment was \$2,446 and excess earnings received from VPPSA related to the general membership units owned by VPPSA for the benefit of the Department totaled \$289,477.

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, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Long term debt:			
2010 Series 5 Bond	\$ 560,000	\$ 640,000	\$ 720,000
N/P - Passumpsic Bank	90,064	132,156	173,346
Less: Current Portion	<u>(122,957)</u>	<u>(122,028)</u>	<u>(121,118)</u>
 Total Long-Term Debt	 <u>\$ 527,107</u>	 <u>\$ 650,128</u>	 <u>\$ 772,228</u>

Capital Assets

The following chart summarizes capital assets and accumulated depreciation for the years ended December 31, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Capital assets	\$ 18,886,199	\$ 18,728,258	\$ 18,392,244
Less accumulated depreciation	<u>13,216,337</u>	<u>12,782,988</u>	<u>12,364,980</u>
 Total capital assets, net	 <u>\$ 5,669,862</u>	 <u>\$ 5,945,270</u>	 <u>\$ 6,027,264</u>

Revenue

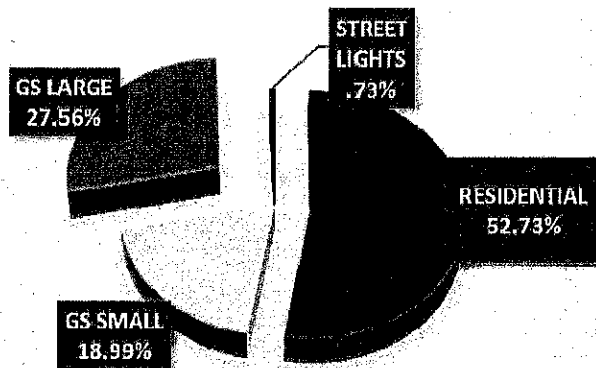
The following charts represent a breakdown of sales by customer class for the years ended December 31, 2023, 2022, and 2021. The pie chart on the left show's dollar sales by customer class while the chart on the right side shows actual KWH's sold by customer class. Percentages on each class of service are calculated before credits.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

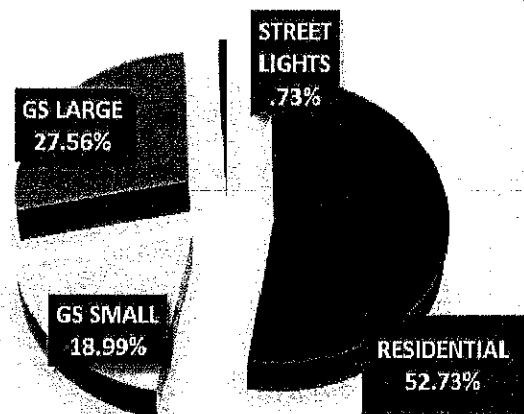
DOLLARS	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
RESIDENTIAL	\$ 5,620,669	53.02%	\$ 5,186,787	53.00%	\$ 5,186,787	53.00%
GS SMALL	2,087,190	19.69%	1,930,565	19.73%	1,930,565	19.73%
GS LARGE	2,789,278	26.31%	2,569,691	26.26%	2,569,691	26.26%
MUNICIPAL	-	0.00%	-	0.00%	-	0.00%
STREET LIGHTS	103,612	0.98%	99,842	1.02%	99,842	1.02%
EXCESS GENERATION	(456,672)	0.00%	(341,195)	0.00%	(341,195)	0.00%
SOLAR CREDIT	(92,199)	0.00%	(100,908)	0.00%	(100,908)	0.00%
WINDMILL CREDIT	<u>(17,909)</u>	<u>0.00%</u>	<u>(20,222)</u>	<u>0.00%</u>	<u>(20,222)</u>	<u>0.00%</u>
 TOTAL	 <u>\$ 10,033,969</u>	 <u>100.00%</u>	 <u>\$ 9,324,560</u>	 <u>100.00%</u>	 <u>\$ 9,324,560</u>	 <u>100.00%</u>

KWHS	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
RESIDENTIAL	34,057,491	52.73%	33,945,487	52.24%	32,753,090	52.54%
GS SMALL	12,263,484	18.99%	12,206,560	18.78%	11,903,747	19.10%
GS LARGE	17,800,250	27.56%	18,356,306	28.25%	17,200,721	27.59%
MUNICIPAL	-	0.00%	-	0.00%	-	0.00%
STREET LIGHTS	472,786	0.73%	474,318	0.73%	476,514	0.76%
EXCESS GENERATION	(2,908,613)	0.00%	(2,950,618)	0.00%	(2,614,743)	0.00%
SOLAR CREDIT	(2,883,239)	0.00%	(2,908,873)	0.00%	(2,291,743)	0.00%
WINDMILL CREDIT	<u>(153,450)</u>	<u>0.00%</u>	<u>(156,603)</u>	<u>0.00%</u>	<u>(123,051)</u>	<u>0.00%</u>
 TOTAL	 <u>58,648,709</u>	 <u>100.00%</u>	 <u>58,966,577</u>	 <u>100.00%</u>	 <u>57,304,535</u>	 <u>100.00%</u>

2023 DOLLAR SALES

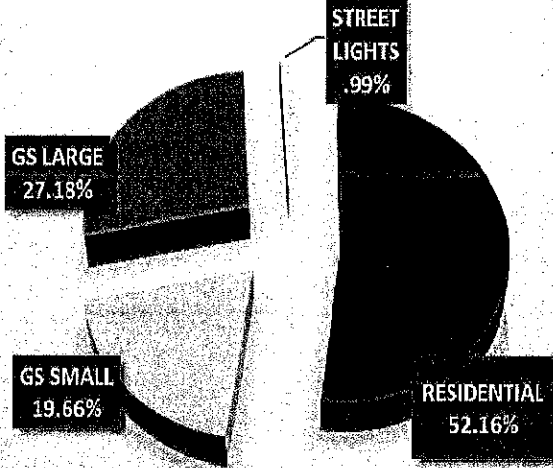


2023 KWH SALES

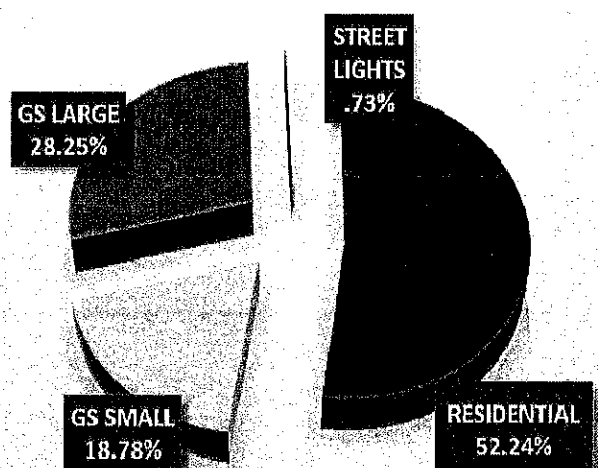


Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

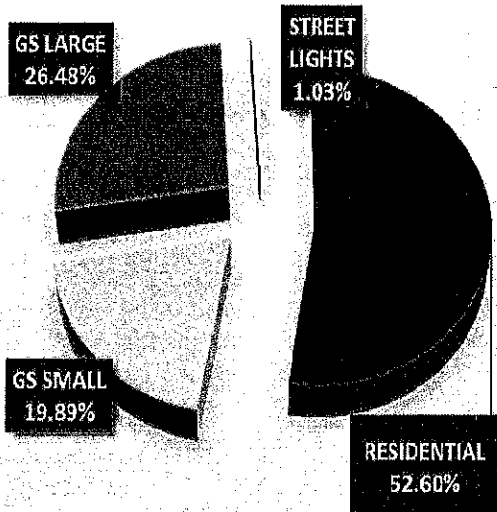
2022 DOLLAR SALES



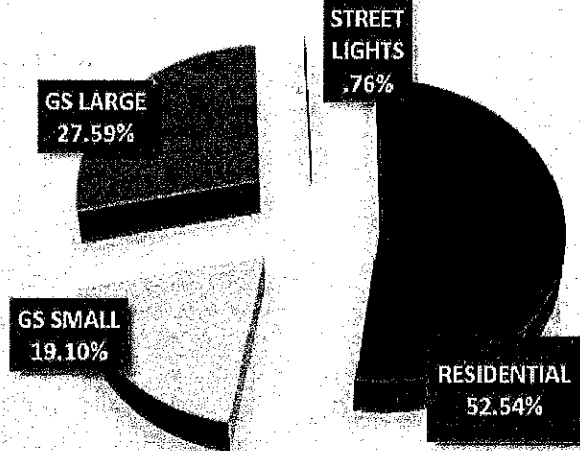
2022 KWH SALES



2021 DOLLAR SALES



2021 KWH SALES

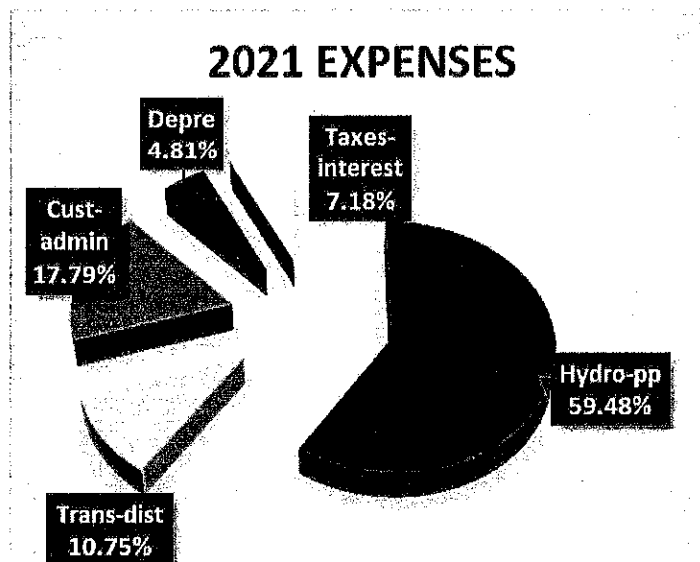
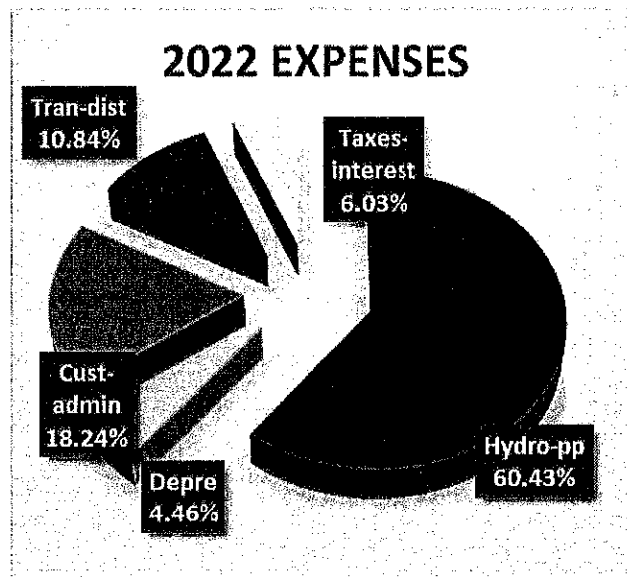
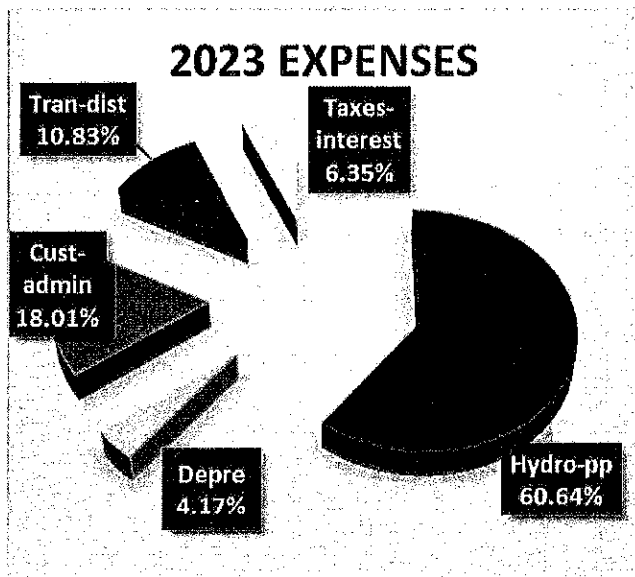


Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Expenses

The following chart summarizes the Department's expense for the years ended December 31, 2023, 2022, and 2021:

	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
Hydro-purchase power	\$ 7,194,879	60.67%	\$ 6,693,419	60.48%	\$ 5,959,673	59.48%
Transmission distribution	1,285,156	10.84%	1,200,893	10.85%	1,076,750	10.75%
Customer accts-administrative	2,136,463	18.02%	2,012,214	18.18%	1,782,041	17.79%
Depreciation-administrative	495,162	4.18%	493,811	4.46%	482,188	4.81%
Taxes-interest	746,433	6.29%	667,534	6.03%	718,952	7.18%
	<u>\$ 11,858,093</u>	<u>100.00%</u>	<u>\$ 11,067,871</u>	<u>100.00%</u>	<u>\$ 10,019,604</u>	<u>100.00%</u>



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

ASSETS AND DEFERRED OUTFLOWS

	<u>2023</u>	<u>2022</u>
CAPITAL ASSETS		
Net utility plant in service	\$ 5,669,862	\$ 5,945,270
CURRENT ASSETS		
Cash and cash equivalents	189,613	281,486
Accounts receivable - net of allowance for doubtful accounts of \$30,000	830,843	702,884
Unbilled revenue	660,792	594,140
Materials, supplies and fuel stock	518,653	316,768
Prepaid expenses	20,444	-
TOTAL CURRENT ASSETS	<u>2,220,345</u>	<u>1,895,278</u>
NON-CURRENT ASSETS		
Investments in associated company	5,769,640	5,170,471
Customer cash deposit	82,184	81,022
TOTAL NON-CURRENT ASSETS	<u>5,851,824</u>	<u>5,251,493</u>
DEFERRED OUTFLOWS	<u>298,617</u>	<u>201,414</u>
TOTAL ASSETS	<u>\$ 14,040,648</u>	<u>\$ 13,293,455</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	\$ 2,656,288	\$ 1,227,462
Current portion of long-term debt	122,957	122,028
Accrued expenses	131,265	-
Customer deposits	82,184	80,922
TOTAL CURRENT LIABILITIES	<u>2,992,694</u>	<u>1,430,412</u>
NON CURRENT LIABILITIES		
Long-term debt, excluding current installments	527,107	650,128
Net pension liability	761,070	386,323
TOTAL LONG-TERM LIABILITIES, net of current portion	<u>1,288,177</u>	<u>1,036,451</u>
DEFERRED INFLOWS	<u>38,486</u>	<u>257,331</u>
NET POSITION		
Net investment in capital assets	5,019,798	5,173,114
Unrestricted	4,701,493	5,396,147
TOTAL NET POSITION	<u>9,721,291</u>	<u>10,569,261</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 14,040,648</u>	<u>\$ 13,293,455</u>

See Accompanying Notes to Financial Statements.

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

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Electric sales to customers	\$ 10,033,969	\$ 9,498,670
Miscellaneous income	629,607	666,126
Provision for uncollectible accounts	<u>(17,999)</u>	<u>(9,881)</u>
TOTAL OPERATING REVENUES	<u>10,645,577</u>	<u>10,154,915</u>
OPERATING EXPENSES		
Operation, maintenance, and general and administrative expenses	10,598,499	9,896,645
Depreciation	495,162	493,811
Taxes	<u>710,713</u>	<u>635,500</u>
TOTAL OPERATING EXPENSES	<u>11,804,374</u>	<u>11,025,956</u>
LOSS FROM OPERATIONS	<u>(1,158,797)</u>	<u>(871,041)</u>
NON-OPERATING REVENUE (EXPENSE)		
Investment income	346,547	314,017
Interest expense	<u>(35,720)</u>	<u>(32,034)</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>310,827</u>	<u>281,983</u>
CHANGE IN NET POSITION	(847,970)	(589,058)
NET POSITION, Beginning of Year	<u>10,569,261</u>	<u>11,158,319</u>
NET POSITION, End of Year	<u>\$ 9,721,291</u>	<u>\$ 10,569,261</u>

See Accompanying Notes to Financial Statements.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts:		
Electric sales to customers	\$ 9,619,474	\$ 9,552,854
Miscellaneous	609,163	696,756
Payments made for:		
Power production, transmission, and purchase power	(6,356,970)	(6,657,356)
Outside services and other general expenses	(1,272,425)	(1,182,906)
Others and employees	<u>(2,059,765)</u>	<u>(1,986,085)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>539,477</u>	<u>423,263</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital expenditures, net	<u>(219,755)</u>	<u>(411,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment in others	(599,169)	(610,525)
Investment income	<u>346,548</u>	<u>314,015</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(252,621)</u>	<u>(296,510)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from long term debt	300,000	-
Principal payments	(422,092)	(121,190)
Interest paid	<u>(35,720)</u>	<u>(32,034)</u>
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(157,812)</u>	<u>(153,224)</u>
NET DECREASE IN CASH	(90,711)	(438,286)
CASH - Beginning of Year	<u>362,508</u>	<u>800,794</u>
CASH - End of Year	<u>\$ 271,797</u>	<u>\$ 362,508</u>

See Accompanying Notes to Financial Statements.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash		
provided (used) by operating activities		
Operating loss	<u>\$ (1,158,797)</u>	<u>\$ (871,041)</u>
Adjustments to reconcile net income to net		
cash provided by operations:		
Depreciation	495,162	493,811
(Increase) decrease in:		
Accounts receivable	(127,959)	30,005
Unbilled revenue	(66,652)	32,450
Materials, supplies, and fuel stock	(201,885)	1,610
Prepaid expenses	(20,444)	20,517
Other current assets	-	10,113
Deferred outflows	(97,203)	88,625
Increase (decrease) in:		
Accounts payable	1,428,826	692,919
Customer deposits liability	1,262	(3,369)
Accrued expenses	131,265	-
Net pension liability	374,747	(316,593)
Deferred inflows	(218,845)	244,216
Total adjustments	<u>1,698,274</u>	<u>1,294,304</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>\$ 539,477</u>	 <u>\$ 423,263</u>

See Accompanying Notes to Financial Statements.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Lyndon Electric Department (the Department) is a municipal utility providing retail electric power to Lyndon, Vermont, and surrounding towns. The Department is a component unit of the Town of Lyndon, Vermont (the Town) whose board of commissioners oversees the operations of the Department, and the Town 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 Town of Lyndon, 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 Town of Lyndon, 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:

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 the 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 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 December 31, 2023 and 2022, the Department reported \$115,751 and \$206,010, respectively, of capital contributions as a reduction of utility plant in service.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 Town, 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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>2023</u>
Utility Plant in Service:				
Land - Non-depreciable	\$ 217,267	\$ 48	\$ -	\$ 217,315
Production Plant	4,661,631	-	-	4,661,631
Transmission Plant	3,093,655	17,090	-	3,110,745
Distribution Plant	8,756,746	307,072	(166,269)	8,897,549
General Plant	1,998,959	-	-	1,998,959
Depreciable Operating	<u>18,510,991</u>	<u>324,162</u>	<u>(166,269)</u>	<u>18,668,884</u>
Total	<u>18,728,258</u>	<u>324,210</u>	<u>(166,269)</u>	<u>18,886,199</u>
Accumulated Depreciation:				
Production Plant	2,143,141	76,933	-	2,220,074
Transmission Plant	1,709,195	90,391	-	1,799,586
Distribution Plant	7,036,276	254,083	(61,813)	7,228,546
General Plant	<u>1,894,376</u>	<u>73,755</u>	<u>-</u>	<u>1,968,131</u>
Total	<u>12,782,988</u>	<u>495,162</u>	<u>(61,813)</u>	<u>13,216,337</u>
Net Utility Plant in Service	<u>\$ 5,945,270</u>	<u>\$ (170,952)</u>	<u>\$ (104,456)</u>	<u>\$ 5,669,862</u>

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 \$750,000 by FHLB Boston. The total bank deposits at December 31, 2023 were \$870,874, of which \$330,627 was insured by the federal deposit insurance corporation (FDIC) and \$539,547 was collateralized. The book deposits at December 31, 2023 were \$271,797 which was insured by the FDIC at December 31, 2023.

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>2023</u>	<u>2022</u>
Velco Class C preferred stock - Net of Return Capital	\$ 1,653	\$ 1,653
Velco Class B common stock - 2,659 shares	259,900	259,900
Velco Class C common stock - 846 shares	<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 2023 and 2022.	 <u>5,423,487</u>	 <u>4,824,318</u>
 TOTAL INVESTMENTS	 <u>\$ 5,769,640</u>	 <u>\$ 5,170,471</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 the Town of Lyndon Electric Department's proportional share of the overall amounts of the VMERS plan. The Town of Lyndon Electric Department's portion has been allocated based on the Department's proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

Schedule A – Employers' Allocation as of June 30, 2021

Fiscal Year Ended June 30, 2021						
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 (8.50% Disc Rate)
\$ 58,357	0.26247%	\$ 386,320	\$ 134,116	\$ 257,331	\$ 763,584	\$ 76,099

Schedule B – Employers' Allocation as of June 30, 2022

Fiscal Year Ended June 30, 2022						
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)
\$ 62,767	0.25087%	\$ 761,067	\$ 219,706	\$ 38,486	\$ 1,140,426	\$ 449,029

Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2022

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
0.25087%	\$ 761,070	\$ 57,157	\$ 38,909	\$ -	\$ 123,560	\$ 80	\$ 219,706

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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
\$ -	\$ -	\$ -	\$ -	\$ 38,486	\$ 38,486

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
\$ 144,438	\$ (11,359)	\$ 133,079

Schedule D – Employers' Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2022

Fiscal Year Ending June 30,					
2023	2024	2025	2026	2027	Thereafter
\$ 56,704	\$ 42,113	\$ 9,137	\$ 73,265	\$ -	\$ -

For entities with a reporting date in 2023, the amounts shown will be recognized in the expense for plan years ending 2024, 2025, 2026, and 2027.

Schedule E – Contribution History for Fiscal Years 2020-2022

FY 2022	FY 2021	FY 2020
\$ 62,767	\$ 58,357	\$ 57,588

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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 Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State's Department of Finance & Management website at:

<http://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>

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, 2022, the retirement system consisted of 359 participating employees.

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. Membership Full time employees of participating municipalities. Municipality elect's coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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.

Service Retirement Allowance

Eligibility

Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service.

Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service.

Groups C and D – Age 55 with 5 years of service.

Amount

Group A – 1.4% of AFC x service

Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC

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

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

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.

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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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.

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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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.

<u>Member Contributions</u>	<u>Group</u>	<u>Effective 7/1/22</u>	<u>For the Fiscal year ended 6/30/22</u>
	Group A	3.50%	3.25%
	Group B	5.875%	5.625%
	Group C	11.00%	10.75%
	Group D	12.35%	12.10%

<u>Employer Contributions</u>	<u>Group</u>	<u>Effective 7/1/22</u>	<u>For the Fiscal year ended 6/30/22</u>
	Group A	5.00%	4.75%
	Group B	6.50%	6.25%
	Group C	8.25%	8.00%
	Group D	10.85%	10.60%

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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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.

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 Groups B, C, and D members. The January 1, 2023, COLA is assumed to be 2.00% for Group A and 3.00% for Groups B, C, D. The January 1, 2022, COLAs were 2.00% for Group A members and 2.30% for Groups B, C and D members.

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

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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, 2022, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Passive Global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
US Equities - Large Cap	4.00%	3.25%
US Equities - Small/Mid Cap	3.00%	3.75%
Non-US Developed US Equities	7.00%	5.00%
Emerging Markets Debt	4.00%	3.50%
Core Fixed Income	19.00%	0.00%
Private & Alternate Credit	10.00%	4.75%
US Tips	3.00%	(0.50)%
Core Real Estate	3.00%	3.75%
Non-Core Real Estate	4.00%	6.00%
Private Equity	10.00%	5.50%
Infrastructure/Farmland	4.00%	4.25%

Discount rate

The long-term expected rate of return on pension plan assets is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO index) as of the closest prior date to the valuation date of June 30, 2022, is 3.54%, as published by the Bond Buyer.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by the Legislature. 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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 RETIREMENT - VMERS (continued)

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, 2022. 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%)
\$ 1,140,426	\$ 761,067	\$ 449,029

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, 2023 and 2022 was \$38,753 and \$43,040, respectively.

NOTE 6 NOTES AND BONDS PAYABLE

	<u>2023</u>	<u>2022</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	\$ 560,000	\$ 640,000
Note payable to Passumpsic Bank, requiring monthly payments of \$3,715 including fixed interest at 2.19% Matures in March, 2026	90,064	132,156
	650,064	772,156
Less Current Portion:	(122,957)	(122,028)
	<u>\$ 527,107</u>	<u>\$ 650,128</u>

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 NOTES AND BONDS PAYABLE (continued)

The annual debt service requirements to maturity, including principle and interest, for long-term as of December 31, 2023 are as follows:

For the years then ended	Principal	Interest	Total
2024	\$ 122,957	\$ 21,038	\$ 143,995
2025	123,908	17,506	141,414
2026	83,199	14,203	97,402
2027	80,000	11,349	91,349
2028	80,000	8,511	88,511
2029-2030	160,000	8,511	168,511
	<u>\$ 650,064</u>	<u>\$ 81,118</u>	<u>\$ 731,182</u>

NOTE 7 COMMITMENTS

The Town of Lyndon 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 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, 2023.

Brookfield Hydro 2023-2027

- Size: 8 MW On Peak, 7 MW Off Peak
- Fuel: Hydro
- Location: Varies
- Entitlement: 1.5 MW On Peak, 1.3 MW Off Peak
- Products: Energy, VT Tier I renewable energy credits
- End Date: 12/31/27

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 COMMITMENTS (continued)

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

Hydro Quebec US (HQUS)

- Size: 212 MW
- Fuel: Hydro
- Location: Quebec
- Entitlement: 0.603 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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 COMMITMENTS (continued)

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.

New York Power Authority (NYPA)

- Size: 2,675 MW (Niagara), 1,957 MW (St. Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.59 MW (Niagara PPA), 0.037 MW (St. Lawrence PPA)
- Products: Energy, capacity, VT Tier I renewable energy credits
- End Date: 4/30/2032
- 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: 1.26% (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 2022, 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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 COMMITMENTS (continued)

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 to pay for and purchase 19.6% of the unit's output.

Ryegate

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, VT
- Entitlement: 1.2% (0.246 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 11/1/2032

Stetson Wind 2023-2027

- Size: 57 MW
- Fuel: Wind
- Location: Maine
- Entitlement: 9.3% (PPA)
- Products: Energy, VT Tier I renewable energy credits
- End Date: 12/31/2027

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: Lyndon, VT
- Entitlement: 100%, Owned
- Products: Energy, capacity, renewable energy credits (VT Tier I & II)
- End Date: Life of unit

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 COMMITMENTS (continued)

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
- 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, 2023 was as follows:

<u>Resource</u>	<u>2023 MWH</u>	<u>%</u>	<u>Fuel</u>	<u>Exp. Date</u>
Brookfield 2023-2027	12,201	18.90%	Hydro	12/31/2027
Chester Solar	1,738	2.70%	System	6/30/2039
Fitchburg Landfill	7,497	11.60%	Landfill Gas	12/31/2031
HQUS Contract	3,522	5.50%	Hydro	10/31/2038
Kruger Hydro	8,828	13.70%	System	12/31/2037
Market Contracts	2,352	3.70%	System	Varies
McNeil Facility	5,544	8.60%	Wood	Life of Unit
NYPA Niagara Contract	4,725	7.30%	Hydro	9/1/2025
NYPA St. Lawrence Contract	162	0.30%	Hydro	4/30/2032
Project #10	178	0.30%	Oil	Life of Unit
Ryegate Facility	1,981	3.10%	Wood	10/31/2032
Standard Offer Program	1,511	2.30%	Solar	Varies
Stetson Wind 2023-2027	9,812	15.20%	Wind	12/31/2027
Stony Brook Station	73	0.10%	Oil	Life of Unit
Vail & Great Falls Hydro	4,306	6.70%	Hydro	Life of Unit
TOTAL RESOURCES	64,430	100.00%		
Total Load Including Losses	66,105			
ISO Exchange (+Purchase/-Sale)	1,675	2.60%		

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 COMMITMENTS (continued)

The cost of power from all power vendor sources for the year ended December 31, 2023 was as follows:

POWER SUPPLY COSTS

Resource	Total
Brookfield 2023-2027	\$ 64,654
Chester Solar	53,173
Fitchburg Landfill	64,224
HQUS Contract	100,319
Kruger Hydro	142,534
Market Contracts	168,203
McNeil Facility	333,168
NYPA Niagara Contract	(18,224)
NYPA St. Lawrence Contract	(5,266)
Phase I/II Transmission Facilities	(16,151)
Project #10	(102,846)
Ryegate Facility	100,232
Standard Offer Program	250,247
Stetson Wind 2023-2027	596,701
Stony Brook Station	1,429
	SUBTOTAL POWER SUPPLY
	1,732,396

TRANSMISSION COSTS

Resource	Total
Open Access Transmission Tariff	1,468,202
1991 VTA - Common Facilities	359,878
1991 SPA - Shared & Exclusive	41,129
VELCO & St Lawrence Transmission	3,531
	SUBTOTAL TRANSMISSION
	1,872,740

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 COMMITMENTS (continued)

ISO MARKETS & MISC COSTS	
Resource	Total
Energy Market	2,413,304
Capacity Market	724,117
Reserve Market	55,260
NCPC	11,463
Regulation Services	12,964
Marginal Loss Revenues	(7,128)
Auction Revenue Rights	(15,838)
Other Load Settlement	1,419
VPPSA Fees - Power Supply	59,945
ISONE Self Funding Tariff	98,885
VELCO Tariff Allocation	1,710
VELCO Market Settlement	1,304
VELCO Service Fees	2,341
GIS Costs	597
SUBTOTAL ISO MARKETS & MISC	<u>3,360,344</u>
GRAND TOTAL	<u>\$ 6,965,480</u>

The Electric Department has not participated in the purchase of energy for delivery from any counterparty whose contract has not already begun delivery as of 12/31/2023. All contracted energy purchases are specifically reflected in the 2023 Power Supply Audit Note above.

For many years, VELCO offered stock to the Vermont distribution companies when it undertook 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 financing 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.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 2023, VPPSA purchased the following units for the benefit of the Town of Lyndon Electric Department:

	A Units	B Units	Total	Value
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
2022	502	639	1,141	11,430
2023	15,339	19,523	34,862	348,620
	<u>\$ 347,122</u>	<u>\$ 441,795</u>	<u>\$ 788,917</u>	<u>\$ 7,889,190</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 Town of Lyndon 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 Town of Lyndon 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, 2023 the investment in others is \$5,423,487.

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 CONTINGENCIES

The Department has been ordered by the Public Utility Commission to evaluate the investment of Advanced Metering Infrastructure (AMI). Vermont Public Power Supply Authority (VPPSA) has been evaluating AMI for its members. On June 1, 2023, the Department entered into an agreement with VPPSA to participate in their Advanced Metering Infrastructure Project (the Project). VPPSA will own some components of the Project such as the Data Collection Units, headend and meter data management system software, and costs that are of mutual benefit to all VPPSA members. The costs of which will be allocated to all members participating in the Project based upon the ratio of members' meters to the total number of meters for all members. The Department will own its electric meter. The Department is committed to; upfront costs estimated to be \$1,560,000, net of anticipated grant funds received by VPPSA, as well as ongoing costs for software maintenance in the years after implementation. The Project is planned for 2026.

NOTE 9 SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Department has evaluated subsequent events through February 7, 2024, the date which the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2023 have been incorporated into these financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Lyndon Electric Department
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS
For the Year Ended December 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Department's proportion of the net pension liability (asset)	0.2509%	0.2625%	0.2779%	0.2881%	0.2877%	0.2819%	0.2624%	0.2681%	0.2321%	0.2416%
Department's proportionate share of the net pension liability (asset)	\$ 219,706	\$ 134,116	\$ 229,274	\$ 499,799	\$ 404,693	\$ 341,535	\$ 337,670	\$ 206,701	\$ 21,179	\$ 87,961
Department's covered-employee payroll	\$ 1,054,545	\$ 991,695	\$ 968,718	\$ 990,760	\$ 975,212	\$ 881,335	\$ 770,720	\$ 696,559	\$ 683,875	\$ 726,617
Department's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	20.83%	13.52%	23.67%	50.45%	41.50%	38.75%	43.81%	29.67%	3.10%	12.11%
Plan fiduciary net position as a percentage of the total pension liability	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%	92.71%

Significant Actuarial Assumptions and methods are described in Note 4 to the financial statements. No changes in actuarial assumptions and methods since the last measurement date.

See Accompanying Notes to Financial Statements.

Town of Lyndon Electric Department
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - VMERS
For the Year Ended December 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions (Actuarially Determined)	\$ 62,767	\$ 58,357	\$ 57,588	\$ 55,351	\$ 50,389	\$ 46,036	\$ 39,878	\$ 37,478	\$ 29,001	\$ 29,933
Contributions in Relation to the Actuarially Determined Contributions	<u>62,767</u>	<u>58,357</u>	<u>57,588</u>	<u>55,351</u>	<u>50,389</u>	<u>46,036</u>	<u>39,878</u>	<u>37,478</u>	<u>29,001</u>	<u>29,933</u>
Covered Employee Payroll	<u>\$ 1,054,545</u>	<u>\$ 991,695</u>	<u>\$ 968,718</u>	<u>\$ 990,760</u>	<u>\$ 975,212</u>	<u>\$ 881,335</u>	<u>\$ 770,720</u>	<u>\$ 696,559</u>	<u>\$ 667,330</u>	<u>\$ 737,580</u>
Contributions as a Percentage of Covered Employee Payroll	5.95%	5.88%	5.94%	5.59%	5.17%	5.22%	5.17%	5.38%	4.35%	4.06%

Significant Actuarial Assumptions and methods are described in Note 4 to the financial statements. No changes in actuarial assumptions and methods since the last measurement date.

SUPPLEMENTARY INFORMATION

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)
SUPPLEMENTARY INFORMATION
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2023

	<u>Operation</u>	<u>Maintenance</u>	<u>Total</u>
PRODUCTION EXPENSES			
Power Generation:			
Supervision and labor	\$ 74,021	\$ 8,026	\$ 82,047
Supplies and expense	137,797	9,555	147,352
Total Power Generation Expenses	<u>\$ 211,818</u>	<u>\$ 17,581</u>	229,399
Purchased Power			6,965,480
TOTAL PRODUCTION EXPENSES			<u>7,194,879</u>
TRANSMISSION SUPPLIES AND EXPENSE	<u>\$ 12,731</u>	<u>\$ -</u>	<u>12,731</u>
DISTRIBUTION EXPENSES			
Supervision and labor	\$ 34,190	\$ -	34,190
Line and station expense	309,616	647,145	956,761
Street lighting and signal system	15	22,330	22,345
Meter expense	22,698	-	22,698
Customer installation	549	-	549
Miscellaneous distribution expenses	195,247	-	195,247
Rent	40,635	-	40,635
TOTAL DISTRIBUTION EXPENSES	<u>\$ 602,950</u>	<u>\$ 669,475</u>	<u>1,272,425</u>
CUSTOMER ACCOUNTS EXPENSES			
Meter reading expense			98,191
Customer record and collection expense			248,367
Uncollectible accounts			37,071
Miscellaneous expense			6,103
TOTAL CUSTOMER ACCOUNTS EXPENSES			<u>389,732</u>
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries			87,642
Office supplies and expense			16,472
Outside services employed			718,194
Property insurance			102,460
Injuries and damages			54,772
Employee pension and benefits			538,351
Miscellaneous			210,841
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES			<u>1,728,732</u>
TOTAL OPERATION, MAINTENANCE AND GENERAL AND ADMINISTRATIVE EXPENSE			<u>\$ 10,598,499</u>

Town of Lyndon Electric Department
(A Component Unit of the Town of Lyndon, Vermont)

SUPPLEMENTARY INFORMATION
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2022

	<u>Operation</u>	<u>Maintenance</u>	<u>Total</u>
PRODUCTION EXPENSES			
Power Generation:			
Supervision and labor	\$ 72,745	\$ 6,203	\$ 78,948
Supplies and expense	<u>113,531</u>	<u>6,727</u>	<u>120,258</u>
Total Power Generation Expenses	<u>\$ 186,276</u>	<u>\$ 12,930</u>	199,206
Purchased power			<u>6,494,213</u>
TOTAL PRODUCTION EXPENSES			<u>6,693,419</u>
TRANSMISSION SUPPLIES AND EXPENSE	<u>\$ 12,044</u>	<u>\$ 5,943</u>	<u>17,987</u>
DISTRIBUTION EXPENSES			
Supervision and labor	\$ 29,374	\$ -	29,374
Line and station expense	288,143	571,279	859,422
Street lighting and signal system	223	13,866	14,089
Meter expense	22,440	44	22,484
Customer installation	382	-	382
Miscellaneous distribution expenses	218,864	-	218,864
Rent	<u>38,291</u>	<u>-</u>	<u>38,291</u>
TOTAL DISTRIBUTION EXPENSES	<u>\$ 597,717</u>	<u>\$ 585,189</u>	<u>1,182,906</u>
CUSTOMER ACCOUNTS EXPENSES			
Meter reading expense			113,100
Customer record and collection expense			256,010
Uncollectible accounts			38,301
Promotional expense			683
Miscellaneous expense			<u>8,053</u>
TOTAL CUSTOMER ACCOUNTS EXPENSES			<u>416,147</u>
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries			100,153
Office supplies and expense			43,222
Outside services employed			540,600
Property insurance			61,126
Injuries and damages			72,498
Employee pension and benefits			513,123
Miscellaneous			<u>255,464</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES			<u>1,586,186</u>
TOTAL OPERATION, MAINTENANCE AND GENERAL AND ADMINISTRATIVE EXPENSES			<u>\$ 9,896,645</u>

**2023 BUDGET 2023 ACTUAL 2024 BUDGET
COST OF SERVICE SHEET**

	2023 BUDGET	2023 ACTUALS	2024 BUDGET
OPERATING REVENUE			
SALE-ENERGY KWHS	9,710,432	10,091,627	10,439,406
OTHER OPERATING REVENUE			
MERCHANDISE SALES	50,000	-16,287	50,000
INTEREST/ DIVIDENDS	245,000	346,547	315,570
MISCELLANEOUS	650,000	645,893	622,063
UNBILLED REVENUE	30,000	(57,659)	30,000
TOTAL REVENUES	10,685,432	11,010,122	11,457,039
OPERATING EXPENSES			
POWER GENERATION	194,882	229,399	213,331
PURCHASE POWER	7,161,975	6,965,480	7,131,223
TRANSMISSION	18,164	12,731	12,991
DISTRIBUTION	1,095,172	1,272,425	1,152,066
CUSTOMER ACCTS	374,852	407,729	392,703
ADMINISTRATIVE	1,681,000	1,728,734	1,851,790
DEPRECIATION	513,022	495,162	513,022
TAXES-PROPERTY	420,000	483,286	500,000
TAXES-S/S	215,000	227,427	262,104
INTEREST	29,023	42,674	44,045
TOTAL EXPENSES	11,703,089	11,865,047	12,073,275
INCOME OR (LOSS)	-1,017,657	-854,925	-616,236