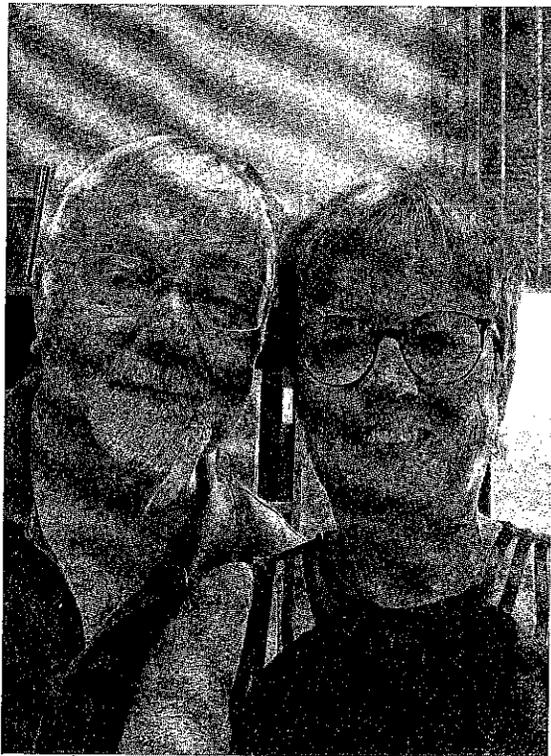
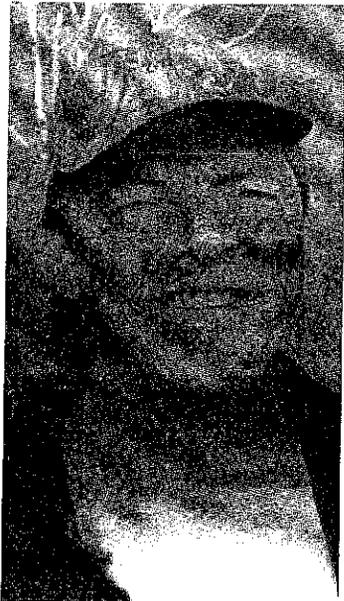
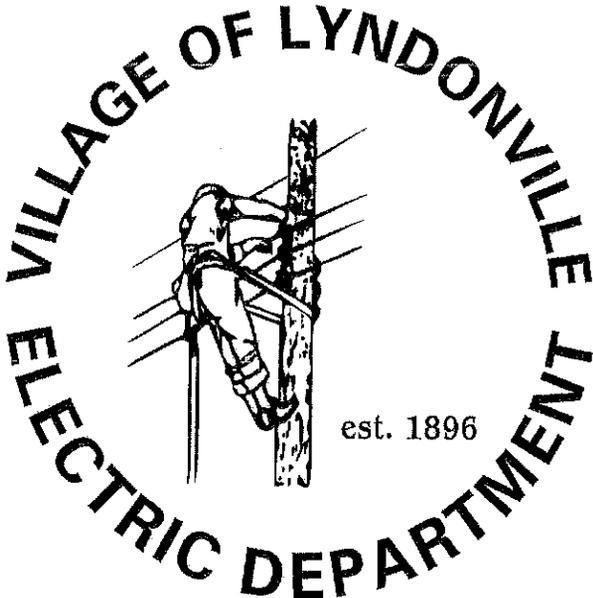


Village of Lyndonville Annual Report



Year Ending
December 31, 2022

PLEASE NOTE

**THE 2023 ANNUAL VILLAGE MEETING WILL BE HELD IN
PERSON.**

ANNUAL VILLAGE MEETING

MARCH 21, 2023, AT 7:00 PM

AT THE MUNICIPAL OFFICE BUILDING CONFERENCE ROOM

119 PARK AVENUE, LYNDONVILLE, VT

THE LEGAL WARNING CAN BE FOUND ON PAGE 1 OF THIS REPORT

On the Cover:

Lyndonville Electric Department bid farewell to 5 long term employees between 2021 & 2022. Those 5 individuals gave a combined total of 178 years of service. Pictured - Top: Bill Humphrey (23 years) Bottom L-R: Dave Rivers (34 years), Clayton Bailey (45 years), Susan Mills (42 years). *Not Pictured Jim Chamberlin (34 years).

ANNUAL REPORT
OF THE
OFFICERS OF THE
VILLAGE OF LYNDONVILLE
VERMONT
FOR THE
YEAR ENDING DECEMBER 31, 2022

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Lyndonville Electric Department

Managers’ and Auditors Report to follow.

**WARNING
VILLAGE OF LYNDONVILLE
ANNUAL VILLAGE MEETING**

Notice to Voters:

Residents of the Village of Lyndonville, who are not already on the voter checklist, may register to vote up to and including the date of the vote, March 21, 2023

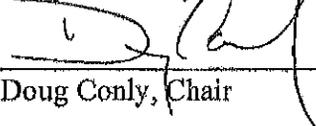
Warning Notice:

The legal voters of the Village of Lyndonville, Vermont, are hereby notified and warned to meet in the Municipal Office Building Conference Room at 119 Park Avenue, in said Village, Tuesday, March 21, 2023, at 7:00 PM for the following purposes:

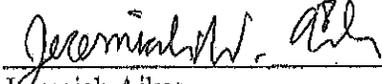
ARTICLE:

1. To elect a Moderator and a Clerk.
2. Shall the voters of the Village of Lyndonville vote to adopt the proposed General Fund budget for the ensuing year?
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 charge against them from the due date of November 3, 2023, at 4:30 PM, and interest charges of one percent per month for the first three months, whereafter interest rates will be one and one-half percent per month?
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?
5. To elect the following officers as required: Delinquent Tax Collector, Treasurer, Trustee for a Five-Year Term?
6. Do the voters of the Village of Lyndonville desire to transact any other proper business?

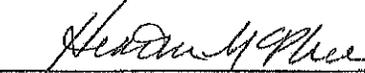
Dated at Lyndonville this ninth day of February 2023, by a majority of the Board of Trustees of the Village of Lyndonville, Vermont.



Doug Conly, Chair



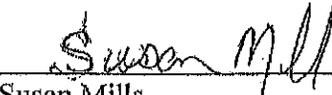
Jeremiah Aiken



Heather McPhee



Chris Hunter



Susan Mills

ATTEST 
Dawn R. Dwyer, Village Clerk

VILLAGE OF LYNDONVILLE

(Website: www.lyndonvt.org)

VILLAGE OFFICERS

Moderator	Sean McFeeley	2023
Clerk & Treasurer	Dawn R. Dwyer	2023
Trustees	Doug Conly - Chair	2026
	Sarah Whittemore-Resigned 5/16/22	2023
	Jeremiah Aiken - Appointed 5/31/22	2023
	Heather Bollman	2024
	Chris Hunter	2025
	Susan Mills	2027
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)	(802) 626-3910
Zoning Administrator	Jon Prue (zoning@lyndonvt.org)	(802) 626-1269
Electric Department Manager	Jon Elwell	(802) 626-3366
Police Advisory Committee	Amy Bean, Curtis Carpenter, Tim Gaskin, Christopher Hunter	

ZONING

Development Review Board (DRB)

Kevin Cole	2025
Kevin McKeon	2025
Curtis Carpenter	2025
Jeremiah Aiken-Appointed 2022	2023
Brandon Carpenter, Vice Chair	2023
Craig Weston	2023
Amy Rast	2024
Eric Paris, Travis Glodgett	

PLANNING

Planning Commission

Ken Mason, Chair	2025
Curtis Carpenter	2023
Travis Glodgett	2023
Alivia Bertolini-Libby	2024
Dan Guest	2024
Amy Rast	2025
Holly Taylor	2025

OTHERS

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

APPOINTED BY THE TOWN CLERK

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

Deputy Registrars: Mark Harpin, Todd Pearsons, Stephen Robertson

VILLAGE OF LYNDONVILLE

Incorporated December 24, 1880

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

2022 Grand List \$ 697,028.00

	<u>2022</u>	
	<u>Residential</u>	<u>Nonresidential</u>
Village General	\$ 0.8391	\$ 0.8391
School District	1.4966	1.6201
Local Agreement	0.0044	0.0044
Town General	0.4613	0.4613
Total Village Tax Rate	<u>\$ 2.8014</u>	<u>\$ 2.9249</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 2023

- March 6 TOWN INFORMATIONAL MEETING – In person at the Municipal Office Building Conference room at 6 PM or by Zoom to discuss all items on the Town Warning. The warning can be found on the website www.lyndonvt.org.
<https://us02web.zoom.us/j/87907024731?pwd=QTV5VmdnTmtGc2NoMXh1eTA5RU8rUT09>
- March 7 ANNUAL TOWN MEETING – all voting by Australian Ballot at the Municipal Office Building Gymnasium located at 119 Park Avenue from 10 AM to 7 PM.
- March 21 ANNUAL VILLAGE MEETING – Municipal Office Building Conference Room at 7 PM.
All voting will be done from the floor.
- April 3 Last day to license dogs without a late fee. Licenses can be done in the office or by mail.
Call the office for more information.
- September Tax bills are mailed as soon as possible after receipt of information from the State.
- November 3 Last day to pay 2023 property taxes, by 4:30 PM, without penalty and interest.

Postmarks not accepted.

DATES THE TOWN CLERK'S OFFICE IS CLOSED

January 2	New Year's Day
February 20	President's Day
March 7	TOWN MEETING – Australian Ballot Voting
May 29	Memorial Day
July 4	Independence Day
September 4	Labor Day
November 10	Veteran's Day
November 23 & 24	Thanksgiving
December 25	Christmas

TIMES OF IMPORTANT MEETINGS

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

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

2022 Lyndonville Trustees Report

During our February 6th Trustee meeting we acted on a motion by our youngest Trustee to return our annual Village meeting to the traditional format with voting from the floor. As this meeting could very possibly be the last Village of Lyndonville annual meeting, pending the merger of the Village and the Town, the board unanimously approved the motion. The annual meeting is scheduled for Tuesday, March 21st, at 7:00 PM in the Municipal Office Building Conference room.

It was in December of 1880 that the Village of Lyndonville was incorporated by an act of the Vermont legislature. The first organizational meeting was held on March 17, 1881. At that meeting John W. Copeland, Jacob C. Jones, and Jeremy Pearl were elected the first trustees of the village. Now, 142 years later, we await word from the state legislature with their approval of the submitted "Charter of the Town of Lyndon" which encompasses the voter approved merger of the Village and the Town. The legislature's response is expected in the July 2023 timeframe.

At a joint meeting in December, the Selectboard and the Trustees voted to combine the Village and Town ARPA funds and work collaboratively to distribute the monies based on a process brought forth by the ARPA Funding Committee. That process is now underway using an application system.

The never ending work to maintain our Village streets continued with the addition of a "skim coat" of pavement down Hill St. from Chase St. to the intersection with Charles St. Also, Williams St. (north of Depot St.) to Raymond St. and then Raymond St. to East St.

The major Vail Hill Transmission water project was completed replacing an antiquated and mislocated portion of our water infrastructure.

This year the budget includes adding a skim coat of pavement to East St. as well as the completion of the Elm St. sidewalk project.

Our village public works crew, despite being shorthanded, did an amazing job getting projects completed while at the same time addressing the daily,

unexpected situations which arise. Their work and the continued “green thumb skills” of Mary Waldron keep our village’s appearance truly picturesque.

On behalf of the Trustees I’d like to thank all the Village employees for their continued dedication and hard work. A special thank you goes out to those of you who also contributed time and efforts by being on the Village/Town merger committee and for Dawn Dwyer’s team for their efforts preparing for the merger vote and then organizing the required documentation for submittal to the legislature.

Please be safe and have a great year!

Sincerely,

Doug Conly

Chair, Board of Trustees

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

VILLAGE OF LYNDONVILLE
TRUSTEES MINUTES
Informational Meeting for Australian Ballot Voting
March 15, 2022
VIA ZOOM and In-Person
5:30 PM

Trustees

Susan Mills
Heather Bollman
Doug Conly
Sarah Whittemore

Press

Chris Hunter

Public Officials

Justin Smith

Public

Ellen Hinman
Ken Burchesky
Gary Royer
Susie Corbeil

1. Susan Mills called the meeting to order at 5:33 PM and welcomed everyone in attendance for the informational meeting on the Australian Ballot items for the Village Meeting which will be voted on Tuesday, March 15th, 2022, from 1:00 PM until 7:00PM.

Susan Mills made a presentation to those in attendance using Power Point (slides attached). Ms. Mills explained how the informational meeting would operate including that this was like a regular Trustees' meeting and there is not a Moderator for an Informational Meeting. Before explaining the ground rules, Ms. Mills introduced the Board and explained how to navigate ZOOM. The first topic of discussion was the logistics for voting. Ms. Mills informed the public that Australian Ballot voting would be taking place at the Municipal Building, 119 Park Avenue on Tuesday March 15th from 1 PM-7 PM. Ms. Mills reiterated that there would be no floor voting, and everything would be done by Australian Ballot.

Ms. Mills next discussed the projects which were constructed in 2021 including: the continuation of the water transmission line upgrade and some skim coat paving on the High, Middle, and Church Street. Ms. Mills noted that several projects were delayed due to Covid protocols associated with quarantining.

Next, Ms. Mills explained the officers which would be on the ballot including Village Moderator Trustees (five-year term), Village Clerk, Village Treasurer, Delinquent Tax Collector, Village agent, and finally the coin drop organizations.

At this point, Ms. Mills moved on to Article 1 on the ballot. She explained that the Trustees had approved a budget of \$900,251.00. This budget includes the purchase of a new tractor for the sidewalks, and we the Village will be putting away money in savings for several larger projects down the road. Ms. Mills explained that the budget included placing \$25,000 into restricted savings for sidewalks, an additional \$75,000 in paving savings, and finally \$33,150 into new equipment savings. Basing the budget from last year's grand list the tax rate for this year is estimated at \$.8372 which would be a \$.0475 reduction in the tax rate compared with last year FY 2021

Ms. Mills next discussed Article 4 on the Australian Ballot which asks, "Shall the Village of Lyndonville explore the feasibility of a merger of the Village and Lyndonville and the Town of Lyndon, VT?" Ms. Mills stated this is not an article asking to merge but is instead asking the voters of the Village if this were something they would like the Trustees to explore in further detail. Ken Burchesky expressed a concern in making sure that the Village were given equal representation if the decision of both municipalities were to merge. It was agreed by all the Board members and the Municipal Administrator that if both the Town and Village were to merge the us vs them line of thinking would need to cease. Justin Smith stated that he felt that both entities were already working together in many capacities and instead of thinking about what one side might be losing they needed

to be thinking about the efficiencies that could be created. Mr. Smith said everyone will need to start looking at the benefits of Lyndon as a whole, not just what might benefit a sector of the Village or the Town.

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

At this point Susan Mills gave an update on the project called "Revamp the Ville" which is focused on the downtown corridor of Route 5 from the north Railroad tracks continuing into the downtown onto Depot Street and Main Street heading north. She encouraged those present to right down their visions of what would make the downtown a better place to hang out and spend some time. Mr. Smith added that there will be many opportunities to provide input and there will be opportunities to share thoughts in many of the local business downtown, as well as in the lobby of the Municipal Building at 119 Park Avenue.

To end the informational meeting three individuals spoke about the importance of the coin Drop to their organizations. Susie Corbeil spoke on behalf of the Cobleigh Library and expressed the importance of the coin drop in funding the book mobile. Ellen Hinman spoke about the coin drop being the main fundraiser for the Special Olympics. Gary Royer spoke on behalf of Lyndon Youth Baseball Softball and explained that the funding helped to keep registration costs down so children can participate in their worthy program. Mr. Smith explained to all present that there were six-coin drop openings this year and there were six organizations who had submitted requests for a coin drop. He continued by saying write ins are always a possibility but the organizations on the ballot would have the advantage of being on the ballot for consideration.

With no other questions the informational portion of the meeting concluded at 5:57.

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

December 31, 2022

	Governmental Fund		Proprietary		Fiduciary		Account Groups	
	Types		Fund Types		Fund Types		Account Groups	
	General Funds	Special Revenue Funds	ARPA Funds	Enterprise Funds	Trust Funds	General Fixed Assets	Total	
ASSETS AND OTHER DEBITS								
Cash	\$ 777,888.62	\$ -	\$ 342,461.61	\$ 790,937.88	\$ -	\$ -	\$ 1,911,288.11	
Restricted Cash	-	416,993.31	-	-	545.65	-	417,538.96	
Receivables								
Delinquent Taxes	13,133.46	-	-	-	-	-	13,133.46	
Accounts Receivable	-	-	-	19,553.39	-	-	19,553.39	
Other Receivables	1.92	-	-	263.43	-	156,273.79	156,539.14	
Due From Other Funds	-	-	6,588.14	581,278.09	-	-	587,866.23	
Fixed Assets	-	-	-	7,442,866.09	-	862,673.01	8,305,539.10	
Pension Deferred Outflows	320.11	-	-	-	-	33,195.00	33,515.11	
Total Assets and Other Debits	<u>\$ 791,344.11</u>	<u>\$ 416,993.31</u>	<u>\$ 349,049.75</u>	<u>\$ 8,834,898.88</u>	<u>\$ 545.65</u>	<u>\$ 1,052,141.80</u>	<u>\$ 11,444,973.50</u>	
LIABILITIES, EQUITY AND OTHER CREDITS								
Liabilities:								
Accrued Payroll	\$ 4,544.43	\$ -	\$ -	\$ 295.42	\$ -	\$ -	\$ 4,839.85	
Due to Other Funds	699,216.50	-	-	-	-	-	699,216.50	
Bond/Note Payable	-	-	-	3,758,268.16	-	156,273.79	3,914,541.95	
Deferred Grant Revenue	-	-	174,124.42	-	-	-	174,124.42	
Total Liabilities	<u>703,760.93</u>	<u>-</u>	<u>174,124.42</u>	<u>3,758,563.58</u>	<u>-</u>	<u>156,273.79</u>	<u>4,792,722.72</u>	
Equity and Other Credits:								
Investment in								
General Fixed Assets	-	-	-	-	-	946,891.95	946,891.95	
Net Pension Liability	-	-	-	-	-	70,168.00	70,168.00	
Pension Deferred Inflows	-	-	-	-	-	51,814.00	51,814.00	
Retained Earnings:								
Unreserved	-	-	-	110,016.00	-	-	110,016.00	
Fund Balances:								
Reserved	132,757.06	285,583.39	174,925.33	4,966,319.30	545.65	(86,142.94)	5,473,987.79	
Unreserved:	(45,173.88)	131,409.92	-	-	-	(86,863.00)	86,236.04	
VMERS Fund Balance	-	-	-	-	-	(86,863.00)	(86,863.00)	
Total Equity and Other Credits	<u>87,583.18</u>	<u>416,993.31</u>	<u>174,925.33</u>	<u>5,076,335.30</u>	<u>545.65</u>	<u>895,868.01</u>	<u>6,652,250.78</u>	
Total Liabilities, Equity and Other Credits	<u>\$ 791,344.11</u>	<u>\$ 416,993.31</u>	<u>\$ 349,049.75</u>	<u>\$ 8,834,898.88</u>	<u>\$ 545.65</u>	<u>\$ 1,052,141.80</u>	<u>\$ 11,444,973.50</u>	

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2022

<u>Description</u>	<u>Balance</u> <u>January 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2022</u>
Highway Equipment	\$ 523,003.24	\$ 60,370.54	\$ -	\$ 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	428,154.86	70,311.55	-	498,466.41
Swimming Pool at Powers Park	308,024.76	-	-	308,024.76
	<u>1,423,503.62</u>	<u>130,682.09</u>	<u>-</u>	<u>1,554,185.71</u>
Less: Accumulated Depreciation				<u>(691,512.70)</u>
Total General Fixed Assets Account Group				<u>\$ 862,673.01</u>

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN CAPITAL ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2022

<u>Description</u>	<u>Balance</u> <u>January 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2022</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.	1,831,451.11	136,000.12	-	1,967,451.23
Other Equipment	249,446.67	-	-	249,446.67
Dry hydrants	2,691.48	-	-	2,691.48
	<u>11,401,471.92</u>	<u>136,000.12</u>	<u>-</u>	<u>11,537,472.04</u>
Total Capital Assets	11,975,253.01	136,000.12	-	12,111,253.13
Less: Accumulated Depreciation				<u>(4,668,387.04)</u>
Total Capital Assets Account Group				<u>\$ 7,442,866.09</u>

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

As of December 31, 2022

Payment due	19 Int'l Trk	20 Cat Backhoe	Ventrac	Totals
2023	14,284.39	9,949.92	10,657.48	34,891.79
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	14,636.28	10,546.36	11,746.65	36,929.29
2027	-	4,944.65	6,153.36	11,098.01
	\$ 59,406.97	\$ 45,929.27	\$ 50,937.55	\$ 156,273.79

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, 2022

Payment Due	Vermont Bond Bank		(Vail Trans. Project)	(Refinanced Loan)	USDA		Totals
	(Expansion Project)	(Well Project)			(Phase 6 Contract 1)	(Phase 6 Contract 2)	
2023	31,359.41	3,866.83	18,115.16	18,095.51	15,463.08	13,005.50	99,905.49
2024	31,359.41	3,866.82	18,115.16	18,756.00	15,891.24	13,332.67	101,321.30
2025	31,359.41	3,866.82	18,115.16	19,440.60	16,331.25	13,668.07	102,781.31
2026	31,359.41	3,866.82	18,115.16	20,150.17	16,783.45	14,011.90	104,286.91
2027	31,359.41	3,866.82	18,115.16	20,885.65	17,248.16	14,364.40	105,839.60
2028	31,359.41	3,866.82	18,115.16	21,647.98	17,725.75	14,725.74	107,440.86
2029	31,359.41	3,866.82	18,115.16	22,438.14	18,216.56	15,096.19	109,092.28
2030	31,359.41	3,866.82	18,115.16	23,257.13	18,720.96	15,475.95	110,795.43
2031 - 2053	62,718.87	15,467.32	578,399.47	392,088.90	572,124.55	485,716.54	2,106,515.65
Totals	\$ 313,594.15	\$ 46,401.89	723,320.75	\$ 556,760.08	\$ 708,505.00	\$ 599,396.96	\$ 2,947,978.83

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, 2022

<u>Restricted Purpose</u>	<u>Balance</u> <u>Jan. 1, 2022</u>	<u>Interest</u> <u>Income</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
New Equipment	\$ 54,786.64	\$ 408.98	\$ 33,150.00		\$ 88,345.62
Sidewalks	17,082.83	127.52	25,000.00		42,210.35
Garage	21,204.51	158.36		(5,000.00)	16,362.87
Tax Stabilization Account	42,623.88	318.18			42,942.06
Health Insurance Pool	1,898.41	0.46			1,898.87
Sale of Morrill Lot (1984)	43,247.17	147.23			43,394.40
Paving	87,024.85	659.09	76,318.60	-	164,002.54
Curbing	3,630.56	27.12			3,657.68
Fountain	2,717.22	9.52			2,726.74
Rte. 5 Project	11,367.32	84.86			11,452.18
Totals	<u>\$ 285,583.39</u>	<u>\$ 1,941.32</u>	<u>\$ 134,468.60</u>	<u>\$ (5,000.00)</u>	<u>\$ 416,993.31</u>

VILLAGE OF LYNDONVILLE
WATER SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2022

<u>Restricted Purpose</u>	<u>Balance</u> <u>Jan. 1, 2022</u>	<u>Interest</u> <u>Income</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Debt Reduction	\$ 274,188.87	\$ 1,917.47	\$ 16,231.00	\$ -	\$ 292,337.34
Water Main Savings	402,366.67	2,807.19	16,230.00	-	421,403.86
Carbon Savings	36,560.02	253.78	-	-	36,813.80
Broad Street Engineering	20,123.56	157.31	20,102.00	-	40,382.87
Totals	<u>\$ 733,239.12</u>	<u>\$ 5,135.75</u>	<u>\$ 52,563.00</u>	<u>\$ -</u>	<u>\$ 790,937.87</u>

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

<u>YEAR</u>		<u>GRAND LIST</u>		<u>TAX RATE</u>
2018	\$	697,474.00	\$	0.7423
2019	\$	690,494.00	\$	0.8398
2020	\$	696,217.00	\$	0.8324
2021	\$	698,583.00	\$	0.8847
2022	\$	697,028.00	\$	0.8391

**VILLAGE OF LYNDONVILLE WATER DEPARTMENT
QUARTERLY WATER RATES
(Rates effective 4/1/23)**

*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)**

*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, 2022**

Grand List:

Village General Fund \$ 697,028.00

Taxes Assessed and Billed

General Fund (\$697,028.00 x .8391) \$ 584,876.14
Taxes to Account For \$ 584,876.14

Taxes Collected and Uncollected

General Fund Taxes Collected \$ 567,056.99
Delinquent to Tax Collector \$17,819.15
Taxes Accounted For \$ 584,876.14

2022 Equalization Study Results

Education Grand List (from 411) \$374,848,710
Equalized Education Grand List (EEGL) \$449,119,203
Common Level of Appraisal (CLA) 83.46%
Coefficient of Dispersion (COD) 21.27%

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, 2022**

	Total	Assessment Years				
		2022	2021	2020	2019	2018
Balance January 1, 2022	\$ 18,302.51	-	10,168.97	\$ 3,015.45	\$ 2,716.75	\$ 2,401.34
Additions:						
Delinquent Taxes to Collector	<u>\$17,819.15</u>	<u>\$17,819.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	36,121.66	\$17,819.15	10,168.97	3,015.45	2,716.75	2,401.34
Deductions:						
Abatements	-	-	-	-	-	-
Collections	<u>24,306.55</u>	<u>7,228.46</u>	<u>8,944.55</u>	<u>3,015.45</u>	<u>2,716.75</u>	<u>2,401.34</u>
Total Deductions	<u>24,306.55</u>	<u>7,228.46</u>	<u>8,944.55</u>	<u>3,015.45</u>	<u>2,716.75</u>	<u>2,401.34</u>
Balance December 31, 2020	<u>\$ 11,815.11</u>	<u>\$10,590.69</u>	<u>\$ 1,224.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the Year Ended December 31, 2022
With Proposed Budget Figures for 2023

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
REVENUES			
Sewers & CSO:			
Reimbursement from Town of Lyndon	\$ 30,000	\$ 21,929.01	\$ 30,000
Sidewalks:			
Reimbursements (Town & Grants)	9,000	12,918.91	14,500
Parks:			
Park Rent	-	525.00	-
Police:			
State Of Vermont - Fines	1,000	222.50	1,000
Fringe Benefits:			
Water Dept. Reimbursement	29,227	37,319.68	39,325
Delinquent Taxes:			
Delinquent Tax Interest	1,500	225.16	1,000
Delinquent 8% Penalty	2,500	981.16	1,500
Total Delinquent Taxes	4,000	1,206.32	2,500
Administration:			
Permits & Licenses	100	49.00	100
L.E.D. Office Rent	10,108	10,108.00	10,756
Water Dept. Reimbursement	34,540	34,540.00	36,752
Bank Interest	2,000	2,176.43	2,250
Total Administration	46,748	46,873.43	49,858
Garage:			
Water Department Rent	19,552	19,552.00	20,804
From Savings - New Facility	5,000	5,000.00	5,000
Total Garage	24,552	24,552.00	25,804
Equipment Operations & Maintenance:			
Water Equip. Reimbursement	8,000	17,111.00	12,700
Vacon P/R Reimbursement - T/L	1,000	971.19	1,000
Total Equipment Operations & Maint:	9,000	18,082.19	13,700
New Equipment:			
Proceeds from loan	56,001	56,000.00	-
Miscellaneous: Morrill Lot Interest			
	-	-	500
Highways:			
State Aid - Class 1	15,556	15,765.14	15,765
State Aid - Class 3	8,272	8,383.42	8,383
Outside Work	11,000	12,428.05	11,000
Parking Violations	500	507.50	500
Total Highways	35,328	37,084.11	35,648
Taxes:			
State of Vermont - PILOT	10,209	10,231.00	-
L.E.D. (In Lieu of Taxes)	37,000	36,020.14	36,000

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
Property Tax Revenue	582,644	571,288.76	-
Total Taxes	629,853	617,539.90	\$ 36,000
TOTAL REVENUES	\$ 874,709	\$ 874,253.05	\$ 248,835
	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
EXPENDITURES			
Sewer:			
Payroll & Fixed Costs	\$ 28,100	\$ 17,477.01	\$ 25,500
Equipment Use	1,900	4,452.00	4,500
Total Sewer	30,000	21,929.01	30,000
Sidewalks:			
Payroll & Fixed Costs	17,224	18,466.78	21,530
Hired Labor & Equipment	1,000	900.00	1,000
Materials & Supplies	12,000	6,115.14	17,000
Sidewalk Savings	25,000	25,000.00	-
Total Sidewalks	55,224	50,481.92	39,530
Parks:			
Payroll	12,918	6,296.62	6,988
Hired Labor & Equipment	5,500	12,930.54	5,500
Materials & Supplies	6,000	4,311.25	6,000
Mowing	-	-	7,031
Downtown Beautification	3,000	1,765.75	3,000
Electricity	1,600	1,395.76	1,500
Landscaping & Shrubs	500	-	500
Total Parks	29,518	26,699.92	30,519
Village Improvement Society-Parks:			
VIS Insurance Reimbursement	-	198.00	-
Police Department:			
Contract with Town of Lyndon	49,640	39,968.91	69,434
Public Utilities:			
Street Lights	23,000	19,426.88	23,000
Village Clock - Electric	550	458.89	588
Village Clock - Maintenance	1,000	-	1,000
Total Public Utilities	24,550	19,885.77	24,588
Fringe Benefits:			
Pension	15,542	13,336.16	17,972
Workers' Compensation	14,756	12,771.00	14,964
Health Insurance & Buyout	97,592	86,044.70	104,944
Unemployment Insurance	1,029	1,149.00	1,091
Uniforms	2,600	2,431.18	3,000
Safety Footwear Allowance	600	300.00	600
Paid Leave and Fixed Costs	21,706	23,052.79	21,285
Total Fringe Benefits	153,825	139,084.83	163,856
Administrative and Office Expense:			
Reimbursement for Office Overhead	52,200	52,200.00	55,540

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
Postage	3,000	3,000.00	3,150
Notices	1,200	100.00	1,000
Dues	1,000	1,598.75	1,750
Annual Report	500	214.02	500
Machine Maintenance	200	205.20	250
Rent	4,356	4,356.00	4,636
Legal Fees	1,000	-	2,500
Trustees' Payroll & Fixed Costs	4,441	4,366.83	4,441
Stormwater Fees	750	500.00	650
Supplies	750	183.85	750
Total Administrative and Office Expense	69,397	66,724.65	75,167
Insurance:			
Property and Casualty	3,073	3,356.20	6,734
Garage:			
Payroll & Fixed Costs	15,071	3,205.42	7,536
MOB Pellet Boiler Payroll & Fixed Costs	538	248.26	538
Materials & Supplies	4,000	5,384.42	5,000
Maintenance	500	47.68	500
Telephone	2,000	2,008.43	1,500
Water	400	385.10	400
New Facility	21,129	14,959.41	21,520
New Facility Lease Payment	72,225	71,439.40	70,281
Apparel	1,500	111.15	500
Miscellaneous	1,000	1,020.86	1,000
Total Garage	118,363	98,810.13	108,775
Equipment Operations & Maintenance:			
Payroll & Fixed Costs	21,530	23,202.86	25,836
Personal Protection Equipment	-	-	500
Contracted Repairs	8,000	4,290.49	8,000
Parts and Supplies	20,000	17,098.44	20,000
Fuel	16,500	18,935.92	20,000
Lubricants	1,000	262.58	-
Tires	2,500	1,056.00	2,500
Tire Chains	2,000	-	2,000
Painting & Sandblasting	4,000	-	4,000
Loan Payment - '19 International Dump Trk	15,799	15,798.60	15,799
Loan Payment - '20 Backhoe	10,804	10,803.68	10,804
Loan Payment - '22 Tractor	6,111	6,116.01	12,222
Savings	33,150	33,150.00	-
Miscellaneous	500	-	-
Total Equip Operations & Maintenance	141,894	130,714.58	121,661
New Equipment:			
Hand Tools	2,000	833.98	1,000
Tool Boxes	1,000	-	-
Radios	500	-	500
Sidewalk Machine	-	-	60,000
Tractor	56,001	53,104.00	-
Sander	7,410	7,266.54	-

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
Miscellaneous	500	-	500
Total New Equipment	67,411	61,204.52	62,000
Materials:			
Salt	45,000	45,524.72	45,000
Sand	1,000	160.74	1,000
Hot Mix	2,500	992.20	2,500
Cold Patch	3,000	-	3,000
Sign Management Program	3,000	63.00	2,000
Calcium Chloride	1,000	1,638.20	1,500
Hay	250	-	250
Grass Seed	200	685.50	500
Gravel	500	-	500
Top Soil	300	200.00	300
Culverts and Catch Basins	4,000	-	4,000
Total Materials	60,750	49,264.36	60,550
Miscellaneous:			
Trustee Expense	200	-	200
Miscellaneous	125	75.00	125
Total Miscellaneous	325	75.00	325
Highways-Summer Class 1:			
Payroll & Fixed Costs	2,153	3,854.71	5,383
Street Sweeping	1,500	1,330.00	1,500
Crack Sealing	1,000	-	1,000
Drainage Basin Cleaning	3,000	-	3,000
Line Striping	4,000	-	4,000
Total Summer Class 1	11,653	5,184.71	14,883
Highways-Winter Class 1:			
Payroll & Fixed Costs	8,074	7,618.30	9,689
Hired Equipment	6,000	2,897.50	3,000
Total Winter Class 1	14,074	10,515.80	12,689
Highways-Summer Class 3:			
Payroll & Fixed Costs	15,609	20,115.46	23,683
Hired Equipment	1,000	-	-
Street Sweeping	2,800	3,990.00	4,000
Crack Sealing	3,000	4,500.00	3,500
Drainage Basin Cleaning	15,000	2,710.84	15,000
Line Striping	5,000	-	5,000
Savings - Paving	75,000	75,000.00	22,112
Total Summer Class 3	117,409	106,316.30	73,295
Highways-Winter Class 3:			
Payroll & Fixed Costs	32,295	33,930.45	35,999
Hired Equipment	4,000	320.41	2,000
Miscellaneous	-	296.00	-
Total Winter Class 3	36,295	34,546.86	37,999
Project - Skim Coat	50,000	49,921.03	30,000

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
TOTAL EXPENDITURES	<u>1,033,401</u>	<u>914,883</u>	<u>962,005</u>
Total Revenues Over (Under) Expenditures	(158,692)	(40,629.45)	(713,170)
Cash on Hand at Beginning of Year	<u>158,692</u>	<u>158,692.00</u>	<u>118,063</u>
Total Revenues and Cash on Hand Over (Under) Expenditures	-	<u>\$ 118,062.55</u>	
Required from Property Taxes	<u>\$ -</u>		<u>\$ (595,107)</u>

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

For the Year Ended December 31, 2022
With Proposed Budget Figures for 2023

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
REVENUES			
User Fees	\$ 652,355	\$ 659,080.19	\$ -
Interest and Penalty	500	2,605.77	1,500
Interest Income - Banks	2,500	5,135.75	4,000
Permits	500	1,980.00	900
Meter Reading	4,540	4,540.00	4,832
Labor & Materials	3,000	4,754.23	3,000
From Savings-Water Debt Reduction	-	-	43,500
Bond Proceeds -Vail Transmission Project	321,508	388,022.12	-
TOTAL REVENUES	\$ 984,903	\$ 1,066,118.06	\$ 57,732

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
EXPENDITURES			
Water Mains:			
Payroll & Fixed Costs	\$ 22,706	\$ 28,368.38	\$ 32,295
Equipment Use	2,500	7,178.50	4,000
Hired Equipment	10,000	17,704.57	15,000
Materials & Supplies	10,000	8,407.43	12,000
Electricity	67,500	57,629.34	65,000
Engineering	10,000	-	10,000
Heat - Propane	1,000	2,077.05	2,500
Curb Stop Locator	1,000	41.06	1,000
Reservoir & Dam Cleaning	7,800	7,831.15	-
Security System	1,500	1,007.49	1,500
Water Main Savings	16,230	16,230.00	-
Water - Savings	16,231	16,231.00	-
Pump Station Maintenance	3,000	2,814.13	3,000
Well Maintenance	13,375	3,500.00	22,500
Customer Replacement Well	65,000	75,172.08	75,000
Total Water Mains	247,842	244,192.18	243,795
On Call:	12,771	12,311.81	13,360
Treatment Plant:			
Payroll & Fixed Costs	1,615	619.39	1,077
Operating Contract	66,507	66,317.68	68,639
Equipment Use	200	415.50	200
Hired Equipment	2,000	1,085.50	2,000
Materials & Supplies	7,500	4,459.15	6,500
Computer Maintenance	2,500	1,125.25	3,600

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
Computer Equipment	500	-	500
Pagers	750	724.44	750
Propane - Heat	7,000	7,793.99	8,500
Building Maintenance	5,000	1,573.84	5,000
Generator Upkeep	3,000	1,439.99	3,000
Training	2,000	4,917.00	3,000
Telemetry Maintenance	2,500	1,500.00	2,500
Chlorine System	2,000	1,560.24	2,000
Heaters	2,000	-	2,000
Mowing	-	3,636.36	4,219
Total Treatment Plant	105,072	97,168.33	113,485
Hydrants:			
Payroll & Fixed Costs	8,612	6,372.18	8,612
Equipment Use	1,500	2,577.50	1,500
Hired Equipment	1,500	467.50	1,500
Materials & Supplies	5,000	4,074.32	8,000
Total Hydrants	16,612	13,491.50	19,612
Water Meters:			
Payroll & Fixed Costs	6,459	8,178.02	10,765
Equipment Use	1,900	2,487.50	2,500
Materials & Supplies	20,000	13,124.89	20,000
Total Water Meters	28,359	23,790.41	33,265
Fringe Benefits: Water Dept. Share	29,227	37,319.68	39,325
Administration:			
Rail Crossing Fee	3,750	3,750.00	3,750
State Assessment	7,500	7,855.10	7,000
Administrative Costs	34,540	34,540.00	36,752
Insurance-Property and Casualty	2,729	2,728.80	7,510
Taxes	2,700	2,575.62	2,700
Bond Payment-Expansion Project	31,359	31,359.41	31,359
Bond Payment-Well Project	3,867	3,866.82	3,867
Bond Payment - Refinance	38,417	38,417.27	38,417
Bond Payment - Phase 6 Contract 1	34,842	34,842.00	34,842
Bond Payment - Phase 6 Contract 2	27,910	27,910.00	27,910
Bond Payment - Vail Transmission Line	23,742	16,829.46	20,200
Notices	500	60.00	500
Water Reports	600	514.92	600
Supplies	300	226.99	300
Dues	410	-	450
Garage Rent	19,552	19,552.00	20,804
Legal	1,500	55.50	1,500
Audit	14,000	14,000.00	15,000
Municipal Administrator Reimbursement	22,906	22,906.00	24,692

	2022 BUDGET	2022 ACTUAL	PROPOSED 2023 BUDGET
Water Testing	5,000	4,793.78	5,000
Total Administration	276,124	266,783.67	283,153
Broad St Vtrans Project: Engineering Savings	20,102	20,102.00	20,102
Vail Transmission Line:			
Engineering - Construction	9,688	937.00	-
Legal & Administrative	-	4,116.50	-
Contruccion	55,738	130,946.62	-
Total Vail Transmission Line	65,426	136,000.12	-
TOTAL EXPENDITURES	801,535	851,159.70	766,097
Revenue over/(under) Expenditures	183,368	\$ 214,958.36	(708,365)
Cash on Hand Beginning of Year	(183,368)	(183,368.00)	31,590
Total Revenues and Cash on Hand	-		
Over (Under) Expenditures	\$ -	\$ 31,590.36	\$ (676,775)

Village of Lyndonville Electric Department 2022 General Manager's Year-End Report

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

Greetings! My name is Jonathan Elwell, and I started as the new General Manager for Lyndonville Electric Department on March 7, 2022. It has been a pleasure serving our customers these past nine months, and I hope to be here for many years to come! What a dynamic, and interesting time we are all living in! As in 2021, the COVID-19 Virus continued to linger in our area through 2022, infecting LED's workforce. At times we struggled to manage workload with a reduced staff for long periods, but the Department persevered, and it is our hope that we are now through the worst of this terrible pandemic.

The year 2022 could best be summarized as a year of change for the Department. Due to retirements and promotions, Lyndonville Electric Department saw turnover in the General Manager's position, the Financial Comptroller, the Billing Clerk, Meter Technician, and Stock Clerk positions. Through these changes, LED's employees have continued to work diligently, and it is our hope that the multiple transitions were seamless to customers.

Finances for the Department were stretched in ways not experienced in over a decade. Due to market conditions, high inflation rates over the past two years, continued mandates to "renewable energy" sources, and low hydro generation as a result of maintenance at Great Falls Hydro Lyndonville Electric Department ended 2022 with a \$589,058 deficit. Continued bottlenecks in supply chain resources and materials were also issues we struggled with through the year. In theory, many of these state mandated policies seek to replace fossil fuel, and nuclear sources by further electrifying society, and then perhaps counter balancing lost revenues to electric utilities with greater sales at some unknown point in time.

The last rate increase by LED was in 2010. Given that, 2023 will mark thirteen years with no rate increase for customers. It is very likely a rate increase will be filed in 2023 as a result of market forces for power purchase costs mentioned above.

Discussions began on an Advanced Metering Infrastructure (AMI) Project for our service territory through the course of the past year. This is typically known as "smart metering." During 2022, the Lyndonville Board of Trustees discussed the possibility of approving an AMI project for LED to be spear-headed by Vermont Public Power Supply Authority (VPPSA) of which LED is a member. VPPSA is made up of 11 municipally owned electric utilities in Vermont, and acts as a joint-action agency to provide power supply services, and other projects as directed by its members. This would be a challenging project given the very 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. No decision has been made at the time of this report's writing regarding LED participating in this project. Discussions will continue with the Board of Trustees through 2023 on this item.

Another subject which may be of interest to customers is the Electric Department was involved with the Town/Village consolidation or merger issue. I served as a member of the Merger Committee

representing interests and concerns from the Village Electric Department toward this larger goal of uniting the Town of Lyndon and Village of Lyndonville into one municipality under the Town of Lyndon. In November 2022 a public vote was taken and approved by the community to merge the two governments including the Lyndonville Electric Department. For the most part, nothing would change operationally for the Department, but as part of the merger plan, a new Board of Electric Commissioners would be created to oversee the new *Lyndon* Electric Department. The Board of Electric Commissioners would be appointed by the Town of Lyndon Selectboard.

There is still much to do regarding the merger effort, however, before it is finalized. The next step in the process is for the voter-approved merger to be taken up for consideration by the State of Vermont Legislature. This is expected to be done in the 2023 Legislative Session with more news to come through the upcoming year.

Lyndonville 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 2022:

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: Westminister, MA
- Entitlement: 24.8%
- Products: Energy, capacity, renewable energy credits (MA I)
- End Date: 12/31/31
- Notes:

Hydro Quebec US (HQUS)

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

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 entitles under short-term, (5 year or less) agreements. These contracts are described as Planned and Market Purchases in the tables below.

McNeil Station

- Size: 54MW
- Fuel: Wood
- Location: Burlington, VT
- Entitlement: 3% (1.5 MW), joint-owned by 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 Your Power Authority (NYPA)

- Size: 2,675 MW (Niagara), 1,957 MW (St. Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.405 MW (Niagara PPA), 0.025 MW (St. Lawrence PPA)
- Products: Energy, capacity, renewable energy credits (New York System Mix)
- End Date: 9/1/25 (Niagara), 4/30/32 (St. Lawrence)
- Notes: NYPA provides hydro power to the Electric Department under two contracts, which will be extended at the end of their term.

PUC Rule 4.300 (Standard Offer Program)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 1.23% (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.

Project 10

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

Ryegate

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, VT
- Entitlement: 1.2% (.0246 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 11/1/32

Seabrook 2018 – 22

- Size: 1,250 MW
- Fuel: Nuclear
- Location: Seabrook, NH
- Entitlement: 3.825 MW On-Peak, 2.808 MW Off-Peak (PPA)
- Products: Energy, capacity, environmental attributes (Carbon-free nuclear)
- End Date: 12/31/22
- Notes:

Stonybrook

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

Vail & Great Falls Hydro

- Size: 2.4 MW
- Fuel: Hydro
- Location: Lyndonville, VT
- Entitlement: 100%, owned

- Products: Energy, capacity, renewable energy credits (VT Tier I & II)
- End Date: Life of unit
- Notes:

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

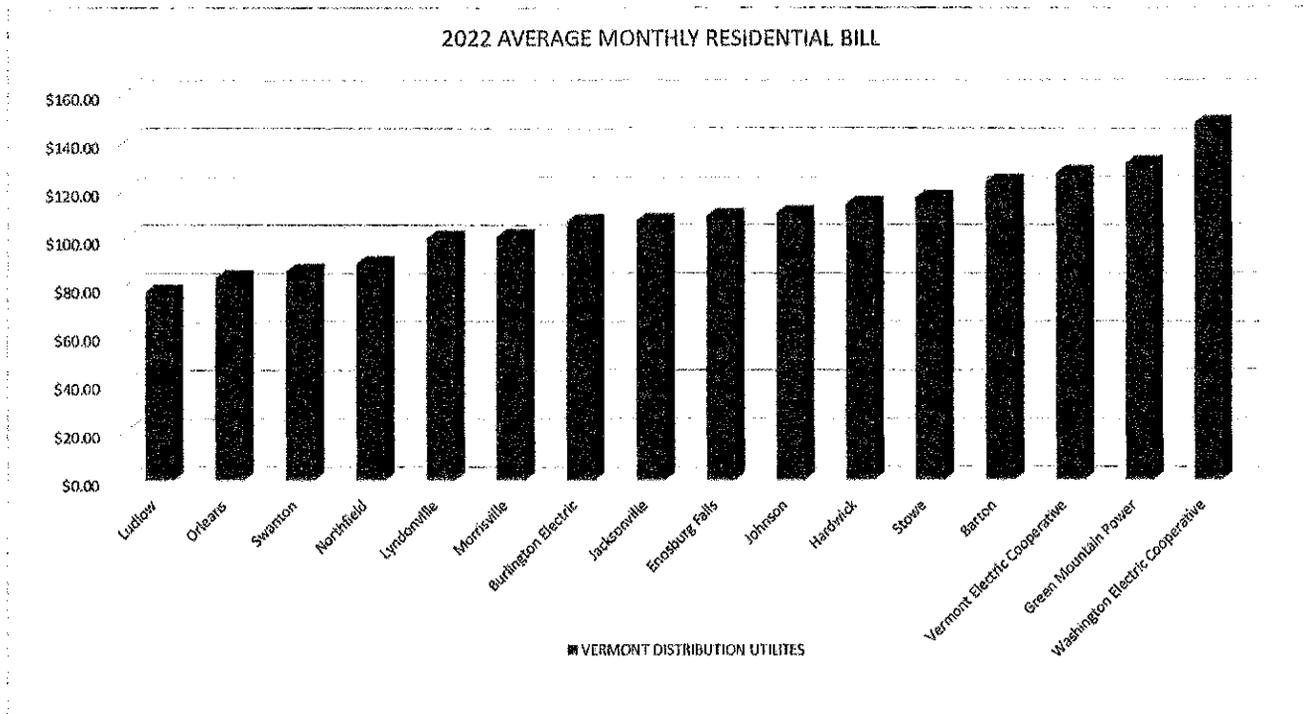
Location: Highgate, Vermont

Entitlement: 1.1356%

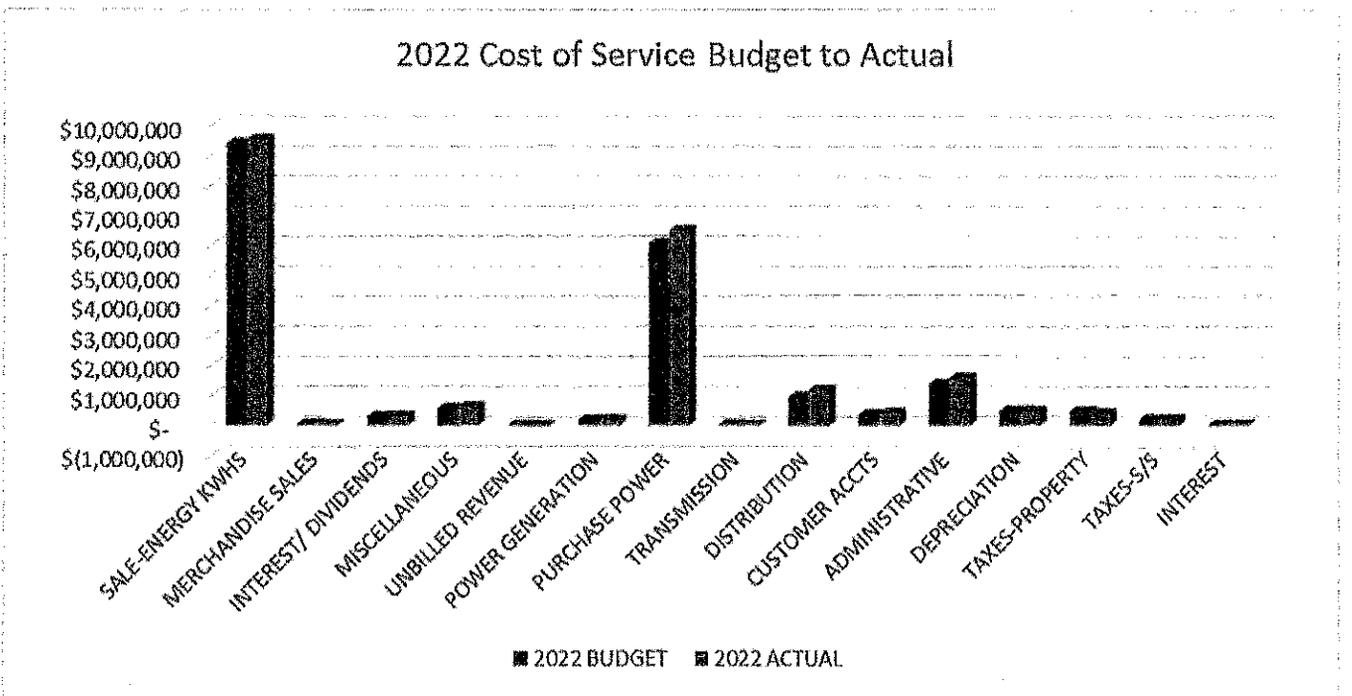
Products: Transmission rights, capacity credits, lease payments

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. 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 resource that generates a net revenue to the Electric Department.



Vermont Public Power Supply Authority					
2022 Vermont Utility Rankings Based on Kilo Watts Hours Sales					
Effective January 2022	200 kWh	Utility	600 kWh	Utility	1,000 kWh
Ludlow	26.13	Ludlow	77.66	Ludlow	129.19
Jacksonville	28.33	Orleans	83.66	Orleans	135.77
Northfield	30.25	Swanton	86.21	Swanton	139.11
Orleans	31.56	Northfield	89.44	Northfield	148.64
Swanton	33.30	Lyndonville	99.86	Lyndonville	164.04
Morrisville	34.55	Morrisville	100.36	Morrisville	166.16
Lyndonville	35.68	Burlington Electric	106.65	Burlington Electric	175.16
Enosburg Falls	36.39	Jacksonville	107.06	Johnson	179.39
Burlington Electric	38.14	Enosburg Falls	109.10	Enosburg Falls	181.82
Hardwick	38.19	Johnson	110.22	Jacksonville	185.79
Johnson	41.05	Hardwick	114.10	Stowe	188.81
Barton	41.14	Stowe	116.51	Hardwick	190.01
Stowe	44.22	Barton	123.08	Barton	205.02
Vermont Electric Cooperative	48.08	Vermont Electric Cooperative	126.67	Vermont Electric Cooperative	205.27
Green Mountain Power	54.26	Green Mountain Power	130.77	Green Mountain Power	207.28
Washington Electric Cooperative	58.30	Washington Electric Cooperative	147.27	Washington Electric Cooperative	236.24



2022 ACTUAL TO 2022 BUDGET			
COST OF SERVICE SHEET FOR 2022			
	2022	2022	% to
	BUDGET	ACTUAL	budget
OPERATING REVENUE			
SALE-ENERGY KWHS	\$ 9,395,021	\$ 9,531,120	101.45%
OTHER OPERATING REVENUE			
MERCHANDISE SALES	\$ 45,000	\$ 31,008	68.91%
INTEREST/ DIVIDENDS	\$ 304,752	\$ 314,017	103.04%
MISCELLANEOUS	\$ 575,000	\$ 635,118	110.46%
UNBILLED REVENUE	\$ 10,000	\$ (32,450)	
TOTAL REVENUES	\$ 10,329,773	\$ 10,478,813	101.44%
OPERATING EXPENSES			
POWER GENERATION	\$ 185,969	\$ 199,206	107.12%
PURCHASE POWER	\$ 6,062,223	\$ 6,494,212	107.13%
TRANSMISSION	\$ 38,769	\$ 17,988	46.40%
DISTRIBUTION	\$ 953,130	\$ 1,182,904	124.11%
CUSTOMER ACCTS	\$ 375,591	\$ 426,029	113.43%
ADMINISTRATIVE	\$ 1,386,967	\$ 1,586,187	114.36%
DEPRECIATION	\$ 497,958	\$ 493,811	99.17%
TAXES-PROPERTY	\$ 485,000	\$ 419,737	
TAXES-S/S	\$ 209,914	\$ 215,763	102.79%
INTEREST	\$ 29,404	\$ 32,034	108.94%
TOTAL EXPENSES	\$ 10,224,925	\$ 11,067,871	108.24%
INCOME OR (LOSS)	\$ 104,848	\$ (589,058)	

In closing, I would like to thank our Board of Trustees, and the Electric Department employees for their dedication, and hard work throughout the past year. The Village Trustees meet every other Monday at 5:30pm in the Public Meeting 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,

A handwritten signature in cursive script, appearing to read "Jonathan Elwell". The signature is written in black ink and is positioned above the printed name and title.

Jonathan Elwell
General Manager
Lyndonville Electric Department

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

FINANCIAL STATEMENTS

December 31, 2022

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
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Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Village of Lyndonville Electric Department, a component unit of the Village of Lyndonville, Vermont, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Village of Lyndonville Electric Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Village of Lyndonville Electric Department as of December 31, 2022 and 2021, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Lyndonville Electric Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of Net Pension Liability – VMERS on page 28 and the Schedule of Contributions – VMERS on page 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 Village of Lyndonville 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 Village of Lyndonville Electric Department and do not purport to, and do not present fairly the financial position of the Village of Lyndonville, Vermont, as of December 31, 2022 and 2021, 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.



St. Albans, Vermont
February 13, 2023

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

The management of Village of Lyndonville Electric Department (the Department) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the years ended December 31, 2022 and 2021. Please read it in conjunction with the Department's financial statements, which follow this section.

The Department maintains its accounting records in the manner prescribed by the Federal Energy Regulatory Commission (FERC). The Department is regulated to rates, accounting and other matters by the Public Service Board of Vermont (PSB). In accordance with Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation*, the Department records certain assets and liabilities in accordance with the economic effects of the rate making process. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

This section of the Village of Lyndonville Electric Department's (the Department's) annual report presents a discussion and analysis of the Department's financial performance during the fiscal years that ended on December 31, 2022 and 2021.

Financial Highlights

- Operating revenues in 2022 were \$10,154,915; an increase of \$233,418 from 2021. The 2021 total operating revenues were \$9,921,497, which was an increase of \$329,263 from 2020 total operating revenue.
- Total operating expenses were \$11,025,956 in 2022; an increase of \$1,061,126 from 2021. The 2021 total operating expenses were \$9,964,830, which was a decrease of \$343,940 from 2020 operating expenses.
- Total net position at December 31, 2022 was \$10,569,261, a decrease of \$589,058 from 2021. Net position in 2021 was \$11,158,319 as compared to 2020 net position of \$10,934,398; an increase of \$223,921.
- Utility plant in service net of accumulated depreciation at December 31, 2022 was \$5,945,270 a \$81,994 decrease from 2021. Utility plant in service net of accumulated depreciation in 2021 was \$6,027,264, a \$134,628 decrease from 2020.

Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Capital assets, net	\$ 5,945,270	\$ 6,027,264	\$ 6,161,892
Current assets	1,895,278	2,279,303	2,483,022
Noncurrent assets	5,251,493	4,789,924	4,233,632
Deferred Outflows	<u>201,414</u>	<u>290,039</u>	<u>180,356</u>
 Total Assets	 <u>\$ 13,293,455</u>	 <u>\$ 13,386,530</u>	 <u>\$ 13,058,902</u>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current liabilities	\$ 1,430,412	\$ 739,952	\$ 726,960
Noncurrent liabilities	1,036,451	1,475,144	1,393,224
Deferred Inflows	<u>257,331</u>	<u>13,115</u>	<u>4,320</u>
 Total Liabilities	 <u>2,724,194</u>	 <u>2,228,211</u>	 <u>2,124,504</u>
 Invested in capital assets	 5,173,114	 5,133,918	 5,148,239
Restricted - future capital additions	-	145,687	145,558
Unrestricted	<u>5,396,147</u>	<u>5,878,714</u>	<u>5,640,601</u>
 Total Net Position	 <u>10,569,261</u>	 <u>11,158,319</u>	 <u>10,934,398</u>
 Total Net Position and Liabilities	 <u>\$ 13,293,455</u>	 <u>\$ 13,386,530</u>	 <u>\$ 13,058,902</u>

Financial Highlights and Analysis

For the year ending December 31, 2022 capital assets, also known as utility plant in service decreased \$81,994. Current year additions of \$586,553 were offset by current year depreciation of \$493,809, contributions in aid of construction of \$206,010, retirements of \$44,529 and cost to retire of \$75,801. For the year ending December 31, 2021 capital assets decreased \$134,628 from 2020. Additions of \$510,041 were offset by depreciation of \$482,188, contributions in aid of construction of \$177,591, retirements of \$57,362 and cost to retire of \$72,475.

Current assets in December 31, 2022 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 2021 current assets decreased \$203,719 from 2020. In 2021 cash/cash equivalents decreased \$151,468, accts receivable decreased \$69,220, unbilled revenue increased \$82,138, material and supplies increased \$10,593, prepaid expenses decreased \$66,575 and other current assets decreased \$9,187.

In 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. In 2021 non-current assets increased \$556,292 from 2020. In 2021 Investment in an associated company increased \$559,162, restricted cash increased \$129 and customer deposit decreased \$2,999.

Current liabilities in 2022 increased \$690,460, the result of an increase in accounts payable of \$692,919, increase current payment on long term debt of \$910 and an decrease in customer deposits of \$3,369. Current liabilities in 2021 increased \$12,992, the result of an increase in accounts payable of \$15,101, increase in current payment on long term debt of \$890 and an decrease in customer deposits of \$2,999. Current liabilities in 2020 decreased \$42,302, the result of an decrease in accounts payable of \$32,818, increase in current payment on long term debt of \$870 and an decrease in customer deposits of \$10,357.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

Non-Current liabilities in 2022 decreased \$438,693, the result of a decrease in long term debt of \$122,100 and a decrease in net pension liability of \$316,593. Non-Current liabilities in 2021 increased \$81,920, the result of a decrease in long term debt of \$121,197 and an increase in net pension liability of \$203,117.

Net position may serve over time as a useful indicator of a government's financial position. The Department's net position totaled \$10,569,261 as of December 31, 2022, \$11,158,319 as of December 31, 2021, \$10,934,398 as of December 31, 2020. Included in the net position at December 31, 2022, 2021 and 2020 were restrictions of \$0, \$145,687 and \$145,558 for future capital additions, respectively.

Change in Net Position

The following table summarizes the changes in net position for the years ended December 31, 2022, 2021, and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 10,154,915	\$ 9,921,497	\$ 9,592,234
Operating expenses	11,025,956	9,964,830	10,308,770
Nonoperating revenue, net	<u>281,983</u>	<u>267,254</u>	<u>395,784</u>
Change in net position	(589,058)	223,921	(320,752)
Net position, beginning	<u>11,158,319</u>	<u>10,934,398</u>	<u>11,255,150</u>
Net position, ending	<u>\$ 10,569,261</u>	<u>\$ 11,158,319</u>	<u>\$ 10,934,398</u>

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 a increase in electric sales to customers of \$334,430, a \$4,501 increase in customer balances written off in 2021 and a decrease in miscellaneous income of \$666. Operating revenues in 2020 were \$9,592,234, a decrease of \$154,912 from 2019. There was a decrease in electric sales to customers of \$122,464, a \$5,227 increase in customer balances written off in 2020 and a decrease in miscellaneous income of \$27,221.

Operating expenses in 2022 were \$11,025,956, an increase of \$1,061,126 from 2021. In 2022, there were increases in distribution of \$146,109, an increase in customer accts of \$62,229, an increase administrative expenses of \$178,525, and an increase 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 administrative expenses of \$107,449, and a decrease in hydro/purchase power of \$43,974. Operating expenses in 2020 were \$10,308,770, a decrease of \$14,159 from 2019. In 2020, there were decreases in distribution of \$53,142, decreases in customer accts of \$33,385, an increase in administrative expenses of \$100,318, and a decrease in hydro/purchase power of \$43,974.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

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, 2022, 2021 and 2020 the Department received \$206,010, \$177,591 and \$141,158 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>	Value Per Share	<u>2022</u>	<u>2021</u>	<u>2020</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 2022, 2021 and 2020:						
Non-Specific Facilities Units				<u>4,822,908</u>	<u>4,212,383</u>	<u>3,653,221</u>
Transco Class A & B Units Specific Facilities Units				<u>1,410</u>	<u>1,410</u>	<u>1,410</u>
TOTAL INVESTMENTS				<u>\$5,170,471</u>	<u>\$4,559,946</u>	<u>\$4,000,784</u>

Village of Lyndonville Electric Department
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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, 2022 and 2021 was \$40,451 and \$40,425 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 754,055 general membership units in Vermont Transco valued at \$7,540,570. 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 2022, the Departments financial statements show an investment in others of \$4,822,908 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, 2022:

	<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
	<u>331,783</u>	<u>422,272</u>	<u>754,055</u>	<u>\$ 7,540,570</u>

Village of Lyndonville Electric Department
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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, 2022 the Department has recorded in its financial statements a direct investment of \$1,410 in Vermont Transco and an investment in other of \$4,822,908 which represents the Department's interest in the general Transco membership units owned by VPPSA. In 2022, distribution income received related to the Departments direct investment was \$2,201 and excess earnings received from VPPSA related to the general membership units owned by VPPSA for the benefit of the Department totaled \$268,838.

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, 2022, 2021, and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Long term debt:			
2010 Series 5 Bond	\$ 640,000	\$ 720,000	\$ 800,000
N/P - Passumpsic Bank	132,156	173,346	213,653
Less: Current Portion	<u>(122,028)</u>	<u>(121,118)</u>	<u>(120,228)</u>
 Total Long-Term Debt	 <u>\$ 650,128</u>	 <u>\$ 772,228</u>	 <u>\$ 893,425</u>

Capital Assets

The following chart summarizes capital assets and accumulated depreciation for the years ended December 31, 2022, 2021, and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Capital assets	\$ 18,728,258	\$ 18,392,244	\$ 18,117,157
Less accumulated depreciation	<u>12,782,988</u>	<u>12,364,980</u>	<u>11,955,265</u>
 Total capital assets, net	 <u>\$ 5,945,270</u>	 <u>\$ 6,027,264</u>	 <u>\$ 6,161,892</u>

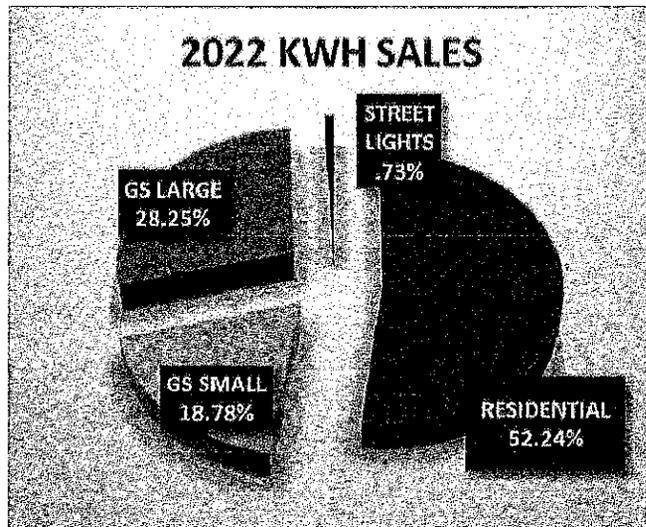
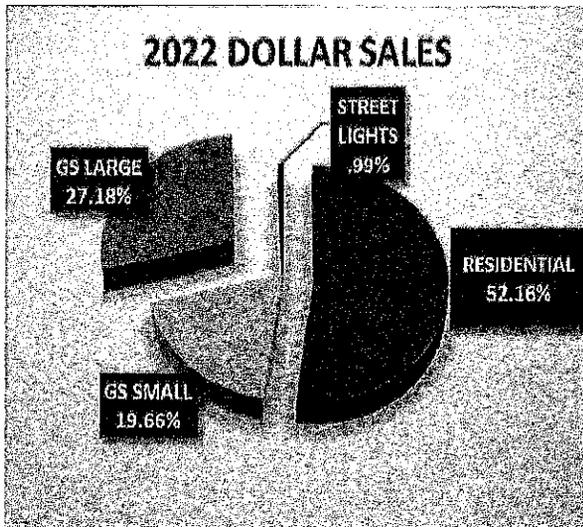
Revenue

The following charts represent a breakdown of sales by customer class for the years ended December 31, 2022, 2021, and 2020. The pie chart on the left shows dollar sales by customer class while the chart on the right side shows actual KWH's sold by customer class. Percentages on each class of service are calculated before credits.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

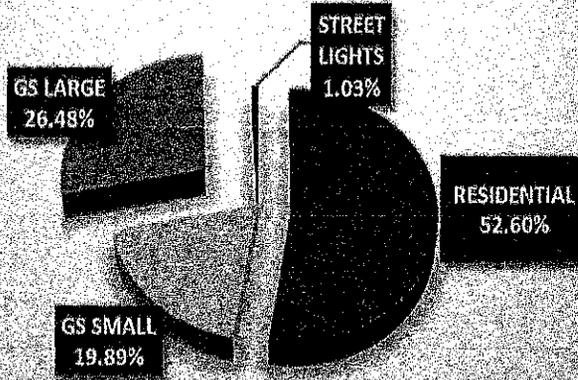
DOLLARS	2022	%	2021	%	2020	%
RESIDENTIAL	\$ 5,250,081	52.16%	\$5,186,787	53.00%	\$5,045,395	53.63%
GS SMALL	1,978,545	19.66%	1,930,565	19.73%	1,689,908	17.96%
GS LARGE	2,735,931	27.18%	2,569,691	26.26%	1,848,808	19.65%
MUNICIPAL	-	0.00%	-	0.00%	724,486	7.70%
STREET LIGHTS	99,939	0.99%	99,842	1.02%	100,004	1.06%
EXCESS GENERATION	(438,822)	0.00%	(341,195)	0.00%	(305,027)	0.00%
SOLAR CREDIT	(108,727)	0.00%	(100,908)	0.00%	(105,882)	0.00%
WINDMILL CREDIT	(18,277)	0.00%	(20,222)	0.00%	(7,562)	0.00%
TOTAL	\$ 9,498,670	100.00%	\$9,324,560	100.00%	\$8,990,130	100.00%

KWHS	2022	%	2021	%	2020	%
RESIDENTIAL	33,945,487	52.24%	32,753,090	52.54%	32,187,261	53.51%
GS SMALL	12,206,560	18.78%	11,903,747	19.10%	10,410,105	17.31%
GS LARGE	18,356,306	28.25%	17,200,721	27.59%	11,723,526	19.49%
MUNICIPAL	-	0.00%	-	0.00%	5,349,248	8.89%
STREET LIGHTS	474,318	0.73%	476,514	0.76%	476,968	0.79%
EXCESS GENERATION	(2,950,618)	0.00%	(2,614,743)	0.00%	(2,129,600)	0.00%
SOLAR CREDIT	(2,908,873)	0.00%	(2,291,743)	0.00%	(2,576,614)	0.00%
WINDMILL CREDIT	(156,603)	0.00%	(123,051)	0.00%	(64,796)	0.00%
TOTAL	58,966,577	100.00%	57,304,535	100.00%	55,376,098	100.00%

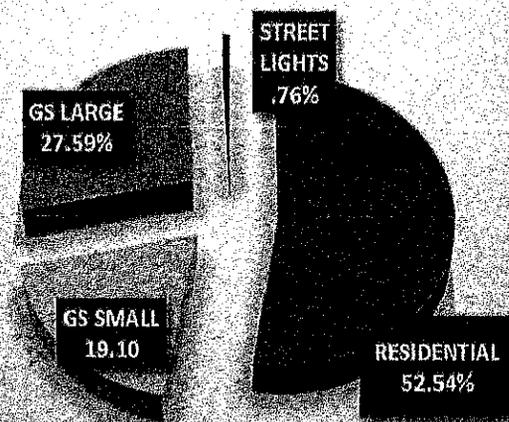


Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

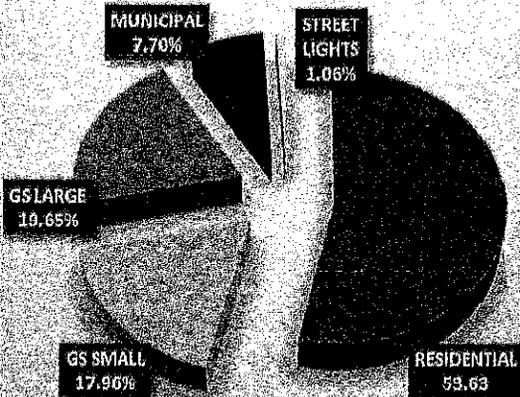
2021 DOLLAR SALES



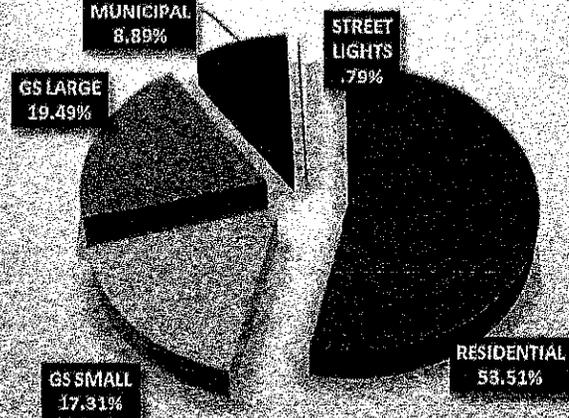
2021 KWH SALES



2020 SALE DOLLARS



2020 KWH SALES

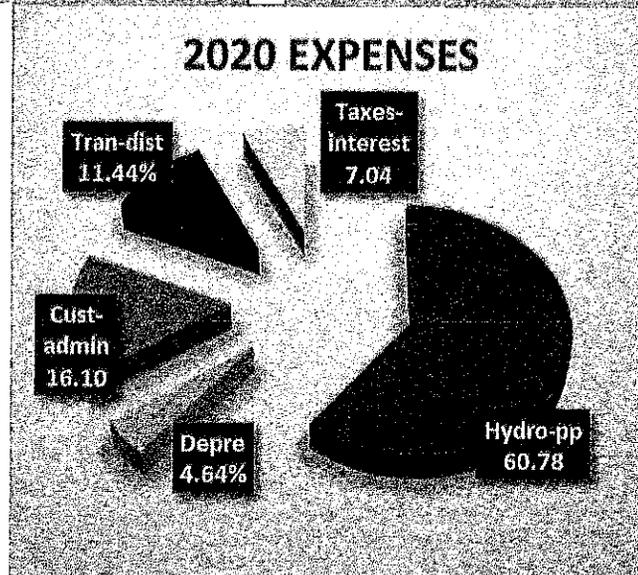
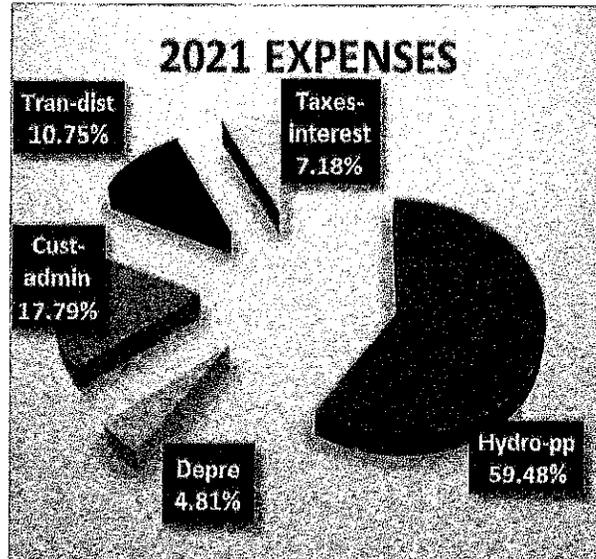
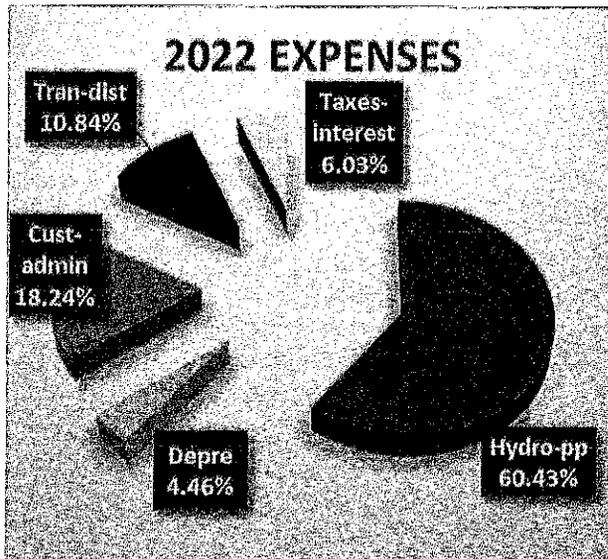


Village of Lyndonville Electric Department
 (A Component Unit of the Village of Lyndonville, Vermont)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2022

Expenses

The following chart summarizes the Department's expense for the years ended December 31, 2022, 2021, and 2020:

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Hydro-purchase power	\$ 6,693,419	60.48%	\$ 5,959,673	59.48%	\$ 6,297,669	62.59%
Transmission distribution	1,200,893	10.85%	1,076,750	10.75%	1,185,363	11.78%
Customer accts-administrative	2,012,214	18.18%	1,782,041	17.79%	1,668,469	16.58%
Depreciation-administrative	493,811	4.46%	482,188	4.81%	180,933	1.80%
Taxes-interest	667,534	6.03%	718,952	7.18%	729,430	7.24%
	<u>\$ 11,067,871</u>	<u>100.00%</u>	<u>\$ 10,019,604</u>	<u>100.00%</u>	<u>\$ 10,061,864</u>	<u>100.00%</u>



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

ASSETS AND DEFERRED OUTFLOWS

	<u>2022</u>	<u>2021</u>
CAPITAL ASSETS		
Net utility plant in service	\$ 5,945,270	\$ 6,027,264
CURRENT ASSETS		
Cash and cash equivalents	281,486	570,816
Accounts receivable - net of allowance for doubtful accounts of \$30,000	702,884	732,889
Unbilled revenue	594,140	626,590
Materials, supplies and fuel stock	316,768	318,378
Prepaid expenses	-	20,517
Other current assets	-	10,113
TOTAL CURRENT ASSETS	<u>1,895,278</u>	<u>2,279,303</u>
NON-CURRENT ASSETS		
Investments in associated company	5,170,471	4,559,946
Restricted cash	-	145,687
Customer cash deposit	81,022	84,291
TOTAL NON-CURRENT ASSETS	<u>5,251,493</u>	<u>4,789,924</u>
DEFERRED OUTFLOWS	<u>201,414</u>	<u>290,039</u>
TOTAL ASSETS	<u>\$ 13,293,455</u>	<u>\$ 13,386,530</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	\$ 1,227,462	\$ 534,543
Current portion of long-term debt	122,028	121,118
Customer deposits	80,922	84,291
TOTAL CURRENT LIABILITIES	<u>1,430,412</u>	<u>739,952</u>
NON CURRENT LIABILITIES		
Long-term debt, excluding current installments	650,128	772,228
Net pension liability	386,323	702,916
TOTAL LONG-TERM LIABILITIES, net of current portion	<u>1,036,451</u>	<u>1,475,144</u>
DEFERRED INFLOWS	<u>257,331</u>	<u>13,115</u>
NET POSITION		
Net investment in capital assets	5,173,114	5,133,918
Restricted - future capital additions	-	145,687
Unrestricted	5,396,147	5,878,714
TOTAL NET POSITION	<u>10,569,261</u>	<u>11,158,319</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 13,293,455</u>	<u>\$ 13,386,530</u>

See Accompanying Notes to Financial Statements.

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

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Electric sales to customers	\$ 9,498,670	\$ 9,324,560
Miscellaneous income	666,126	617,399
Provision for uncollectible accounts	<u>(9,881)</u>	<u>(20,462)</u>
 TOTAL OPERATING REVENUES	 <u>10,154,915</u>	 <u>9,921,497</u>
 OPERATING EXPENSES		
Operation, maintenance, and general and administrative expenses	9,896,645	8,798,002
Depreciation	493,811	482,188
Taxes	<u>635,500</u>	<u>684,640</u>
 TOTAL OPERATING EXPENSES	 <u>11,025,956</u>	 <u>9,964,830</u>
 LOSS FROM OPERATIONS	 <u>(871,041)</u>	 <u>(43,333)</u>
 NON-OPERATING REVENUE (EXPENSE)		
Investment income	314,017	301,566
Interest expense	<u>(32,034)</u>	<u>(34,312)</u>
 TOTAL NON-OPERATING REVENUE (EXPENSE)	 <u>281,983</u>	 <u>267,254</u>
 CHANGE IN NET POSITION	 (589,058)	 223,921
 NET POSITION, Beginning of Year	 <u>11,158,319</u>	 <u>10,934,398</u>
 NET POSITION, End of Year	 <u>\$ 10,569,261</u>	 <u>\$ 11,158,319</u>

See Accompanying Notes to Financial Statements.

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

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts:		
Electric sales to customers	\$ 9,552,854	\$ 9,280,587
Miscellaneous	696,756	693,161
Payments made for:		
Power production, transmission, and purchase power	(6,657,356)	(6,672,164)
Outside services and other general expenses	(1,182,906)	(1,036,797)
Others and employees	<u>(1,986,085)</u>	<u>(1,659,350)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>423,263</u>	<u>605,437</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital expenditures, net	<u>(411,815)</u>	<u>(347,560)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Decrease) in investment in others	(610,525)	(559,162)
Investment income	<u>314,015</u>	<u>301,566</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(296,510)</u>	<u>(257,596)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments	(121,190)	(120,307)
Interest paid	<u>(32,034)</u>	<u>(34,312)</u>
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(153,224)</u>	<u>(154,619)</u>
NET DECREASE IN CASH	(438,286)	(154,338)
CASH - Beginning of Year	<u>800,794</u>	<u>955,132</u>
CASH - End of Year	<u>\$ 362,508</u>	<u>\$ 800,794</u>

See Accompanying Notes to Financial Statements.

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

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating loss	\$ (871,041)	\$ (43,333)
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	493,811	482,188
(Increase) decrease in:		
Accounts receivable	30,005	69,220
Unbilled revenue	32,450	(82,138)
Materials, supplies, and fuel stock	1,610	(10,593)
Prepaid expenses	20,517	66,575
Other current assets	10,113	9,187
Deferred outflows	88,625	(109,683)
Increase (decrease) in:		
Accounts payable	692,919	15,101
Customer deposits liability	(3,369)	(2,999)
Net pension liability	(316,593)	203,117
Deferred inflows	<u>244,216</u>	<u>8,795</u>
Total adjustments	<u>1,294,304</u>	<u>648,770</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>\$ 423,263</u>	 <u>\$ 605,437</u>

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lyndonville Electric Department (the Department) is a municipal utility providing retail electric power to Lyndonville, Vermont and surrounding towns. The Department is a component unit of the Village of Lyndonville, Vermont (the Village) whose board of trustees oversees the operations of the Department, and the Village is liable for the debt of the Department. The Department maintains its accounting records in the manner prescribed by the Federal Energy Regulatory Commission (FERC). The Department is regulated as to rates, accounting, and other matters, by the Public Service Board of Vermont (PSB). In accordance with Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation*, the Department records certain assets and liabilities in accordance with the economic effects of the rate making process.

In accordance with U.S. generally accepted accounting principles, the Department applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 to the extent these pronouncements do not conflict with GASB pronouncements.

Reporting Entity

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

Basis of Presentation

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

Capital Assets and Depreciation

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

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments in Associated Company

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

Cash and Investments

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

Additional cash and investment disclosures are presented in Note 3.

Unbilled Revenue

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

Materials, Supplies, and Fuel Stock

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

Contributions in Aid of Construction

The Department follows FERC accounting guidelines, except as otherwise allowed or prescribed by its state regulator, the PSB. In accordance with state regulatory requirements, contributions in aid of construction consist of amounts paid by customers of the Department to construct additions to utility plant in service. These additions provide these customers with access to the Department's existing plant in service. During 2022 and 2021, the Department reported \$206,010 and \$177,591, respectively, of capital contributions as a reduction of utility plant in service.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortization

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

Taxes

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

The Department pays both property and weatherization taxes each year. Property taxes represent amounts paid by the Department to towns based upon the assessed value of the land owned by the Department in each town the Department services. Weatherization taxes are paid directly to the State of Vermont on a quarterly basis as a percentage of sales to assist in weatherization needs of low income Vermonters.

Operating and Non-Operating Revenues and Expenses

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

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

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

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

Restricted Net Position

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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>2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>2022</u>
Utility Plant in Service:				
Land - Non-depreciable	\$ 216,965	\$ 302	\$ -	\$ 217,267
Production Plant	4,463,373	198,258	-	4,661,631
Transmission Plant	3,093,655	-	-	3,093,655
Distribution Plant	8,619,292	387,993	(250,539)	8,756,746
General Plant	<u>1,998,959</u>	<u>-</u>	<u>-</u>	<u>1,998,959</u>
Depreciable Operating	<u>18,175,279</u>	<u>586,251</u>	<u>(250,539)</u>	<u>18,510,991</u>
Total	<u>18,392,244</u>	<u>586,553</u>	<u>(250,539)</u>	<u>18,728,258</u>
Accumulated Depreciation:				
Production Plant	2,069,409	73,732	-	2,143,141
Transmission Plant	1,618,805	90,390	-	1,709,195
Distribution Plant	6,862,131	249,946	(75,801)	7,036,276
General Plant	<u>1,814,635</u>	<u>79,741</u>	<u>-</u>	<u>1,894,376</u>
Total	<u>12,364,980</u>	<u>493,809</u>	<u>(75,801)</u>	<u>12,782,988</u>
Net Utility Plant in Service	<u>\$ 6,027,264</u>	<u>\$ 92,744</u>	<u>\$ (174,738)</u>	<u>\$ 5,945,270</u>

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 \$700,000 by FHLB Boston. The total bank deposits at December 31, 2022 were \$636,214, of which \$330,611 was insured by the federal deposit insurance corporation (FDIC) and \$305,603 was collateralized. The book deposits at December 31, 2022 were \$362,508 which were collateralized at December 31, 2022.

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>2022</u>	<u>2021</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 2022 and 2021.	 <u>4,824,318</u>	 <u>4,213,793</u>
 TOTAL INVESTMENTS	 <u>\$5,170,471</u>	 <u>\$4,559,946</u>

NOTE 4 RETIREMENT - VMERS

Information Required Under GASB Statement No. 68

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4 RETIREMENT - VMERS (continued)

Schedule A – Employers’ Allocation as of June 30, 2020

Fiscal Year Ended June 30, 2020						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.50% Disc Rate)	Net Pension Liability 1% Decrease (8.50% Disc Rate)
\$ 57,588	0.27786%	\$ 702,913	\$ 229,274	\$ 13,115	\$ 1,073,908	\$ 397,662

Schedule B – 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 (8.00% Disc Rate)
\$ 58,357	0.26247%	\$ 386,320	\$ 134,116	\$257,331	\$ 763,584	\$ 76,099

Schedule C – Employers’ Allocation of Pension Amounts as of June 30, 2021

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
0.26247%	\$ 386,320	\$ 72,003	\$ 61,064	\$ -	\$ -	\$ 1,049	\$134,116

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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
\$ -	\$ -	\$ -	\$ 227,785	\$ 29,546	\$ 257,331

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
\$ 85,761	\$ (4,623)	\$ 81,138

Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2021

Fiscal Year Ending June 30,					
2022	2023	2024	2025	2026	Thereafter
\$ (7,189)	\$ (16,957)	\$ (32,221)	\$ (66,848)	\$ -	\$ -

For entities with a reporting date in 2022, the amounts show will be recognized in the expense for plan years ending 2023, 2024, 2025, and 2026.

Schedule E – Contribution History for Fiscal Years 2019-2021

FY 2021	FY 2020	FY 2019
\$ 58,357	\$ 57,588	\$ 55,351

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2021, the retirement system consisted of 352 participating employers.

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

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

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

Summary of System Provisions

Membership	Full time employees of participating municipalities. 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.

Village of Lyndonville Electric Department
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 NOTES TO FINANCIAL STATEMENTS
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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.

Village of Lyndonville Electric Department
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 NOTES TO FINANCIAL STATEMENTS
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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.

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
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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 7/1/21</u>	<u>For the Fiscal year ended 6/30/21</u>
	Group A	3.25%	3.00%
	Group B	5.625%	5.375%
	Group C	10.75%	10.50%
	Group D	12.10%	11.85%

<u>Employer Contributions</u>	<u>Group</u>	<u>Effective 7/1/21</u>	<u>For the Fiscal year ended 6/30/21</u>
	Group A	4.75%	4.50%
	Group B	6.25%	6.00%
	Group C	8.00%	7.75%
	Group D	10.60%	10.35%

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.

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 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

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Passive Global Equities	24.00%	5.05%
Active Global Equities	5.00%	5.05%
US Equities - Large Cap	4.00%	4.00%
US Equities - Small/Mid Cap	3.00%	4.50%
Non-US Developed US Equities	7.00%	5.50%
Emerging Markets Debt	4.00%	3.00%
Core Fixed Income	19.00%	0.00%
Private & Alternate Credit	10.00%	4.75%
US Tips	3.00%	(0.50)%
Core Real Estate	4.00%	3.75%
Non-Core Real Estate	4.00%	5.75%
Private Equity	10.00%	6.75%
Infrastructure/Farmland	3.00%	4.25%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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. 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, 2021. 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.

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 RETIREMENT - VMERS (continued)

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%)
\$ 763,584	\$ 386,320	\$ 76,099

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, 2022 and 2021 was \$43,040 and \$44,943, respectively.

NOTE 6 NOTES AND BONDS PAYABLE

	<u>2022</u>	<u>2021</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	\$ 640,000	\$ 720,000
Note payable to Passumpsic Bank, requiring monthly payments of \$3,715 including fixed interest at 2.19% Matures in March, 2026	<u>132,156</u>	<u>173,346</u>
	772,156	893,346
Less Current Portion:	<u>(122,028)</u>	<u>(121,118)</u>
	<u>\$ 650,128</u>	<u>\$ 772,228</u>

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2022 are as follows:

<u>For the years then ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 122,028	\$ 24,438	\$ 146,466
2024	122,957	21,038	143,995
2025	123,908	17,506	141,414
2026	83,263	14,203	97,466
2027	80,000	11,349	91,349
2028-2030	<u>240,000</u>	<u>17,023</u>	<u>257,023</u>
	<u>\$ 772,156</u>	<u>\$ 105,557</u>	<u>\$ 877,713</u>

NOTE 7 COMMITMENTS

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

Central Dispatch Agreement

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

Power Supply Resources

The energy sold through the Village Electric Department is obtained from a combination of sources. While some energy is generated by the Electric Department, most is provided by other sources through power purchase contracts. The following section summarizes all of the major power agreements as of December 31, 2022.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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

Kruger Hydro

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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

PUC Rule 4.300 (Standard Offer Program)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 1.23% (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.

Village of Lyndonville Electric Department
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 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

Seabrook 2018-22

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

Stonybrook

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

Vail & Great Falls Hydro

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2022 was as follows:

<u>Resource</u>	<u>2022 MWH</u>	<u>%</u>	<u>Fuel</u>	<u>Exp. Date</u>
Chester Solar	2,163	3.20%	System	6/30/2039
Fitchburg Landfill	8,499	12.80%	Landfill Gas	12/31/2031
HQUS Contract	3,522	5.30%	Hydro	10/31/2038
Kruger Hydro	6,023	9.00%	System	12/31/2037
Market Contracts	-397	-0.60%	System	< 5 Years
McNeil Facility	6,859	10.30%	Wood	Life of Unit
NYPA Niagara Contract	4,614	6.90%	Hydro	9/1/2025
NYPA St. Lawrence Contract	133	0.20%	Hydro	4/30/2032
Project #10	177	0.30%	Oil	Life of Unit
Ryegate Facility	1,653	2.50%	Wood	10/31/2021
Seabrook 2018-22 Purchase	28,747	43.20%	Nuclear	12/31/2022
Standard Offer Program	1,506	2.30%	Solar	Varies
Stony Brook Station	458	0.70%	Oil	Life of Unit
Vail & Great Falls Hydro	<u>2,599</u>	<u>3.90%</u>	Hydro	Life of Unit
TOTAL RESOURCES	<u>66,556</u>	<u>100.00%</u>		
Total Load Including Losses	<u>66,285</u>			
ISO Exchange (+Purchase/-Sale)	-271	-0.40%		

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 COMMITMENTS (continued)

The cost of power from all power vendor sources for the year ended December 31, 2022 was as follows:

POWER SUPPLY COSTS	
Resource	Total
Chester Solar	\$ (13,027)
Fitchburg Landfill	(335,770)
HQUS Contract	(80,824)
Kruger Hydro	(206,354)
Market Contracts	2,502
McNeil Facility	(293,747)
NYPA Niagara Contract	(177,271)
NYPA St. Lawrence Contract	(10,902)
Phase I/II Transmission Facilities	(19,969)
Project #10	(110,469)
Ryegate Facility	(19,475)
Seabrook 2018-22 Purchase	(932,513)
Standard Offer Program	254,098
Stony Brook Station	(46,658)
SUBTOTAL POWER SUPPLY	(1,990,378)

TRANSMISSION COSTS	
Resource	Total
Open Access Transmission Tariff	1,438,577
1991 VTA - Common Facilities	257,057
1991 SPA - Shared & Exclusive	41,056
VELCO & St Lawrence Transmission	6,334
SUBTOTAL TRANSMISSION	1,743,024

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 COMMITMENTS (continued)

ISO MARKETS & MISC COSTS	
Resource	Total
Energy Market	5,799,112
Capacity Market	721,975
Reserve Market	42,495
NCPG	20,237
Regulation Services	19,913
Marginal Loss Revenues	(8,774)
Auction Revenue Rights	(12,125)
Other Load Settlement	4,838
VPPSA Fees - Power Supply	55,851
ISONE Self Funding Tariff	91,344
VELCO Tariff Allocation	1,718
VELCO Market Settlement	2,684
VELCO Service Fees	1,745
GIS Costs	555
SUBTOTAL ISO MARKETS & MISC	6,741,567
GRAND TOTAL	\$ 6,494,213

Lyndonville has not participated in the purchase of energy for delivery from any counterparty whose contract has not already begun delivery as of 12/31/2022. All contracted energy purchases are specifically reflected in the 2022 Power Supply Audit Note above.

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

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 2022, VPPSA purchased the following units for the benefit of the Village of Lyndonville Electric Department:

	<u>A Units</u>	<u>B Units</u>	<u>Total</u>	<u>Value</u>
2006	33,017	42,022	75,039	\$ 750,390
2007	96,388	122,672	219,060	2,190,600
2008	2,056	2,617	4,673	46,730
2009	22,037	28,048	50,085	500,850
2010	28,745	36,586	65,331	653,310
2012	26,269	33,434	59,703	597,030
2014	29,620	37,700	67,320	673,200
2016	25,552	32,520	58,072	580,720
2017	12,522	15,936	28,458	284,580
2017	26,062	33,171	59,233	592,330
2018	14,371	18,291	32,662	326,620
2019	5,516	7,021	12,537	125,370
2020	118	150	268	2,680
2020	9,008	11,465	20,473	204,730
2022	502	639	1,141	11,430
	<u>331,783</u>	<u>422,272</u>	<u>754,055</u>	<u>\$7,540,570</u>

The units are owned by VPPSA, the associated debt is an obligation of VPPSA and VPPSA will receive the distributions related to the units. However, as outlined in the Transco Equity Agreement and further recognized by the Vt. Public Service Board in Docket 7340, the Village of Lyndonville Electric Department will receive all the benefits of the units related to their load share. The distributions received by VPPSA related to these units shall be used first, to cover VPPSA's debt service costs related to those units, and second, all net earnings from the investment will be recorded as investment income in the Village of Lyndonville Electric Department's financial statements. In addition, as principle payments are made on this debt, the member will record an investment in others with an offsetting credit to miscellaneous income. At December 31, 2022 the investment in others is \$4,824,318.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 SUBSEQUENT EVENTS

On January 23, 2023, the Department entered into a short term financing loan with Community National Bank in the amount of \$300,000 at a fixed rate of 3.29%, with principal and interest due at the maturity date of January 23, 2024.

In accordance with professional accounting standards, the Department has evaluated subsequent events through February 13, 2023 the date which the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2022 have been incorporated into these financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Lyndonville Electric Department
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS
 For the Year Ended December 31, 2022

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

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.

Village of Lyndonville Electric Department
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - VMERS
 For the Year Ended December 31, 2022

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

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.

SUPPLEMENTARY INFORMATION

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
SUPPLEMENTARY INFORMATION
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 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	113,531	6,727	120,258
Total Power Generation Expenses	\$ 186,276	\$ 12,930	199,206
Purchased Power			6,494,213
TOTAL PRODUCTION EXPENSES			6,693,419
 TRANSMISSION SUPPLIES AND EXPENSE	 \$ 12,044	 \$ 5,943	 17,987
 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	38,291	-	38,291
TOTAL DISTRIBUTION EXPENSES	\$ 597,717	\$ 585,189	1,182,906
 CUSTOMER ACCOUNTS EXPENSES			
Meter reading expense			113,100
Customer record and collection expense			256,010
Uncollectible accounts			38,301
Promotional expense			683
Miscellaneous expense			8,054
TOTAL CUSTOMER ACCOUNTS EXPENSES			416,148
 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			255,463
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES			1,586,185
 TOTAL OPERATION, MAINTENANCE AND GENERAL AND ADMINISTRATIVE EXPENSE			 \$ 9,896,645

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

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

**2022 BUDGET 2022 ACTUAL 2023 BUDGET
COST OF SERVICE SHEET**

	2022 BUDGET	2022 ACTUAL	2023 BUDGET
OPERATING REVENUE			
SALE-ENERGY KWHS	\$ 9,395,021	\$ 9,531,120	\$ 9,710,432
OTHER OPERATING REVENUE			
MERCHANDISE SALES	\$ 45,000	\$ 31,008	\$ 50,000
INTEREST/ DIVIDENDS	\$ 304,752	\$ 314,017	\$ 245,000
MISCELLANEOUS	\$ 575,000	\$ 635,118	\$ 650,000
UNBILLED REVENUE	\$ 10,000	\$ (32,450)	\$ 30,000
TOTAL REVENUES	\$ 10,329,773	\$ 10,478,813	\$ 10,685,432
OPERATING EXPENSES			
POWER GENERATION	\$ 185,969	\$ 199,206	\$ 194,882
PURCHASE POWER	\$ 6,062,223	\$ 6,494,212	\$ 7,161,975
TRANSMISSION	\$ 38,769	\$ 17,988	\$ 18,164
DISTRIBUTION	\$ 953,130	\$ 1,182,904	\$ 1,095,172
CUSTOMER ACCTS	\$ 375,591	\$ 426,029	\$ 374,852
ADMINISTRATIVE	\$ 1,386,967	\$ 1,586,187	\$ 1,681,000
DEPRECIATION	\$ 497,958	\$ 493,811	\$ 513,022
TAXES-PROPERTY	\$ 485,000	\$ 419,737	\$ 419,737
TAXES-S/S	\$ 209,914	\$ 215,763	\$ 215,000
INTEREST	\$ 29,404	\$ 32,034	\$ 29,023
TOTAL EXPENSES	\$ 10,224,925	\$ 11,067,871	\$ 11,702,827
INCOME OR (LOSS)	\$ 104,848	\$ (589,058)	\$ (1,017,395)