

Village of Lyndonville

Annual Report



Year Ending
December 31, 2020

PLEASE REMEMBER

**THERE WILL BE NO FORMAL VILLAGE MEETING DUE TO COVID-19.
TWO INFORMATIONAL MEETINGS WILL BE HELD VIA ZOOM.**

Annual Village Meeting Informational Meeting

Time: Mar 15, 2021 05:30 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/87907214473?pwd=VXVXY2JYUZZdDZ2VEExUFRsUEVTZz09>

Meeting ID: 879 0721 4473

Passcode: 095093

One tap mobile: +16468769923,,87907214473#,,,,*095093# US (New York)

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

Meeting ID: 879 0721 4473, Passcode: 095093

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

AUSTRALIAN BALLOT VOTING

MARCH 16, 2021 1:00 PM TO 7:00 PM

AT THE MUNICIPAL OFFICE BUILDING GYMNASIUM

119 PARK AVENUE, LYNDONVILLE, VT

**EARLY/ABSENTEE BALLOTS AVAILABLE BY CALLING THE OFFICE AT (802)
626-5785**

ANNUAL REPORT
OF THE
OFFICERS OF THE
VILLAGE OF LYNDONVILLE
VERMONT
FOR THE
YEAR ENDING DECEMBER 31, 2020

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VILLAGE OF LYNDONVILLE

(Website: www.lyndonvt.org)

VILLAGE OFFICERS

| | | |
|-------------------|------------------|------|
| Moderator | Sean McFeeley | 2021 |
| Clerk & Treasurer | Dawn R. Dwyer | 2021 |
| Trustees | Doug Conly | 2021 |
| | Susan Mills | 2022 |
| | Sarah Whittemore | 2023 |
| | Heather Bollman | 2024 |
| | Chris Hunter | 2025 |
| Village Agent | Vacant | 2021 |

APPOINTED BY THE TRUSTEES

| | | |
|-----------------------------|--|----------|
| Municipal Administrator | Justin Smith (justin@lyndonvt.org) | 626-5834 |
| Delinquent Tax Collector | Village Treasurer | 626-5785 |
| Public Works Supervisor | Joe Dauphin (villagewater@lyndonvt.com) | 626-5468 |
| Electric Department Manager | Bill Humphrey (bhumphrey@lyndonvilleelectric.com) | 626-3366 |
| Police Advisory Committee | Amy Bean, Curtis Carpenter, Tim Gaskin, Christopher Hunter | |

TOWN AND VILLAGE JOINT PLANNING AND ZONING

| <u>Development Review Board</u> | | <u>Planning Commission</u> | |
|---|------|---|----------|
| Pauline Harris | 2021 | Sylvia Dodge, Vice Chair-Resigned 2/15/21 | 2023 |
| Kevin Cole | 2022 | Emily Finnegan-Resigned 1/18/21 | 2023 |
| Kevin McKeon | 2022 | Evan Carlson-Resigned 3/19/20 | |
| Curtis Carpenter | 2022 | Nedah Warstler-Appointed 11/23/20 | 2024 |
| Jon Prue, Chair | 2023 | Tammy Martel | 2021 |
| Brandon Carpenter, Vice Chair | 2023 | Susan Hanus-Resigned 1/18/21 | 2022 |
| Craig Weston | 2023 | Sean McFeeley, Chair | 2022 |
| | | Ken Mason | 2022 |
| DRB Alternates: David Keenan & Eric Paris | | | |
| Zoning Administrator | 2021 | | 626-1269 |
| Planning Director | 2021 | | 626-1269 |

OTHERS

| | | |
|--------------------------|--------------------|---------------|
| Chief of Police | Jack T. Harris | 626-1271 |
| Fire Chief & Warden | Jeff Corrow | 626-4100 |
| Animal Control Officer | Cindy Cady | 626-7297 |
| Health Officer | Debra Smith | 626-0852 |
| | Patrick McLaughlin | (802)858-4468 |
| Green-Up Day Coordinator | Christian Thompson | |

APPOINTED BY THE TOWN CLERK

Assistant Town Clerks: Darcie Edmunds, Denise Montgomery, Laurie Willey
Deputy Registrars: Mark Harpin, Todd Pearsons, Stephen Robertson

VILLAGE OF LYNDONVILLE

Incorporated December 24, 1880

Population 2010 U.S. Census 1,207
(2000 - 1227; 1990 - 1255; 1980 - 1409; 1970 - 1415; 1960 - 1477; 1950 - 1506)

2020 Grand List \$ 696,217.00

2020 Tax Rates

| | <u>Residential</u> | <u>Nonresidential</u> |
|------------------------|--------------------|-----------------------|
| Village General | \$ 0.8324 | \$ 0.8324 |
| School District | 1.3544 | 1.6235 |
| Local Agreement | 0.0038 | 0.0038 |
| Town General | 0.4412 | 0.4412 |
| Total Village Tax Rate | <u>\$ 2.6318</u> | <u>\$ 2.9009</u> |

Highway Mileage - Village of Lyndonville

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

Lyndonville Village Clerk's Office Information:

P.O. Box 167

119 Park Avenue, Lyndonville VT 05851

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

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

Due to Covid-19 Pandemic, the office is closed to the public.

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 2021

- March 16 ANNUAL VILLAGE MEETING – Due to COVID-19, all voting will be by Australian Ballot at the Municipal Office Building Gymnasium located at 119 Park Avenue from 1:00 PM to 7:00 PM. Masks will be required to vote in person inside the building. Outside voting will be available for those who wish to vote in person. Please call the office at 626-5785 for an early/absentee ballot.
- April 1 Last day to license dogs without a late fee. Call the office for directions.
- September Tax bills are mailed as soon as possible after receipt of information from the State.
- November 5 Last day to pay 2021 property taxes, by 4:30 PM, without penalty and interest.

Postmarks not accepted.

DATES THE TOWN CLERK'S OFFICE IS CLOSED

| | |
|------------------|------------------|
| January 1 | New Year's Day |
| February 15 | President's Day |
| March 2 | TOWN MEETING DAY |
| May 31 | Memorial Day |
| July 5 | Independence Day |
| September 6 | Labor Day |
| November 11 | Veteran's Day |
| November 25 & 26 | Thanksgiving |
| December 24 | 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.

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.

During the COVID-19 pandemic, meetings will be held via ZOOM. The links can be found on the website in the appropriate agenda.

2020 Lyndonville Trustees Report

Like villages, towns, and cities across the country Lyndonville has been faced with adjusting to the COVID 19 pandemic. Beginning in April our normal biweekly, face to face, meetings were replaced with the now common place "ZOOM" meetings. After several months of this we have all become accustomed to talking into our computer screens or smart phones, which will never replace the value of conference table discussions. With State mandates still in place, we are now faced with a virtual Village meeting and Australian ballot process. We are all hopeful that in the coming months the pandemic is reduced to a point where we can return to some sense of normalcy in our daily lives.

Not fully understanding what lay ahead of us for the summer, we once again approved Bandstand Park's annual schedule of family related events such as the Easter Egg Hunt, Burklyn Arts' annual festival, and of course the Stars & Stripes Parade and celebration. All were cancelled as the public's health and safety became our number one priority.

Despite this, the park was used for small functions that followed the COVID 19 protocols for the size of the gathering, mask usage, and social distancing. Cobleigh Library did their usual fantastic job in focusing on the well-being of our children by scheduling story walks and other fun activities.

Even with limited activities in the Bandstand Park our village public works crew did a fantastic job in keeping up the beautiful appearance of all our public spaces. We want to again thank Mary Waldon for keeping the flowers in the park as well as the flowers in the tubs along Depot Street looking so nice. During a time when we all needed to have our day brightened a bit the numerous displays of floral beauty did just that. Along this line we would also like to thank Barbara Allen for her kind generosity in helping to fund the flowers and other materials for the planters along the parking space on the south side of the Mosaic building.

Our fingers are crossed regarding the future of the Northern Vermont University campus. Last April we were all shocked to read of the planned closure of this important community asset. The strong showing of local support for its continuance was amazing and certainly had an impact on the decision by the Board of Directors to maintain the Lyndon campus.

We continued to invest in our village infrastructure by replacing a sidewalk section on Center Street and a skim coat of pavement on Williams, High, and South Streets. This work will continue in the future according to needs and budgets.

Our big project this year was of course the Vail Transmission Water Main relocation which was completed on time and under budget by Courtland Construction Corp. The relocation of an aged, and often difficult to locate, water main which ran from Rt. 122 under the river and under the interstate to the pump station near the Institute's baseball field. The new line runs along the side of College Road to the same pump station. The new line then runs from there to the west reservoir on Heath Road.

As the pandemic holds on and impacts the area's economy our budgets will be tested. We will continue to act in a fiscally responsible manner and balance the needs of our infrastructures against our budget. Let us all support local businesses to the best of our ability so that they may get through this and be here for us when life returns to a near normal time.

On behalf of the Trustees, I would like to thank you all for your ideas, suggestions, and support. A special thanks goes out to all our Village employees for their dedication, hard work, and contributions. We

would also like to thank Dawn Dwyer and her staff for the outstanding job they did with November's absentee voting process and the overall logistical challenge with the election.

Please keep yourselves and your family safe.

Respectfully,

Doug Conly

Chair, Board of Trustees

Heather Bollman, Chris Hunter, Susan Mills, Sarah Whittemore

LYNDONVILLE TRASH AND LITTERING ORDINANCE

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

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

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

EXCERPT FROM "WINTER PARKING BAN" ORDINANCE

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

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

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

**VILLAGE OF LYNDONVILLE
MINUTES OF THE
2020 ANNUAL MEETING**

The 2020 Annual Meeting of the Village of Lyndonville was held at the Municipal Office Building Conference Room Tuesday, March 17, 2020. Village Trustee, Heather Bollman, gavelled the meeting to order at 7:00 PM, thanked the seven (7) Village voters (Trustee Doug Conly attended via telephone) and three (3) non Village voters for attending the Annual Village Meeting and introduced herself to those that may not know her. Ms. Bollman then led the assembly in the Pledge of Allegiance. After a moment of silence for those who have passed in the previous year, Ms. Bollman introduced Dawn Dwyer, Village Clerk and Justin Smith, Municipal Administrator. The assembly gave permission to all non-village voters to speak if and when necessary. Ms. Bollman commenced with the reading of the Warning.

Article 1: To elect a Moderator and a Clerk.

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

At this time, Moderator Sean McFeeley assumed the podium, after taking his Oath of Office, and continued with the reading of the Warning.

Motion made by Susan Corbeil, seconded by Steve Gray, to nominate Dawn Dwyer for the position of Clerk. A motion was made by Susan Corbeil, seconded by Susan Mills, to suspend the rules and read the article only once. There being no discussion, the motion was passed unanimously by voice vote.

There being no other nominations, Dawn Dwyer was elected as Clerk by voice vote.

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

Motion made by Steve Gray, seconded by Susan Corbeil, to adopt the proposed General Fund budget in the amount of \$937,647 for the ensuing year.

Motion made by Susan Mills, seconded by Sarah Whittemore, to amend the budget by \$35,000, bringing the total up to \$972,647.

Justin Smith explained that the increase was necessary to replace the truck involved in the accident on Hill Street. With no further discussion, the amendment was adopted by voice vote.

Mr. McFeeley read the amended article and with no further discussion, Article 2 as amended was adopted by voice vote.

Article 3: Shall the voters of the Village of Lyndonville vote that taxpayers pay real property taxes to the Treasurer on or before 4:30 PM on Friday, November 6, 2020 with delinquent taxes having an eight percent penalty charged against them from the due date of November 6, 2020 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?

Motion made by Steve Gray, seconded by Susan Corbeil, to adopt Article 3. There being no discussion, Article 3 was adopted by voice vote.

Article 4: Shall the voters of the Village of Lyndonville vote to authorize the Trustees to borrow money for the Electric Department not to exceed three hundred thousand dollars (\$300,000) in anticipation of revenues and to execute and deliver the note or notes therefore?

Motion made by Susan Corbeil, seconded by Steve Gray, to adopt Article 4. There being no discussion, Article 4 was adopted by voice vote.

Article 5: Shall the voters of the Village of Lyndonville vote to authorize the Trustees to borrow money for the Water Department's normal expenses, not to exceed three hundred thousand dollars (\$300,000) in anticipation of revenues and to execute and deliver the note or notes therefore?

Motion made by Steve Gray, seconded by Susan Corbeil, to adopt Article 5. There being no discussion, Article 5 was adopted by voice vote.

Article 6: To elect the following officers as required: Treasurer; Trustee for the remaining Three of a Five-Year Term, Trustee for five (5) years, and Village Agent.

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

Trustee for the remaining three (3) of a five (5)-year term: Motion made by Susan Mills, seconded by Steve Gray, to nominate Sarah Whittemore for the position of Trustee for the remaining three (3) of a five (5) year term. There being no other nominations, Sarah Whittemore was elected as Trustee for the remaining three (3) of a five (5) year term by voice vote.

Trustee (5 Year term): Motion made by Steve Gray, seconded by Susan Corbeil, to nominate Christopher Hunter for the position of Trustee to a Five (5) year term. There being no other nominations, Christopher Hunter was elected as Trustee to a Five (5) year term by voice vote.

Village Agent: With no nominations, the Village Agent position remains vacant. Justin Smith informed the assembly that the Trustees could appoint a Village Agent at a later date.

Article 7: Do the voters of the Village of Lyndonville desire to transact any other proper business?

Sean McFeeley advised the assembly that organizations requesting coin drops were asked not to attend unless they were Village residents attending the meeting. This was done to keep the group assembled to ten (10) or less as recommended by Governor Scott during the COVID-19 pandemic. The assembly was reminded to vote for six (6) of the eight (8) organizations listed on the ballot and leave it with Denise Montgomery on their way out.

There being no further business, Moderator Sean McFeeley adjourned the meeting at 7:14 PM by unanimous voice approval.

RESULTS OF THE COIN DROP BALLOT

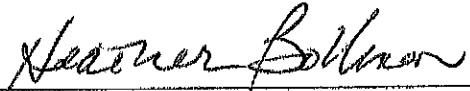
Organizations granted a coin drop:

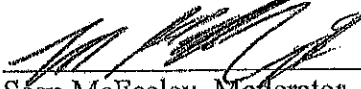
| | |
|---|---|
| Lyndonville Fire Dept, Tiger Co. | 6 |
| Village Improvement Society dba Powers Park | 6 |
| Darling Inn Senior Meal Site | 5 |
| H.O.P.E. (Helping Other People Everyday) | 5 |
| Lyndon Area Food Shelf | 5 |
| Cobleigh Public Library | 4 |

Organizations not granted a coin drop:

| | |
|----------------------------------|---|
| Lyndon Youth Baseball & Softball | 3 |
| Caledonia Special Olympics | 2 |

ATTEST: A True Copy:


Heather Bollman, Trustee


Sean McFeeley, Moderator


Dawn R. Dwyer, Village Clerk

VILLAGE OF LYNDONVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Unaudited)
December 31, 2020

| | Governmental Fund | | | | | Fiduciary | |
|--|----------------------|-----------------------|------------------------|------------------|------------------------|-------------------------|----------------|
| | Types | | Fund Types | | Fund Types | | Account Groups |
| | General Funds | Special Revenue Funds | Enterprise Funds | Trust Funds | General Fixed Assets | Total | |
| ASSETS AND OTHER DEBITS | | | | | | | |
| Cash | \$ 498,893.36 | \$ - | \$ 542,576.67 | \$ - | \$ - | \$ 1,041,470.03 | |
| Restricted Cash | - | 218,800.34 | - | 544.83 | - | 219,345.17 | |
| Receivables | | | | | | | |
| Delinquent Taxes | 20,694.14 | - | - | - | - | 20,694.14 | |
| Accounts Receivable | - | - | 14,898.38 | - | - | 14,898.38 | |
| Other Receivables | - | - | 263.43 | - | 151,819.46 | 152,082.89 | |
| Due From Other Funds | - | - | 943,984.59 | - | - | 943,984.59 | |
| Fixed Assets | - | - | 7,226,815.89 | - | 816,209.86 | 8,043,025.75 | |
| Pension Deferred Outflows | - | - | - | - | 35,770.00 | 35,770.00 | |
| Total Assets and Other Debits | \$ 519,587.50 | \$ 218,800.34 | \$ 8,728,538.96 | \$ 544.83 | \$ 1,003,799.32 | \$ 10,471,270.95 | |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | | | | |
| Liabilities: | | | | | | | |
| Accrued Payroll | \$ 9,038.61 | \$ - | \$ 513.96 | \$ - | \$ - | \$ 9,552.57 | |
| Due to Other Funds | 448,802.93 | - | 230,000.00 | - | - | 678,802.93 | |
| Bond/Note Payable | - | - | 2,449,970.75 | - | 151,819.46 | 2,601,790.21 | |
| Deferred Grant Revenue | - | - | - | - | - | - | |
| Total Liabilities | 457,841.54 | - | 2,680,484.71 | - | 151,819.46 | 3,290,145.71 | |
| Equity and Other Credits: | | | | | | | |
| Investment in | | | | | | | |
| General Fixed Assets | - | - | - | - | 709,842.23 | 709,842.23 | |
| Net Pension Liability | - | - | - | - | 100,477.00 | 100,477.00 | |
| Pension Deferred Inflows | - | - | - | - | 3,261.00 | 3,261.00 | |
| Retained Earnings: | | | | | | | |
| Unreserved | - | - | 4,845,060.18 | - | - | 4,845,060.18 | |
| Fund Balances: | | | | | | | |
| Reserved | (62,638.45) | (152,214.57) | 1,202,994.07 | 544.83 | (64,123.08) | 924,562.80 | |
| Unreserved: | 124,384.41 | 371,014.91 | - | - | 151,092.71 | 646,492.03 | |
| VMERS Fund Balance | - | - | - | - | (48,570.00) | (48,570.00) | |
| Total Equity and Other Credits | 61,745.96 | 218,800.34 | 6,048,054.25 | 544.83 | 851,979.86 | 7,181,125.24 | |
| Total Liabilities, Equity and Other Credits | \$ 519,587.50 | \$ 218,800.34 | \$ 8,728,538.96 | \$ 544.83 | \$ 1,003,799.32 | \$ 10,471,270.95 | |

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2020

| <u>Description</u> | <u>Balance</u> <u>January 1, 2020</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>December 31, 2020</u> |
|--|--|-------------------|---------------------|--|
| Highway Equipment | \$ 557,403.37 | \$ 197,997.00 | \$ (232,397.13) | \$ 523,003.24 |
| Garage Equipment | 42,455.51 | - | - | 42,455.51 |
| East Street Garage | 117,032.16 | - | - | 117,032.16 |
| Parks | 4,833.09 | - | - | 4,833.09 |
| Streets & Sidewalks | 391,041.04 | 37,113.82 | - | 428,154.86 |
| Swimming Pool at Powers Park | 308,024.76 | - | - | 308,024.76 |
| | <u>1,420,789.93</u> | <u>235,110.82</u> | <u>(232,397.13)</u> | <u>1,423,503.62</u> |
| Less: Accumulated Depreciation | | | | <u>(607,293.76)</u> |
| Total General Fixed Assets Account Group | | | | <u>\$ 816,209.86</u> |

VILLAGE OF LYNDONVILLE
SCHEDULE OF CHANGES IN CAPITAL ASSETS ACCOUNT GROUP
For the Year Ended December 31, 2019

| <u>Description</u> | <u>Balance</u> <u>January 1, 2020</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>December 31, 2020</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. | 109,384.09 | 1,177,286.52 | - | 1,286,670.61 |
| Other Equipment | 249,446.67 | - | - | 249,446.67 |
| Dry hydrants | 2,691.48 | - | - | 2,691.48 |
| | <u>9,679,404.90</u> | <u>1,177,286.52</u> | <u>-</u> | <u>10,856,691.42</u> |
| Total Capital Assets | 10,253,185.99 | 1,177,286.52 | - | 11,430,472.51 |
| Less: Accumulated Depreciation | | | | <u>(4,203,656.62)</u> |
| Total Capital Assets Account Group | | | | <u>\$ 7,226,815.89</u> |

VILLAGE OF LYNDONVILLE
GENERAL FUND DEBT RETIREMENT SCHEDULE - PRINCIPAL ONLY
As of December 31, 2020

| <u>Payment due</u> | <u>19 Int'l Trk</u> | <u>20 Cat Backhoe</u> | <u>Totals</u> |
|--------------------|---------------------|-----------------------|---------------|
| 2021 | 13,525.03 | 8,961.06 | 22,486.09 |
| 2022 | 13,899.53 | 9,758.69 | 23,658.22 |
| 2023 | 14,284.39 | 9,949.92 | 24,234.31 |
| 2024 | 14,679.91 | 10,144.49 | 24,824.40 |
| 2025-2026 | 30,426.04 | 26,185.84 | 56,611.88 |
| | \$ 86,814.90 | \$ 65,000.00 | \$ 151,814.90 |

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

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

VILLAGE OF LYNDONVILLE
WATER DEBT RETIREMENT SCHEDULE - PRINCIPAL ONLY
As of December 31, 2020

| <u>Payment due</u> | <u>Vermont Bond Bank</u> | | <u>USDA</u> (Refinanced Loan) | <u>USDA</u> (Phase 6 Contract 1) | <u>USDA</u> (Phase 6 Contract 2) | <u>Totals</u> |
|--------------------|--------------------------------|---------------------------|-------------------------------------|--|--|------------------------|
| | <u>(Expansion Project)</u> | <u>(Well Project)</u> | | | | |
| 2021 | 31,359.41 | 3,866.82 | 16,843.49 | 14,641.05 | 12,375.05 | 79,085.82 |
| 2022 | 31,359.41 | 3,866.82 | 17,458.29 | 15,046.46 | 12,686.36 | 80,417.34 |
| 2023 | 31,359.41 | 3,866.83 | 18,095.51 | 15,463.08 | 13,005.50 | 81,790.33 |
| 2024 | 31,359.41 | 3,866.82 | 18,756.00 | 15,891.24 | 13,332.67 | 83,206.14 |
| 2025 | 31,359.41 | 3,866.82 | 19,440.60 | 16,331.25 | 13,668.07 | 84,666.15 |
| 2026 | 31,359.41 | 3,866.82 | 20,150.17 | 16,783.45 | 14,011.90 | 86,171.75 |
| 2027 | 31,359.41 | 3,866.82 | 20,885.65 | 17,248.16 | 14,364.40 | 87,724.44 |
| 2028 | 31,359.41 | 3,866.82 | 21,647.98 | 17,725.75 | 14,725.74 | 89,325.70 |
| 2029 | 31,359.41 | 3,866.82 | 22,438.14 | 18,216.56 | 15,096.19 | 90,977.12 |
| 2030 | 31,359.41 | 3,866.82 | 23,257.13 | 18,720.96 | 15,475.95 | 92,680.27 |
| 2031 - 2053 | 62,718.85 | 15,467.32 | 392,088.90 | 572,129.56 | 485,720.00 | 1,528,124.63 |
| Totals | \$ 376,312.95 | \$ 54,135.53 | \$ 591,061.86 | \$ 738,197.52 | \$ 624,461.83 | \$ 2,384,169.69 |

VT Bond Bank: Lyndon Heights water expansion project, at -3% interest. Annual payment of \$31,359.41 due January 1st.

VT Bond Bank: Well Project, at -3% interest. Annual payment of \$3,866.82 due Sept. 1st.

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, 2020

| <u>Restricted Purpose</u> | <u>Balance</u> <u>Jan. 1, 2020</u> | <u>Interest</u> <u>Income</u> | <u>Additions</u> | <u>Withdrawals</u> | <u>Balance</u> <u>Dec. 31, 2020</u> |
|---------------------------|---------------------------------------|----------------------------------|---------------------|-----------------------|--|
| New Equipment | \$ 67,507.88 | \$ 97.95 | \$ - | \$ (49,126.66) | \$ 18,479.17 |
| Sidewalks | 17,028.32 | 35.19 | - | - | 17,063.51 |
| Garage | 31,109.12 | 65.78 | - | (5,000.00) | 26,174.90 |
| Tax Stabilization Account | 42,485.64 | 90.06 | - | - | 42,575.70 |
| Health Insurance Pool | 1,897.47 | 0.47 | - | - | 1,897.94 |
| Sale of Morrill Lot(1984) | 43,908.92 | 999.25 | - | - | 44,908.17 |
| Paving | 32,083.21 | 69.62 | 17,869.56 | - | 50,022.39 |
| Curbing | 3,618.81 | 7.67 | - | - | 3,626.48 |
| Fountain | 2,677.37 | 20.22 | - | - | 2,697.59 |
| Rte. 5 Project | 11,330.47 | 24.02 | - | - | 11,354.49 |
| Totals | <u>\$ 253,647.21</u> | <u>\$ 1,410.23</u> | <u>\$ 17,869.56</u> | <u>\$ (54,126.66)</u> | <u>\$ 218,800.34</u> |

VILLAGE OF LYNDONVILLE
WATER SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2020

| <u>Restricted Purpose</u> | <u>Balance</u> <u>Jan. 1, 2020</u> | <u>Interest</u> <u>Income</u> | <u>Additions</u> | <u>Withdrawals</u> | <u>Balance</u> <u>Dec. 31, 2020</u> |
|----------------------------|---------------------------------------|----------------------------------|---------------------|--------------------|--|
| Water - Debt Retirement | \$ 144,687.88 | \$ 916.62 | \$ 60,000.00 | \$ - | \$ 205,604.50 |
| Water - Water Main Savings | 268,327.02 | 1,596.33 | 30,688.00 | - | 300,611.35 |
| Water - Carbon Savings | 36,151.06 | 209.75 | - | - | 36,360.81 |
| Totals | <u>\$ 449,165.96</u> | <u>\$ 2,722.70</u> | <u>\$ 90,688.00</u> | <u>\$ -</u> | <u>\$ 542,576.66</u> |

VILLAGE OF LYNDONVILLE
GENERAL FUND SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2020

| <u>Restricted Purpose</u> | <u>Balance</u> <u>Jan. 1, 2020</u> | <u>Interest</u> <u>Income</u> | <u>Additions</u> | <u>Withdrawals</u> | <u>Balance</u> <u>Dec. 31, 2020</u> |
|---------------------------|---------------------------------------|----------------------------------|---------------------|-----------------------|--|
| New Equipment | \$ 67,507.88 | \$ 97.95 | \$ - | \$ (49,126.66) | \$ 18,479.17 |
| Sidewalks | 17,028.32 | 35.19 | - | - | 17,063.51 |
| Garage | 31,109.12 | 65.78 | - | (5,000.00) | 26,174.90 |
| Tax Stabilization Account | 42,485.64 | 90.06 | - | - | 42,575.70 |
| Health Insurance Pool | 1,897.47 | 0.47 | - | - | 1,897.94 |
| Sale of Morrill Lot(1984) | 43,908.92 | 999.25 | - | - | 44,908.17 |
| Paving | 32,083.21 | 69.62 | 17,869.56 | - | 50,022.39 |
| Curbing | 3,618.81 | 7.67 | - | - | 3,626.48 |
| Fountain | 2,677.37 | 20.22 | - | - | 2,697.59 |
| Rte. 5 Project | 11,330.47 | 24.02 | - | - | 11,354.49 |
| Totals | <u>\$ 253,647.21</u> | <u>\$ 1,410.23</u> | <u>\$ 17,869.56</u> | <u>\$ (54,126.66)</u> | <u>\$ 218,800.34</u> |

VILLAGE OF LYNDONVILLE
WATER SCHEDULE OF RESTRICTED CASH
For the Year Ended December 31, 2020

| <u>Restricted Purpose</u> | <u>Balance</u> <u>Jan. 1, 2020</u> | <u>Interest</u> <u>Income</u> | <u>Additions</u> | <u>Withdrawals</u> | <u>Balance</u> <u>Dec. 31, 2020</u> |
|----------------------------|---------------------------------------|----------------------------------|---------------------|--------------------|--|
| Water - Debt Retirement | \$ 144,687.88 | \$ 916.62 | \$ 60,000.00 | \$ - | \$ 205,604.50 |
| Water - Water Main Savings | 268,327.02 | 1,596.33 | 30,688.00 | - | 300,611.35 |
| Water - Carbon Savings | 36,151.06 | 209.75 | - | - | 36,360.81 |
| Totals | <u>\$ 449,165.96</u> | <u>\$ 2,722.70</u> | <u>\$ 90,688.00</u> | <u>\$ -</u> | <u>\$ 542,576.66</u> |

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

| <u>YEAR</u> | <u>GRAND LIST</u> | <u>TAX RATE</u> |
|-------------|-------------------|-----------------|
| 2016 | \$ 693,422.00 | \$ 0.7011 |
| 2017 | \$ 695,205.00 | \$ 0.7173 |
| 2018 | \$ 697,474.00 | \$ 0.7423 |
| 2019 | \$ 690,494.00 | \$ 0.8398 |
| 2020 | \$ 696,217.00 | \$ 0.8324 |

**VILLAGE OF LYNDONVILLE WATER DEPARTMENT
QUARTERLY WATER RATES
(Rates effective 2/1/19)**

| | |
|------|-------------------------------|
| ERU* | \$69.00 |
| Plus | \$1.87 per 1,000 gallons used |

*Equivalent Residential Unit (ERU) of \$69.00 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. (2020 Rates: ERU \$63 plus \$1.87 per 1,000 gallons used)

**TOWN OF LYNDON SEWER DEPARTMENT
QUARTERLY SEWER RATES
(Rates effective 2/1/21)**

| | |
|----------|-------------------------------|
| Base fee | \$153.00 |
| Plus | \$8.72 per 1,000 gallons used |

(2020 Rates: Base fee \$118 pus \$8.71 per 1,000 gallons)

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

| <u>YEAR</u> | <u>GRAND LIST</u> | <u>TAX RATE</u> |
|-------------|-------------------|-----------------|
| 2016 | \$ 693,422.00 | \$ 0.7011 |
| 2017 | \$ 695,205.00 | \$ 0.7173 |
| 2018 | \$ 697,474.00 | \$ 0.7423 |
| 2019 | \$ 690,494.00 | \$ 0.8398 |
| 2020 | \$ 696,217.00 | \$ 0.8324 |

**VILLAGE OF LYNDONVILLE WATER DEPARTMENT
QUARTERLY WATER RATES
(Rates effective 2/1/19)**

| | |
|------|-------------------------------|
| ERU* | \$69.00 |
| Plus | \$1.87 per 1,000 gallons used |

*Equivalent Residential Unit (ERU) of \$69.00 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. (2020 Rates: ERU \$63 plus \$1.87 per 1,000 gallons used)

**TOWN OF LYNDON SEWER DEPARTMENT
QUARTERLY SEWER RATES
(Rates effective 2/1/21)**

| | |
|----------|-------------------------------|
| Base fee | \$153.00 |
| Plus | \$8.72 per 1,000 gallons used |

(2020 Rates: Base fee \$118 pus \$8.71 per 1,000 gallons)

VILLAGE OF LYNDONVILLE
STATEMENT OF TAXES RAISED
For the Year Ended December 31, 2020

Grand List:

Village General Fund \$ 696,217.00

Taxes Assessed and Billed

| | | |
|-----------------------------------|------------|----------------------|
| General Fund (696,217.00 x .8324) | 579,531.01 | |
| Taxes to Account For | | <u>\$ 579,531.01</u> |

Taxes Collected and Uncollected

| | | |
|------------------------------|------------------|----------------------|
| General Fund Taxes Collected | \$ 530,655.87 | |
| Delinquent to Tax Collector | <u>48,875.14</u> | |
| Taxes Accounted For | | <u>\$ 579,531.01</u> |

2020 Equalization Study Results

| | |
|---------------------------------------|-------------|
| Education Grand List (from 411) | 371,831,490 |
| Equalized Education Grand List (EEGL) | 384,871,530 |
| Common Level of Appraisal (CLA) | 96.61% |
| Coefficient of Dispersion (COD) | 13.60% |

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, 2020

Assessment Years

| | Total | 2020 | 2019 | 2018 |
|-------------------------------|---------------------|---------------------|--------------------|-------------------|
| Balance January 1, 2020 | \$ 22,402.99 | | \$ 20,001.65 | \$ 2,401.34 |
| Additions: | | | | |
| Delinquent Taxes to Collector | <u>48,875.14</u> | <u>48,875.14</u> | <u>-</u> | <u>-</u> |
| | 71,278.13 | 48,875.14 | 20,001.65 | 2,401.34 |
| Deductions: | | | | |
| Abatements | - | - | - | - |
| Collections | <u>53,668.67</u> | <u>37,546.05</u> | <u>16,122.62</u> | <u>-</u> |
| Total Deductions | <u>53,668.67</u> | <u>37,546.05</u> | <u>16,122.62</u> | <u>-</u> |
| Balance December 31, 2020 | <u>\$ 17,609.46</u> | <u>\$ 11,329.09</u> | <u>\$ 3,879.03</u> | <u>\$2,401.34</u> |

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

For the Year Ended December 31, 2020
With Proposed Budget Figures for 2021

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|--|----------------|----------------|----------------------------|
| REVENUES | | | |
| Sewers & CSO: | | | |
| Reimbursement from Town of Lyndon | \$ 25,000 | \$ 15,135.76 | \$ 25,000 |
| Sidewalks: | | | |
| Reimbursements (Town & Grants) | 3,500 | 8,285.47 | 3,500 |
| Parks: | | | |
| Village Improvement Society Reimbursement | - | - | - |
| Park Rent | - | 75.00 | - |
| Total Parks | - | 75.00 | - |
| Police: | | | |
| State Of Vermont - Fines | 1,000 | 600.00 | 1,000 |
| Fringe Benefits: | | | |
| Water Dept. Reimbursement | 38,582 | 26,258.57 | 29,274 |
| Delinquent Taxes: | | | |
| Delinquent Tax Interest | 1,000 | 2,326.85 | 1,500 |
| Delinquent 8% Penalty | 1,500 | 3,910.01 | 2,500 |
| Total Delinquent Taxes | 2,500 | 6,236.86 | 4,000 |
| Administration: | | | |
| Permits & Licenses | 150 | 17.00 | 100 |
| L.E.D. Office Rent | 9,400 | 9,400.00 | 9,588 |
| Water Dept. Reimbursement | 32,128 | 32,128.00 | 32,771 |
| Bank Interest | 1,500 | 2,287.46 | 1,500 |
| Total Administration | 43,178 | 43,832.46 | 43,959 |
| Garage: | | | |
| Water Department Rent | 18,848 | 18,848.00 | 18,548 |
| From Savings - New Facility | 5,000 | 5,000.00 | 5,000 |
| Total Garage | 23,848 | 23,848.00 | 23,548 |
| Equipment Operations & Maintenance: | | | |
| Water Equip. Reimbursement | 10,225 | 8,715.00 | 9,500 |
| Vacon P/R Reimbursement - T/L | 1,500 | 450.14 | 1,000 |
| Total Equipment Operations & Maint: | 11,725 | 9,165.14 | 10,500 |
| New Equipment: | | | |
| Proceeds from loan | 65,000 | 65,000.00 | - |
| Savings New Equipment | 49,120 | 49,126.66 | - |
| Sale of Old Equipment | - | 1,521.00 | - |
| Insurance Claim Reimbursement | 35,106 | 35,106.00 | - |
| Total New Equipment: | 149,226 | 150,753.66 | - |
| Miscellaneous: Morrill Lot Interest | - | - | 2,000 |
| Highways: | | | |
| State Aid - Class 1 | 14,952 | 15,501.55 | 15,556 |
| State Aid - Class 3 | 7,940 | 8,237.61 | 8,272 |

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|---|----------------|----------------|----------------------------|
| Outside Work | 10,700 | 10,645.26 | 11,000 |
| Parking Violations | 500 | 450.00 | 500 |
| Stormwater Connection | - | 100.00 | - |
| Project Reimbursements | 2,000 | - | - |
| Total Highways | 36,092 | 34,934.42 | 35,328 |
| Taxes: | | | |
| State of Vermont - PILOT | 7,000 | 9,036.00 | |
| L.E.D. (In Lieu of Taxes) | 31,500 | 32,870.09 | |
| Property Tax Revenue | 583,705 | 579,315.61 | - |
| Total Taxes | 622,205 | 621,221.70 | \$ - |
| TOTAL REVENUES | \$ 956,856 | \$ 940,347.04 | \$ 178,109 |
| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
| EXPENDITURES | | | |
| Sewer: | | | |
| Payroll & Fixed Costs | \$ 23,145 | \$ 12,993.38 | \$ 22,337 |
| Equipment Use | 1,855 | 2,386.00 | 2,663 |
| Total Sewer | 25,000 | 15,379.38 | 25,000 |
| Sidewalks: | | | |
| Payroll & Fixed Costs | 17,224 | 16,727.04 | 17,224 |
| Hired Labor & Equipment | 1,000 | - | 1,000 |
| Materials & Supplies | 8,000 | 4,807.03 | 8,000 |
| Total Sidewalks | 26,224 | 21,534.07 | 26,224 |
| Parks: | | | |
| Payroll | 10,765 | 13,373.54 | 12,918 |
| Hired Labor & Equipment | 2,000 | 1,220.00 | 2,500 |
| Materials & Supplies | 7,500 | 4,204.74 | 7,000 |
| Downtown Beautification | 3,000 | 1,808.43 | 3,000 |
| Electricity | 1,600 | 1,362.45 | 1,600 |
| Landscaping & Shrubs | 1,500 | - | 1,500 |
| Total Parks | 26,365 | 21,969.16 | 28,518 |
| Village Improvement Society-Parks: | | | |
| VIS Insurance Reimbursement | - | 169.00 | - |
| Police Department: | | | |
| Contract with Town of Lyndon | 70,767 | 58,400.60 | 45,007 |
| Public Utilities: | | | |
| Street Lights | 22,000 | 22,964.49 | 23,000 |
| Village Clock - Electric | 550 | 459.78 | 550 |
| Village Clock - Maintenance | 1,000 | - | 1,000 |
| Total Public Utilities | 23,550 | 23,424.27 | 24,550 |
| Fringe Benefits: | | | |
| Pension | 14,606 | 12,933.74 | 14,838 |
| Workers' Compensation | 25,665 | 30,809.00 | 17,693 |
| Health Insurance & Buyout | 95,678 | 67,772.20 | 81,036 |
| Unemployment Insurance | 610 | 635.00 | 882 |

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|--|----------------|----------------|----------------------------|
| Uniforms | 3,000 | 2,458.39 | 3,000 |
| Safety Footwear Allowance | 600 | 300.00 | 600 |
| Paid Leave | 19,136 | 22,980.39 | 19,575 |
| Fixed Costs | 1,463 | 1,469.60 | 1,777 |
| Total Fringe Benefits | 160,758 | 139,358.32 | 139,401 |
| Administrative and Office Expense: | | | |
| Reimbursement for Office Overhead | 48,552 | 48,552.00 | 49,524 |
| Postage | 2,500 | 2,007.10 | 2,500 |
| Notices | 1,200 | 513.72 | 1,200 |
| Dues | 900 | 950.00 | 1,000 |
| Annual Report | 500 | 676.00 | 500 |
| Machine Maintenance | 650 | 786.05 | 658 |
| Rent | 4,080 | 4,080.00 | 4,132 |
| Legal Fees | 8,000 | 7,540.00 | 1,000 |
| Trustees' Payroll & Fixed Costs | 4,441 | 4,440.56 | 4,441 |
| Supplies | 400 | 843.05 | 500 |
| Total Administrative and Office Expense | 71,223 | 70,388.48 | 65,455 |
| Insurance: | | | |
| Property and Casualty | 10,331 | 10,754.00 | 9,640 |
| Garage: | | | |
| Payroll & Fixed Costs | 4,844 | 16,629.08 | 14,264 |
| MOB Pellet Boiler Payroll & Fixed Costs | 538 | 403.82 | 538 |
| Materials & Supplies | 4,000 | 4,495.43 | 4,000 |
| Maintenance | 500 | 322.71 | 500 |
| New Lights | - | - | 2,000 |
| Telephone | 2,000 | 1,940.18 | 2,000 |
| Water | 250 | 400.80 | 400 |
| New Facility | 19,585 | 17,824.85 | 19,296 |
| New Facility Lease Payment | 74,655 | 73,909.71 | 73,440 |
| Apparel | 1,200 | 1,232.59 | 1,200 |
| Miscellaneous | 1,000 | 1,001.87 | 1,000 |
| Total Garage | 108,572 | 118,161.04 | 118,638 |
| Equipment Operations & Maintenance: | | | |
| Payroll & Fixed Costs | 16,148 | 26,246.51 | 21,530 |
| Contracted Repairs | 5,000 | 7,873.22 | 8,000 |
| Parts and Supplies | 25,000 | 20,366.16 | 20,000 |
| Fuel | 16,500 | 9,595.81 | 16,500 |
| Lubricants | 1,000 | - | 1,000 |
| Tires | 2,500 | 2,718.94 | 2,500 |
| Tire Chains | 2,000 | 880.00 | 2,000 |
| Painting & Sandblasting | 4,000 | - | 4,000 |
| Loan Payment - '19 International Dump Trk | 15,799 | 15,798.60 | 15,799 |
| Loan Payment - '20 Backhoe | - | - | 10,804 |
| Savings | - | - | 36,286 |
| Miscellaneous | 500 | - | 500 |
| Total Equip Operations & Maintenance | 88,447 | 83,479.24 | 138,919 |

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|---------------------------------|----------------|----------------|----------------------------|
| New Equipment: | | | |
| Hand Tools | 1,000 | 584.38 | 1,000 |
| Tool Boxes | - | - | 1,000 |
| Radios | 1,000 | - | 500 |
| Backhoe | 93,750 | 95,785.00 | - |
| Truck | 70,106 | 67,247.00 | - |
| Miscellaneous | 1,000 | - | 1,000 |
| Total New Equipment | 166,856 | 163,616.38 | 3,500 |
| Materials: | | | |
| Salt | 60,650 | 35,891.60 | 55,000 |
| Sand | 1,000 | 196.65 | 1,000 |
| Hot Mix | 2,500 | 1,682.20 | 2,500 |
| Cold Patch | 3,000 | 3,056.01 | 3,000 |
| Sign Management Program | 1,000 | 578.60 | 3,000 |
| Calcium Chloride | 1,000 | 60.40 | 1,500 |
| Hay | 250 | - | 200 |
| Gravel | 500 | - | 500 |
| Top Soil | 300 | 317.50 | 300 |
| Culverts and Catch Basins | 4,000 | 1,575.30 | 4,000 |
| Miscellaneous | - | 250.00 | - |
| Total Materials | 74,200 | 43,608.26 | 71,000 |
| Miscellaneous: | | | |
| Trustee Expense | 200 | 125.00 | 200 |
| Miscellaneous | 125 | - | 125 |
| Total Miscellaneous | 325 | 125.00 | 325 |
| Highways-Summer Class 1: | | | |
| Payroll & Fixed Costs | 1,615 | 2,125.81 | 2,153 |
| Street Sweeping | 1,500 | 1,250.00 | 1,500 |
| Crack Sealing | - | - | 4,000 |
| Drainage Basin Cleaning | 3,000 | 2,625.00 | 3,000 |
| Line Striping | 7,000 | 1,414.78 | 2,000 |
| Total Summer Class 1 | 13,115 | 7,415.59 | 12,653 |
| Highways-Winter Class 1: | | | |
| Payroll & Fixed Costs | 10,765 | 8,065.27 | 8,074 |
| Hired Equipment | 6,000 | 4,656.25 | 6,000 |
| Total Winter Class 1 | 16,765 | 12,721.52 | 14,074 |
| Highways-Summer Class 3: | | | |
| Payroll & Fixed Costs | 17,224 | 15,842.85 | 15,609 |
| Hired Equipment | 1,000 | - | 1,000 |
| Street Sweeping | 2,800 | 2,500.00 | 2,800 |
| Crack Sealing | 6,000 | 6,000.00 | 4,000 |
| Drainage Basin Cleaning | 15,000 | 8,015.38 | 15,000 |
| Line Striping | 5,000 | 3,907.77 | 4,000 |
| Savings - Paving | 11,716 | 11,716.00 | 36,286 |
| Total Summer Class 3 | 58,740 | 47,982.00 | 78,695 |

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|--|----------------|----------------|----------------------------|
| Highways-Winter Class 3: | | | |
| Payroll & Fixed Costs | 26,913 | 34,000.88 | 32,295 |
| Hired Equipment | 4,000 | - | 4,000 |
| Total Winter Class 3 | 30,913 | 34,000.88 | 36,295 |
| Project - Skim Coat | 35,602 | 34,125.82 | 50,000 |
| TOTAL EXPENDITURES | 1,007,753 | 906,613.01 | 887,894 |
| Total Revenues Over (Under) Expenditures | (50,897) | 33,734.03 | (709,785) |
| Cash on Hand at Beginning of Year | 50,897 | 50,897.00 | 84,631 |
| Total Revenues and Cash on Hand | | | |
| Over (Under) Expenditures | \$ - | \$ 84,631.03 | |
| Required from Property Taxes and PILOT | \$ - | | \$ (625,154) |

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

For the Year Ended December 31, 2020
With Proposed Budget Figures for 2021

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|--|---------------------|------------------------|----------------------------|
| REVENUES | | | |
| User Fees | \$ 634,286 | \$ 648,789.29 | \$ - |
| Interest and Penalty | 500 | 40.75 | - |
| Interest Income - Banks | 2,000 | 2,722.70 | 2,000 |
| Permits | 250 | 3,301.75 | 250 |
| Meter Reading | 4,224 | 4,224.00 | 4,308 |
| Labor & Materials | 3,500 | 2,394.27 | 3,000 |
| Bond Proceeds -Vail Transmission Project | 2,563,001 | 1,397,165.96 | 1,104,533 |
| TOTAL REVENUES | \$ 3,207,761 | \$ 2,058,638.72 | \$ 1,114,091 |

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|---------------------------|----------------|----------------|----------------------------|
| EXPENDITURES | | | |
| Water Mains: | | | |
| Payroll & Fixed Costs | \$ 29,066 | \$ 23,603.85 | \$ 26,213 |
| Equipment Use | 3,670 | 2,911.00 | 3,135 |
| Hired Equipment | 20,000 | 8,205.31 | 15,000 |
| Materials & Supplies | 20,000 | 7,843.01 | 15,000 |
| Electricity | 67,500 | 65,575.88 | 67,500 |
| Engineering | 30,501 | 20,383.59 | 10,000 |
| Heat - Propane | 8,000 | 6,284.13 | 8,000 |
| Curb Stop Locator | 1,000 | - | 1,000 |
| Security System | 900 | 1,106.96 | 1,200 |
| Water Main Savings | 30,688 | 30,688.00 | 100,000 |
| Water - Savings | 60,000 | 60,000.00 | 67,385 |
| Pump Station Maintenance | 1,000 | - | 5,000 |
| Well Maintenance | 40,000 | 25,979.00 | 3,375 |
| Customer Replacement Well | 20,000 | - | 20,000 |
| Total Water Mains | 332,325 | 252,580.73 | 342,808 |
| On Call: | 12,945 | 12,935.39 | 12,539 |
| Treatment Plant: | | | |
| Payroll & Fixed Costs | 4,306 | 679.33 | 1,615 |
| Operating Contract | 64,881 | 63,213.84 | 64,566 |
| Equipment Use | 1,000 | 124.00 | 190 |
| Hired Equipment | 8,000 | 1,435.51 | 8,000 |
| Materials & Supplies | 7,500 | 4,466.87 | 7,500 |
| Computer Maintenance | 2,500 | 2,281.34 | 2,500 |

| | 2020 BUDGET | 2020 ACTUAL | 2021 BUDGET |
|---|----------------|----------------|----------------|
| Computer Equipment | 500 | - | 500 |
| Pagers | 500 | 716.35 | 750 |
| Building Maintenance | 2,000 | 3,635.28 | 2,000 |
| Generator Upkeep | 3,000 | - | 3,000 |
| Training | 2,000 | - | 2,000 |
| Telemetry Maintenance | 2,500 | 1,250.00 | 2,500 |
| Chlorine System | 2,000 | 1,119.46 | 2,000 |
| Total Treatment Plant | 100,687 | 78,921.98 | 97,121 |
| Hydrants: | | | |
| Payroll & Fixed Costs | 6,459 | 7,342.54 | 8,612 |
| Equipment Use | 1,500 | 1,710.00 | 1,802 |
| Hired Equipment | 1,500 | 750.00 | 2,000 |
| Materials & Supplies | 5,000 | 4,646.97 | 5,000 |
| Total Hydrants | 14,459 | 14,449.51 | 17,414 |
| Water Meters: | | | |
| Payroll & Fixed Costs | 6,997 | 7,386.60 | 7,536 |
| Equipment Use | 2,200 | 1,584.00 | 1,710 |
| Materials & Supplies | 16,000 | 21,758.72 | 19,000 |
| Total Water Meters | 25,197 | 30,729.32 | 28,246 |
| Fringe Benefits: Water Dept. Share | 38,582 | 26,258.57 | 29,274 |
| Administration: | | | |
| Rail Crossing Fee | 3,750 | - | 3,750 |
| State Assessment | 7,000 | 10,367.92 | 7,000 |
| Administrative Costs | 32,128 | 32,128.00 | 32,771 |
| Insurance-Property and Casualty | 7,572 | 7,572.00 | 7,706 |
| Taxes | 2,250 | 2,584.44 | 2,600 |
| 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 | 38,417.26 | 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 |
| Notices | 500 | - | 500 |
| Water Reports | 600 | 518.89 | 600 |
| Supplies | 300 | 79.49 | 300 |
| Dues | 410 | 410.00 | 410 |
| Garage Rent | 18,848 | 18,848.00 | 18,548 |
| Legal | 1,500 | - | 1,500 |
| Audit | 14,000 | 14,000.00 | 14,000 |
| Municipal Administrator Reimbursement | 21,608 | 20,451.00 | 22,471 |
| Water Testing | 3,500 | 3,904.25 | 5,000 |
| Total Administration | 250,361 | 247,259.48 | 253,551 |
| Broad St Vtrans Project: Engineering Savings | - | - | 20,102 |

| | 2020 BUDGET | 2020 ACTUAL | PROPOSED 2021 BUDGET |
|-----------------------------------|------------------|----------------------|----------------------------|
| Vail Transmission Line: | | | |
| Engineering - Construction | 221,900 | 194,756.08 | 40,000 |
| Legal & Administrative | 44,600 | 580.00 | 44,020 |
| Contruction | 2,060,000 | 1,156,902.93 | 1,019,933 |
| Contingency | 206,000 | - | - |
| Total Vail Transmission Line | 2,532,500 | 1,352,239.01 | 1,103,953 |
| TOTAL EXPENDITURES | <u>3,307,056</u> | <u>2,015,373.99</u> | <u>1,905,008</u> |
| Revenue over/(under) Expenditures | (99,295) | \$ 43,264.73 | (790,917) |
| Cash on Hand Beginning of Year | <u>99,295</u> | <u>99,295.00</u> | <u>142,559</u> |
| Total Revenues and Cash on Hand | - | | |
| Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 142,559.73</u> | <u>\$ (648,358)</u> |

Village of Lyndonville Electric Department

2020 General Manager's Year-End Report

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

Until this year, my endeavor as General Manager has been a relatively easy task. However, in 2020, the year of the COVID-19 pandemic, that endeavor became much more challenging. As with individuals and businesses worldwide, Lyndonville Electric Department (LED) has struggled with the ancillary effects of COVID. Work schedules and procedures adapted to our new reality, sales of electricity dipped, purchase and transportation costs increased. We had high hopes for the upcoming year, but on March 13, our world changed directions with the Governor's declaration of his Emergency Order. Within a week, the Municipal Building was closed to the general public. Daily work schedules were staggered to increase social distancing, first paper masks followed by designer masks became the fashion rage, and hand sanitizer became the perfume *de jour*. On the 18th of that month, the Public Utility Commission (PUC) issued a Moratorium on Disconnects effective to April 30, 2020. Seeing that we're still in the winter disconnect rule period, it wasn't a concern because surely this COVID pandemic would be under control in a couple of months. In the meantime, I began working from home, the business office hung up plastic sheeting and plexiglass sneeze shields and began an early and late shift. The Operations Department staggered line crews according to the day of the week. All the while, our uncollectables were increasing more so than they typically do in the winter. Nearing the moratorium's proposed end date, the PUC on April 23 issued its first order extending the Disconnect Moratorium to May 31. Winter disconnect rules sunset the beginning of April, and just prior, we begin encouraging our customers to develop a payment plan to settle arrearages.

Extending the moratorium another month would only put us back slightly in collections of past due accounts. While uncollectibles are increasing, on May 15, the PUC ordered their second extension of the Disconnect Moratorium to July 31, 2020. Concern was creeping in. For those of us who recount Newton's Law, "... for every force there is an opposite and equal force." Money was flying out of our checkbook equal to the growth of our non-collectible accounts. We

realized a 100% increase in past due accounts over the same period in 2019. On July 7, a flicker of hope appeared. House Bill 966 turned into Act 137, and the Vermont Arrearage Assistance Program (VCCAP) came into being. Money from the Federal Cares Act funneled into Vermont and, as the program was structured, assisted qualifying ratepayers in paying arrearages related to a loss of income due to COVID. Through the ensuing month, the program's guidelines and website were developed, ensuring all of the money would go to helping the state's residents. After receiving training from the state, we began processing applications from ratepayers for entry into the program in August. VCAAP did not clear up all of our arrearages but greatly helped mitigate our outflow of cash and reduce the financial stress. At the writing of this correspondence, I understand there are still *some* monies left in the program, and the state is contemplating a redesign to utilize the dollars left.

On July 30, the day the Disconnect Moratorium was to end, the PUC for a third time extended the Disconnect Moratorium to September 30. At this point, VCCAP had leveled our delinquent accounts at 100% over 2019, not reducing, not increasing, but this is a posture we can tolerate at least for a while longer, just as long as matters don't get worse. On September 23, a week before the 4th Disconnect Moratorium was to expire, the PUC announced its 5th extension, thus moving the ending date to October 15. On October 8, the PUC announced that disconnects were to be allowed on the 15th, and customers could continue to apply to the VCAAP for assistance. However, the PUC announced on the 15th that before disconnects could occur, the PUC must approve a new disconnect language, effectually extending the moratorium a further two weeks into November and back onto winter disconnect rules. The new language was to inform that customers have until spring of 2021 to make payment arrangements with the LED for arrearages, among other tweaks. To ensure this was to happen, on December 22, the PUC ordered the Disconnect Moratorium reinstated until March 31, 2021.

As we close out the current year, our data shows that the Federal Government's stimulus money has worked for us. It eased a financial crisis that could have been much worse. In comparison to several prior years, in this year, fewer ratepayers owe us a slightly larger sum of money, which I interpret as the majority of customers impacted by COVID who participated in the stimulus program(s) were able to pay their bill.

Great Falls Hydro Station capital improvement continued this year by refacing another section of the forebay wall, leaving one remaining section to reface in 2021. Looking into 2022, automation of the large turbine will help squeeze more energy from the water available. After the automation installation, capital projects relating to hydro stations will be deemed complete, and future monies in lesser amounts will be spent on maintenance and upkeep. After a multi-year process, beginning in 2014, we received our new operation license for Great Falls, extending our ability to operate into 2060. Conditions of the new license are not as favorable to generation as the old license. The Vermont Agency on Natural Resources and LED negotiated that water over the dam will not fall below 62 cubic feet per second. This requirement is a considerable increase over the former condition of 10 cubic feet per second. In today's dollars, this equates to a \$140,000 loss in generation revenue. We had hoped for a more favorable number, but to keep the aquatic environment wet below the dam, this is what it's going to cost. There are additional conditions with their associated expenses we have to follow to comply with the new license, but that is a discussion beyond this report's scope.

As expected, Net Metering will see changes in the upcoming year, with two changes in its cost structure in 2021. I firmly believe renewable energy has its place in a utility's power portfolio. It is not the cheapest power, but it needs to be included for environmental reasons, but only to the amount that economics can support. I also believe that the state was proactive at the inception of net metering and reactive after that in the program's management to the detriment of utilities and their ratepayers. For examples of how net metering directly impacts daily operations at LED, let's look at a typical cycle/route computation for billing. Computing bills per cycle used to take less than a day, but now it is a two-day process due to its proportionally large number of net metering customers. The rules for net metering projects completed before January 1, 2015, are different from rules for projects completed on or after January 1, 2017, and projects completed before July 1, 2018, which are different from those completed after July 1, 2019. Those rules will change again on February 2, 2021, and then again on September 1, 2021. With each set of rules, you must consider project size, excess generation, blended residential rate if applicable, customers' membership in a Group Net Metering Projects, whether the project connects directly to our grid or are behind the meter, there are positive and negative Renewable Energy Credit (REC) adjustors, positive and negative Siting Adjustors according to Category I to IV, let's not forget the customer charge, energy efficiency charge, energy assistance program charge, on-bill

financing charge, and any equipment rental charge. These bills require much *"by-hand"* work, not only by us but all other municipalities also. Green Mountain Power, the behemoth of electric utilities in the state, has a whole department dedicated to *running* the numbers by hand. We've investigated, both singularly and collectively with other municipalities, software development to solve this issue and integrate it into our business software. Accomplishing this would cost an estimated \$100,000. Still, for one hundred and ninety-two net metering customers on our system, this is an overly expensive solution, so we'll keep plugging away for the time being. There is a constant within this paradigm of change, and this year that constant was a \$414,366 loss of revenue attributable to net metering. We have realized comparable amounts of loss for consecutive years. To a department our size, that amount is considerable.

A movement is afoot in Vermont's legislation known as ACT 153, Vermont Global Warming Solutions Act, which will significantly impact energy resources and future treatment. This act requires reductions in Vermont's greenhouse gas emissions (CHG) tied to three time periods: 2025, 2030, and 2050. The Act also created the Climate Council to develop a Climate Action Plan that will set forth proposed programs and strategies to meet these reductions, build resilience to climate change impacts, and require the Agency of Natural Resources to adopt rules consistent with the Council's plan. However, if ANR fails to meet the Council's benchmark, the Council is provided means to usurp ANR and engage in their own rulemaking to achieve the goals of the "Plan." My opinion is that this will lead to challenging economic times concerning Energy. Lessons from the current COVID-19 pandemic have shown that environmental quality improvements are possible when we change our energy consumption habits. Adversely, COVID-19 has shown that abrupt changes in practices contributing to a healthy economy are hazardous to human welfare. In the future, I can only hope there is a balance created between a healthy state economy that supports its residents and a means to reduce our carbon footprint significantly. This balance will be a difficult, fine line to walk.

Other topics to briefly touch upon are: Broadband, a Communication Union District (CUD) formed in Lyndonville, developing bylaws, governance structure, etc. Movement is slow at this point but will grow faster in time. Our Smart Metering Initiative (AMI) was worked on throughout the year. We are currently waiting for a cost estimate from the chosen vendor for a Lyndonville installation. Renewable Energy is always foremost in our energy planning. The

state is still tweaking Renewable Energy Standards (RES). However, in 2020, no changes were made, but in 2021 changes are being contemplated and probably will be acted upon, so we'll have to wait and see how they manifest. Barton Electric Department, our municipal neighbors to the north, and our collective attempt through Vermont Public Power Supply Authority (VPPSA) to stand them back up on their feet has been an important discussion topic throughout the year. However, Barton's Trustee decided it is in the best interest of Barton's ratepayer to sell to Vermont Electric Cooperative (VEC). VEC has taken over all construction, storm restoration, and maintenance duties for their system. It will take a positive vote from the town and years for the sale to flow through the regulatory process, so we are waiting and watching at this point.

All of the above directly impacts LED's Cost of Service, which translates into what we charge you for electricity, and as you can see by the following tables and charts, despite the COVID pandemic, LED continues to remain in the lower third of Kilowatt Hour (kWH) costs for distribution utilities in the state. We strive daily to ensure that our customers receive reliable power at the lowest possible cost. I also want to express my heartfelt gratitude to all LED employees and other Village and Town departments for their result-oriented can-do attitude, hard work, dedication, willing cooperation, and enthusiasm to solve issues encountered throughout this year.

My typical presentation of our power portfolio was a pie graft; this year, I've decided to present it differently. While we generate a small portion of energy, purchase power contracts provide us with the bulk of our energy. The following summarizes all of the major power agreements for the year 2020.

Chester Solar

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

Fitchburg Landfill

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

Hydro Quebec US (HQUS)

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

Kruger Hydro

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

McNeil Station

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

New York Power Authority (NYPA)

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

PUC Rule 4.100 (VEPPI Program)

- Size: Small hydro < 80 MW
- Fuel: Hydro
- Location: Vermont
- Entitlement: 1.06% (Statutory)
- Products: Energy, capacity
- End Date: 10/31/2020
- Notes: The Electric Department is required to purchase hydropower from small power producers through Vermont Electric Power Producers, Inc. ("VEPPI"), in accordance with PUC Rule #4.100. The entitlement percentage fluctuates slightly each year with the Electric Department's pro rata share of Vermont's retail energy sales, and does not include the renewable energy credits.

PUC Rule 4.300 (Standard Offer Program)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 1.14% (Statutory)
- Products: Energy, capacity, renewable energy credits
- End Date: Varies
- Notes: The Electric Department is required to purchase power from small power producers through the Vermont Standard Offer Program in 2020, in accordance with PUC Rule #4.300. The entitlement percentage fluctuates slightly each year with the Electric Department's pro rata share of Vermont's retail energy sales.

Project 10

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

Ryegate

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

Seabrook 2018-22

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

Stonybrook

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

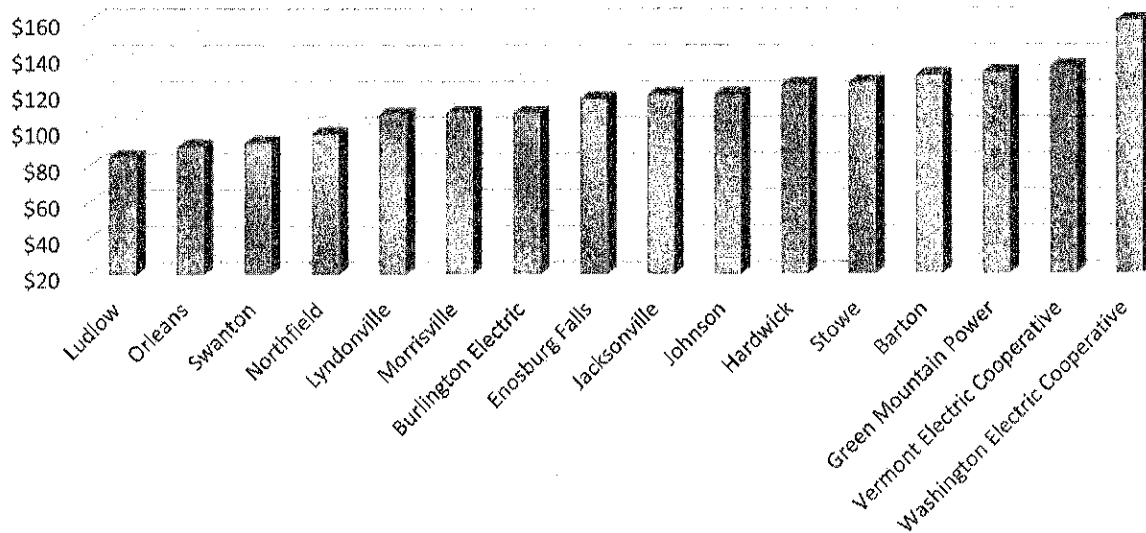
Vail & Great Falls Hydro

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

Market Contracts

- Size: Varies
- Fuel: New England System Mix
- Location: New England
- Entitlement: Varies (PPA)
- Products: Energy, renewable energy credits
- End Date: Varies, less than 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

2020 Ranking Based on Average Monthly Residential Bill



■ Vermont Distribution Utilities

Vermont Public Power Supply Authority

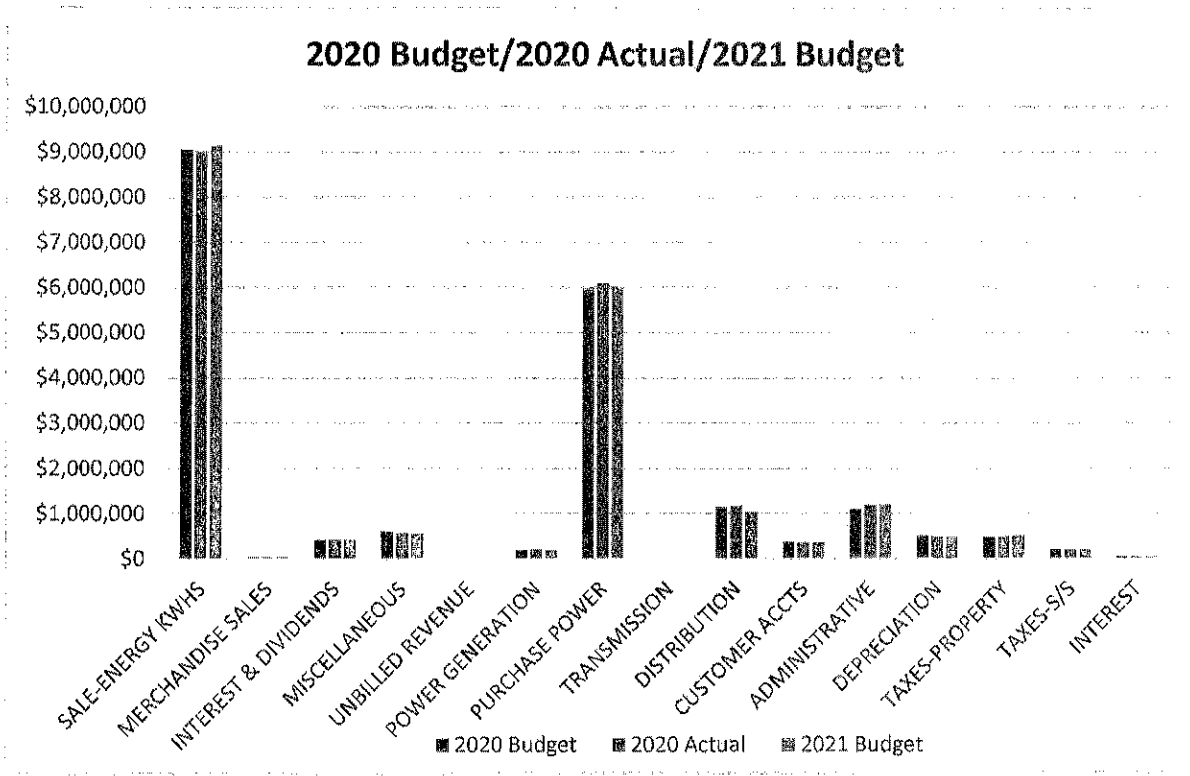
2020 Vermont Utility Rankings Based on Kilo Watts Hours Sales

| Utility | kWH 200 | Utility | kWH 600 | Utility | kWH 1000 |
|--------------------------|------------|--------------------------|------------|--------------------------|-------------|
| Ludlow | 26.32 | Ludlow | 78.23 | Ludlow | 130.14 |
| Jacksonville | 28.52 | Orleans | 84.23 | Orleans | 136.72 |
| Northfield | 30.44 | Swanton | 86.78 | Swanton | 140.06 |
| Orleans | 31.75 | Northfield | 90.01 | Northfield | 149.59 |
| Swanton | 33.49 | Lyndonville | 100.43 | Lyndonville | 164.99 |
| Morrisville | 34.74 | Morrisville | 100.93 | Burlington Electric | 166.24 |
| Lyndonville | 35.87 | Burlington Electric | 101.5 | Morrisville | 167.11 |
| Enosburg Falls | 35.92 | Jacksonville | 107.63 | Enosburg Falls | 179.47 |
| Burlington Electric | 36.76 | Enosburg Falls | 107.69 | Johnson | 180.34 |
| Hardwick | 38.38 | Johnson | 110.79 | Jacksonville | 186.74 |
| Johnson | 41.24 | Hardwick | 114.67 | Stowe | 189.76 |
| Barton | 41.33 | Stowe | 117.08 | Hardwick | 190.96 |
| Stowe | 44.41 | Green Mountain Power | 123.25 | Green Mountain Power | 195.44 |
| Vermont Electric Coop | 47.38 | Barton | 123.65 | Vermont Electric Coop | 202.48 |
| Green Mountain Power | 51.06 | Vermont Electric Coop | 124.93 | Barton | 205.97 |
| Washington Electric Coop | 52.15 | Washington Electric Coop | 150.07 | Washington Electric Coop | 247.99 |

**2020 BUDGET/2020 ACTUAL/2021 BUDGET
COST OF SERVICE SHEET**

| | 2020 BUDGET | 2020 ACTUAL | 2021 BUDGET |
|------------------------------------|------------------------|------------------------|------------------------|
| OPERATING REVENUE | | | |
| SALE-ENERGY KWHS | 9,050,164 | 8,966,202 | 9,135,423 |
| OTHER OPERATING REVENUE | | | |
| MERCHANDISE SALES | 40,000 | 51,984 | 50,000 |
| INTEREST & DIVIDENDS | 420,000 | 432,917 | 415,025 |
| MISCELLANEOUS | 607,821 | 566,081 | 550,000 |
| UNBILLED REVENUE | <u>10,000</u> | <u>23,927</u> | <u>10,000</u> |
| TOTAL REVENUES | 10,127,985 | 10,041,111 | 10,160,448 |
| OPERATING EXPENSES | | | |
| POWER GENERATION | 197,877 | 210,417 | 199,146 |
| PURCHASE POWER | 5,945,430 | 6,087,251 | 6,005,304 |
| TRANSMISSION | 14,105 | 13,009 | 13,082 |
| DISTRIBUTION | 1,141,319 | 1,172,353 | 1,049,188 |
| CUSTOMER ACCTS | 375,174 | 368,257 | 356,136 |
| ADMINISTRATIVE | 1,095,688 | 1,191,301 | 1,193,480 |
| DEPRECIATION | 511,067 | 480,933 | 481,833 |
| TAXES-PROPERTY | 470,000 | 493,986 | 500,000 |
| TAXES-S/S | 201,603 | 198,310 | 200,800 |
| INTEREST | <u>38,032</u> | <u>37,133</u> | <u>32,828</u> |
| TOTAL EXPENSES | 9,990,295 | 10,252,950 | 10,031,796 |
| INCOME OR (LOSS) | 137,690 | (211,839) | 128,652 |

Cost of Services Budget to Actual Bar Chart



Respectfully Submitted,

Village of Lyndonville Electric Department

Bill Humphrey
 Bill Humphrey
 General Manager

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

FINANCIAL STATEMENTS

December 31, 2020

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

We have audited the accompanying financial statements of Village of Lyndonville Electric Department, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Village of Lyndonville Electric Department, as of December 31, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Proportionate Share of the 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, 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.

Other 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 schedule of operating expenses on page 30 and 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of operating expenses is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedule of operating expenses is 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, 2020 and 2019, 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 States of America. Our opinion is not modified with respect to this matter.

Kittell Brangan & Sylvest

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

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, 2020 and 2019. 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, 2020 and 2019.

Financial Highlights

- Operating revenues in 2020 were \$9,592,234; a decrease of \$154,912 from 2019. The 2019 total operating revenues were \$9,747,146 which was \$3,325 more than 2018 total operating revenue.
- Total operating expenses were \$10,308,770 in 2020; a decrease of \$14,159 from 2019. The 2019 total operating expenses were \$10,322,929 which was \$618,368 more than 2018 operating expenses.
- Total net position at December 31, 2020 was \$10,934,398, a decrease of \$320,752 from 2019. Net position in 2019 was \$11,255,150 as compared to 2018 net position of \$11,447,501; a decrease of \$192,351.
- Utility plant in service net of accumulated depreciation at December 31, 2020 was \$6,161,892 a \$142,287 decrease from 2019. Utility plant in service net of accumulated depreciation in 2019 was \$6,304,179 a \$97,743 increase from 2018.

Net Position

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------|----------------------|----------------------|----------------------|
| Capital assets, net | \$ 6,161,892 | \$ 6,304,179 | \$ 6,206,436 |
| Current assets | 2,483,022 | 3,063,137 | 3,821,785 |
| Noncurrent assets | 4,233,632 | 3,885,671 | 3,451,892 |
| Deferred Outflows | <u>180,356</u> | <u>196,945</u> | <u>202,950</u> |
| Total Assets | <u>\$ 13,058,902</u> | <u>\$ 13,449,932</u> | <u>\$ 13,683,063</u> |

Village of Lyndonville Electric Department
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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|--------------------------|
| Current liabilities | \$ 726,960 | \$ 769,262 | \$ 750,274 |
| Noncurrent liabilities | 1,393,224 | 1,418,412 | 1,474,865 |
| Deferred Inflows | <u>4,320</u> | <u>7,108</u> | <u>10,423</u> |
| Total Liabilities | <u>2,124,504</u> | <u>2,194,782</u> | <u>2,235,562</u> |
| Invested in capital assets | 5,148,239 | 5,171,102 | 4,949,604 |
| Restricted - future capital additions | 145,558 | 195,295 | 301,846 |
| Unrestricted | <u>5,640,601</u> | <u>5,888,753</u> | <u>6,196,051</u> |
| Total Net Position | <u>10,934,398</u> | <u>11,255,150</u> | <u>11,447,501</u> |
| Total Net Position and Liabilities | <u>\$ 13,058,902</u> | <u>\$ 13,449,932</u> | <u>\$ 13,683,063</u> |

Financial Highlights and Analysis

For the year ending December 31, 2020 capital assets, also known as utility plant in service decreased \$142,287. Current year additions of \$464,737 were offset by current year depreciation of \$480,933, contributions in aid of construction of \$141,458, retirements of \$14,518 and cost to retire of \$15,368. For the year ending December 31, 2019 capital assets increased \$97,743 from 2018. Additions of \$635,288 were offset by depreciation of \$495,826, contributions in aid of construction of \$55,167, retirements of \$51,293 and cost to retire of \$13,448.

Current assets in December 31, 2020 decreased \$580,115 from 2019. In 2020 cash/cash equivalents decreased \$605,396, accts receivable decreased \$33,832, unbilled revenue increased \$23,927, material and supplies increased \$27,845, prepaid expenses increased \$4,919 and other current assets increased \$2,422. In 2019 current assets decreased \$758,648 from 2018. In 2019 cash/cash equivalents decreased \$794,460, accts receivable increased \$87,548, unbilled revenue decreased \$49,306, material and supplies decreased \$4,496, prepaid expenses increased \$2,183 and other current assets decreased \$117.

In 2020 non-current assets increased \$347,961 from 2019. In 2020 Investment in an associated company increased \$408,055, restricted cash decreased \$49,737 and customer deposit decreased \$10,357. In 2019 non-current assets increased \$433,779 from 2018. In 2019 Investment in an associated company increased \$526,152, restricted cash decreased \$106,551 and customer deposit increased \$14,178.

Current liabilities in 2020 decreased \$42,302, the result of an decrease in accounts payable of \$32,818, increase current payment on long term debt of \$870 and an decrease in customer deposits of \$10,357. Current liabilities in 2019 increased \$18,988, the result of an increase in accounts payable of \$9,007, decrease current payment on long term debt of \$4,147 and an increase in customer deposits of \$14,128. Current liabilities in 2018 increased \$110,874, the result of an increase in accounts payable of \$87,991, increase current payment on long term debt of \$833 and an increase in customer deposits of \$22,049.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Non-Current liabilities in 2020 decreased \$25,185, the result of a decrease in long term debt of \$120,294 and an increase in net pension liability of \$95,109. Non-Current liabilities in 2019 decreased \$56,453, the result of a decrease in long term debt of \$119,608 and an increase in net pension liability of \$63,155.

Net position may serve over time as a useful indicator of a government's financial position. The Department's net position totaled \$10,934,398 as of December 31, 2020, \$11,255,150 as of December 31, 2019, \$11,447,501 as of December 31, 2018. Included in the net position at December 31, 2020 and 2019 were restrictions of \$145,558 and \$195,295 for future capital additions, respectively.

Change in Net Position

The following table summarizes the changes in net position for the years ended December 31, 2020, 2019, and 2018:

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------------|----------------------|----------------------|----------------------|
| Operating revenues | \$ 9,592,234 | \$ 9,747,146 | \$ 9,743,821 |
| Operating expenses | 10,308,770 | 10,322,929 | 9,704,561 |
| Nonoperating revenue, net | <u>395,784</u> | <u>383,432</u> | <u>435,653</u> |
| Change in net position | (320,752) | (192,351) | 474,913 |
| Net position, beginning | <u>11,255,150</u> | <u>11,447,501</u> | <u>10,972,588</u> |
| Net position, ending | <u>\$ 10,934,398</u> | <u>\$ 11,255,150</u> | <u>\$ 11,447,501</u> |

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 an increase in miscellaneous income of \$27,221. Operating revenues in 2019 were \$9,747,146, an increase of \$3,325 from 2018. There was a decrease in electric sales to customers of \$95,405, a \$7,016 decrease in customer balances written off in 2019 and an increase in miscellaneous income of \$91,714. Operating revenues in 2018 were \$9,743,821, a decrease of \$55,407 from 2017. The decrease was attributable to a decrease of \$94,013 in the provision for uncollectible accounts and an increase in miscellaneous income of \$23,531, there was an increase in energy sales of \$15,075. These increases offset the decrease in provision for uncollectible accounts.

Operating expenses in 2020 were \$10,308,770, a decrease of \$14,159 from 2019. In 2020, there were decreases in distribution of \$53,142, a decreases in customer accts of \$33,385, an increase administrative expenses of \$100,318, and a decrease in hydro/purchase power of \$43,974. Operating expenses in 2019 were \$10,322,929, an increase of \$618,368 from 2018. In 2019, there were increases in distribution of \$133,300, increases in customer accts and administrative expenses of \$40,270, and an increase in hydro/purchase power of \$369,357. Operating expenses in 2018 were \$9,704,561, an increase of \$224,394 from 2017. In 2018, there were increases in distribution of \$69,452, increases in customer accts and administrative expenses of \$62,361, and an increase in hydro/purchase power of \$51,815.

Village of Lyndonville Electric Department
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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, 2020, 2019 and 2018 the Department received \$141,158, \$55,167 and \$223,163 in aid to construction, respectively. Beginning in 2015 the Department began recording capital contributions as a reduction of utility plant in service.

Financial Information

Investments in Associated Company

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

| | <u>Shares</u> | <u>Purchased</u> | <u>Value Per Share</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------|------------------|--------------------------------|--------------------|--------------------|--------------------|
| Velco Class B common stock | 42 | 10/19/1972 | \$100 | \$ 4,200 | \$ 4,200 | \$ 4,200 |
| | 116 | 10/19/1972 | | 11,600 | 11,600 | 11,600 |
| | 65 | 6/28/1979 | | 6,500 | 6,500 | 6,500 |
| | 97 | 7/3/1979 | | 9,700 | 9,700 | 9,700 |
| | 36 | 9/24/1984 | | 3,600 | 3,600 | 3,600 |
| | 26 | 9/24/1984 | | 2,600 | 2,600 | 2,600 |
| | 25 | 2/27/1987 | | 2,500 | 2,500 | 2,500 |
| | 2,192 | 12/29/2004 | | <u>219,200</u> | <u>219,200</u> | <u>219,200</u> |
| | | | | <u>259,900</u> | <u>259,900</u> | <u>259,900</u> |
| Velco Class C common stock | 77 | 9/13/2002 | \$100 | 7,700 | 7,700 | 7,700 |
| | 713 | 5/19/2004 | | 71,300 | 71,300 | 71,300 |
| | 56 | 5/19/2004 | | <u>5,600</u> | <u>5,600</u> | <u>5,600</u> |
| | | | | <u>84,600</u> | <u>84,600</u> | <u>84,600</u> |
| Velco Class C preferred stock - Net of Return of Capital | 1,102 | 12/31/2006 | \$100 | <u>1,653</u> | <u>1,653</u> | <u>1,653</u> |
| Total Velco Stock | | | | <u>346,153</u> | <u>346,153</u> | <u>346,153</u> |
| Transco Class A & B Units - Assigned to VPPSA in 2019, 2018 and 2017: Non-Specific Facilities Units | | | | <u>3,653,221</u> | <u>3,115,576</u> | <u>2,589,424</u> |
| Transco Class A & B Units Specific Facilities Units | | | | <u>1,410</u> | <u>131,000</u> | <u>131,000</u> |
| TOTAL INVESTMENTS | | | | <u>\$4,000,784</u> | <u>\$3,592,729</u> | <u>\$3,066,577</u> |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2020 and 2019 was \$55,095 and \$40,484 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 732,441 general membership units in Vermont Transco valued at \$7,324,410. 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 2020, the Departments financial statements show an investment in others of \$3,653,221 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, 2020:

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

VPPSA also currently owns and holds 219,400 specific facilities units in Transco which are valued at \$2,194,000 for the benefit of the Department. These units are unique in that they were issued as a mechanism to assist the Department in paying for a specific facilities project that benefits its rate payers. The accounting for the specific facilities units is similar to the general units in that, VPPSA owns the units, receives the distribution on the investment, pays the related debt service in Transco (interest only) and then distributes the excess earnings to the Department to offset the cost that is incurring for the specific facilities project. However, the specific facilities units are slightly different in that there is no principal paid on the debt because VPPSA will only own the units for a period of 10 years and then the units will be repurchased by Vermont Transco. This ownership directly corresponds to the 10 year period that the Department is obligated to pay for the specific facilities cost of the project. The excess earnings paid to the Department related to the specific facilities investment in 2020 was \$113,598.

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

In addition to the specific facilities membership units owned by VPPSA, 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, 2020 the Department has recorded in its financial statements a direct investment of \$1,410 in Vermont Transco and an investment in other of \$3,653,221 which represents the Department's interest in the general Transco membership units owned by VPPSA. In 2020, distribution income received related to the Departments direct investment was \$21,419 and excess earnings received from VPPSA related to the general membership units owned by VPPSA for the benefit of the Department totaled \$338,393.

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, 2020, 2019, and 2018:

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--------------------------|-----------------------|-------------------------|-------------------------|
| Long term debt: | | | |
| 2010 Series 5 Bond | \$ 800,000 | \$ 880,000 | \$ 965,000 |
| N/P - Passumpsic Bank | 213,653 | 253,077 | 291,832 |
| Less: Current Portion | <u>(120,228)</u> | <u>(119,358)</u> | <u>(123,505)</u> |
| Total Long-Term Debt | <u>\$ 893,425</u> | <u>\$ 1,013,719</u> | <u>\$ 1,133,327</u> |

Capital Assets

The following chart summarizes capital assets and accumulated depreciation for the years ended December 31, 2020, 2019, and 2018:

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Capital assets | \$ 18,117,157 | \$ 17,808,397 | \$ 17,279,569 |
| Less accumulated depreciation | <u>11,955,265</u> | <u>11,504,218</u> | <u>11,073,133</u> |
| Total capital assets, net | <u>\$ 6,161,892</u> | <u>\$ 6,304,179</u> | <u>\$ 6,206,436</u> |

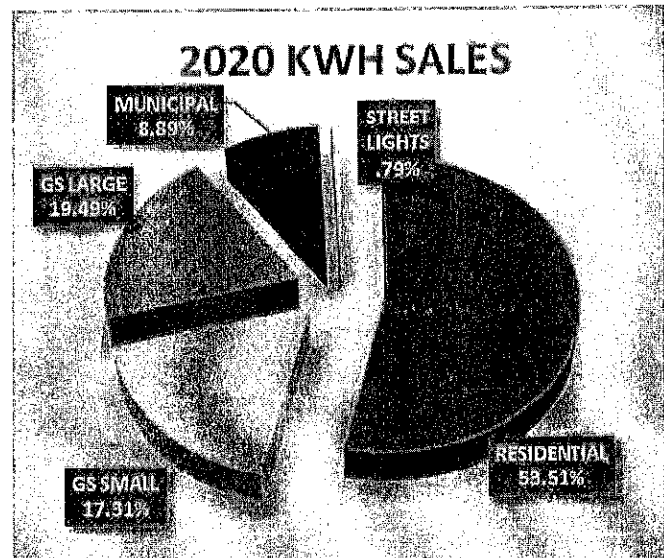
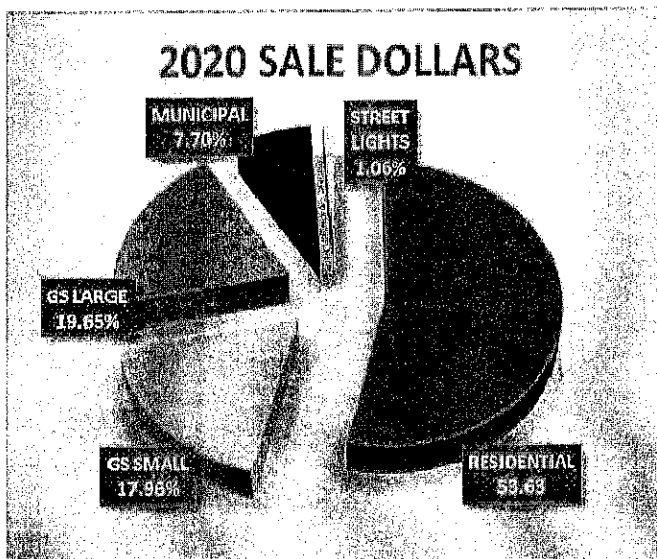
Revenue

The following charts represent a breakdown of sales by customer class for the years ended December 31, 2020, 2019, and 2018. 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.

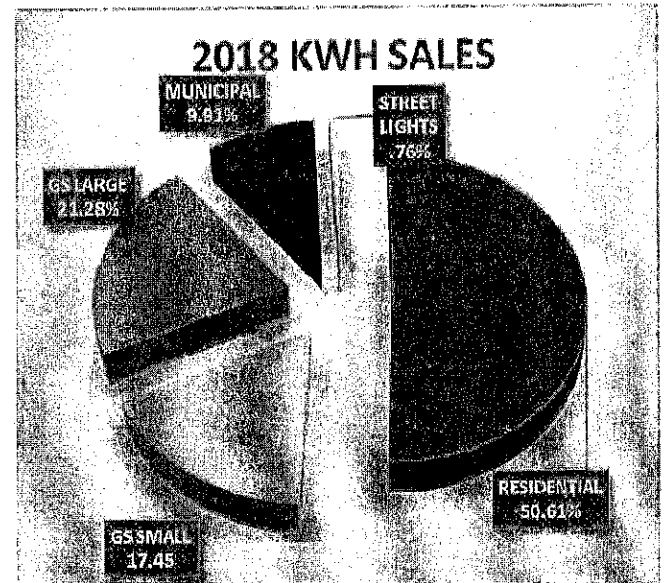
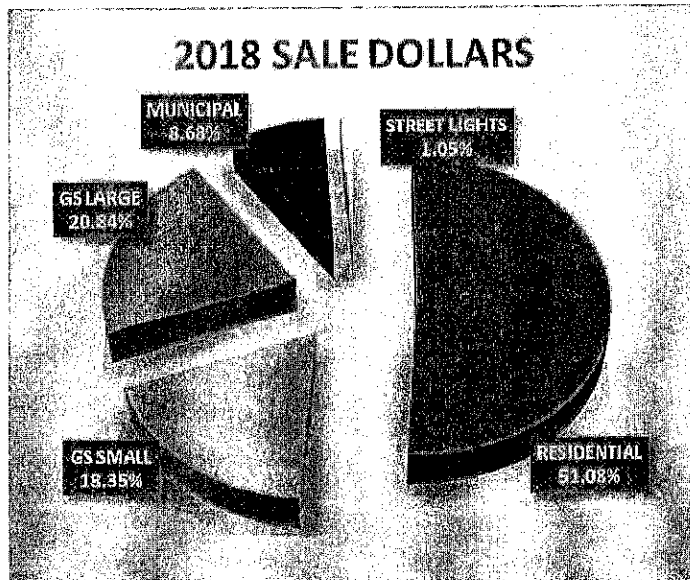
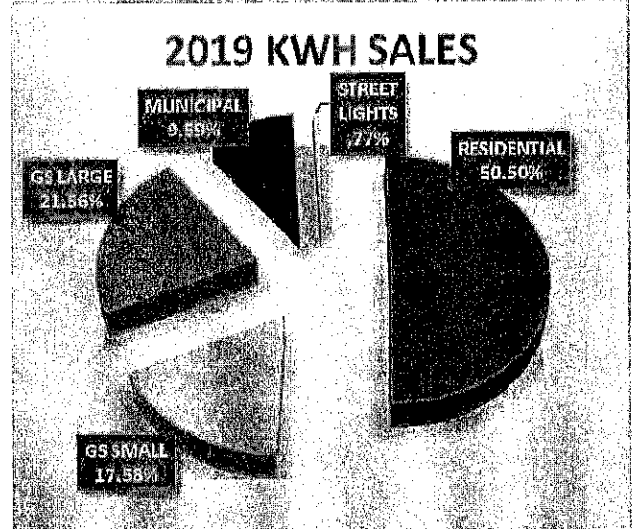
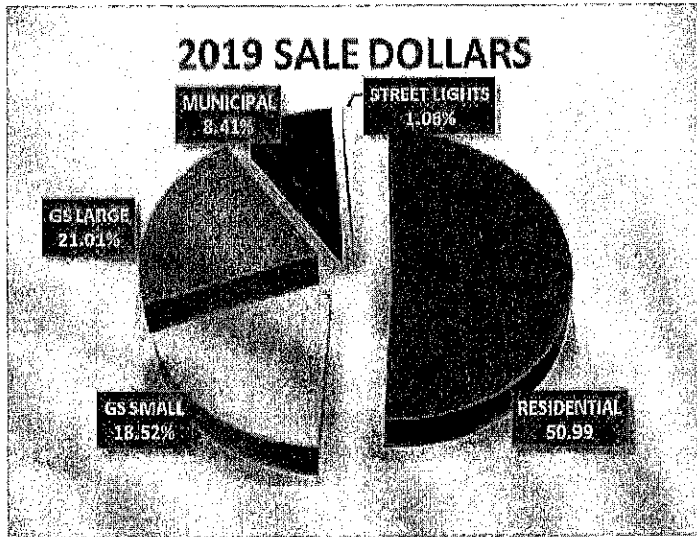
Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

| DOLLARS | 2020 | % | 2019 | % | 2018 | % |
|-------------------|---------------------|----------------|--------------------|----------------|--------------------|----------------|
| RESIDENTIAL | \$ 5,045,395 | 53.63% | \$4,837,949 | 50.99% | \$4,897,505 | 51.08% |
| GS SMALL | 1,689,908 | 17.96% | 1,757,216 | 18.52% | 1,759,512 | 18.35% |
| GS LARGE | 1,848,808 | 19.65% | 1,993,419 | 21.01% | 1,998,402 | 20.84% |
| MUNICIPAL | 724,486 | 7.70% | 798,242 | 8.41% | 832,351 | 8.68% |
| STREET LIGHTS | 100,004 | 1.06% | 100,297 | 1.06% | 100,256 | 1.05% |
| EXCESS GENERATION | (305,027) | 0.00% | (270,298) | 0.00% | (277,678) | 0.00% |
| SOLAR CREDIT | (105,882) | 0.00% | (95,170) | 0.00% | (93,288) | 0.00% |
| WINDMILL CREDIT | (7,562) | 0.00% | (9,061) | 0.00% | (9,061) | 0.00% |
| TOTAL | \$ 8,990,130 | 100.00% | \$9,112,594 | 100.00% | \$9,207,999 | 100.00% |

| KWHS | 2020 | % | 2019 | % | 2018 | % |
|-------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| RESIDENTIAL | 32,187,261 | 53.51% | 31,319,238 | 50.50% | 31,733,021 | 50.61% |
| GS SMALL | 10,410,105 | 17.31% | 10,901,331 | 17.58% | 10,939,259 | 17.45% |
| GS LARGE | 11,723,526 | 19.49% | 13,373,049 | 21.56% | 13,342,974 | 21.28% |
| MUNICIPAL | 5,349,248 | 8.89% | 5,948,566 | 9.59% | 6,210,845 | 9.91% |
| STREET LIGHTS | 476,968 | 0.79% | 477,867 | 0.77% | 477,849 | 0.76% |
| EXCESS GENERATION | (2,129,600) | 0.00% | (1,815,734) | 0.00% | (1,860,994) | 0.00% |
| SOLAR CREDIT | (2,576,614) | 0.00% | (2,315,206) | 0.00% | (2,229,724) | 0.00% |
| WINDMILL CREDIT | (64,796) | 0.00% | (77,640) | 0.00% | (77,640) | 0.00% |
| TOTAL | 55,376,098 | 100.00% | 57,811,471 | 100.00% | 58,535,590 | 100.00% |



Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
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December 31, 2020

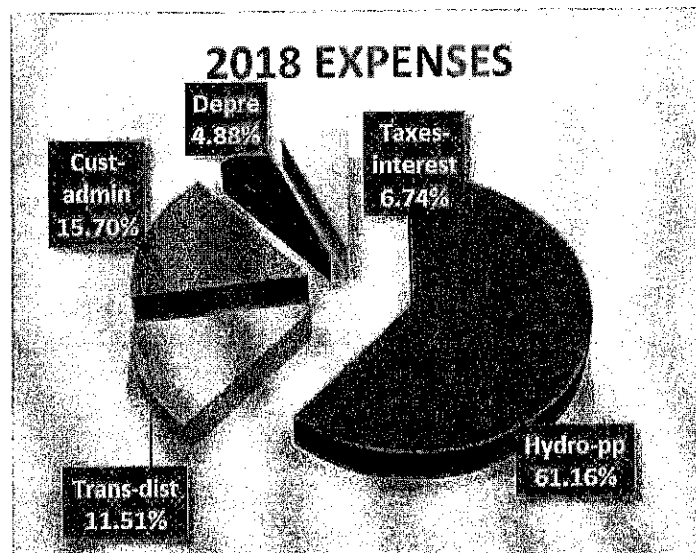
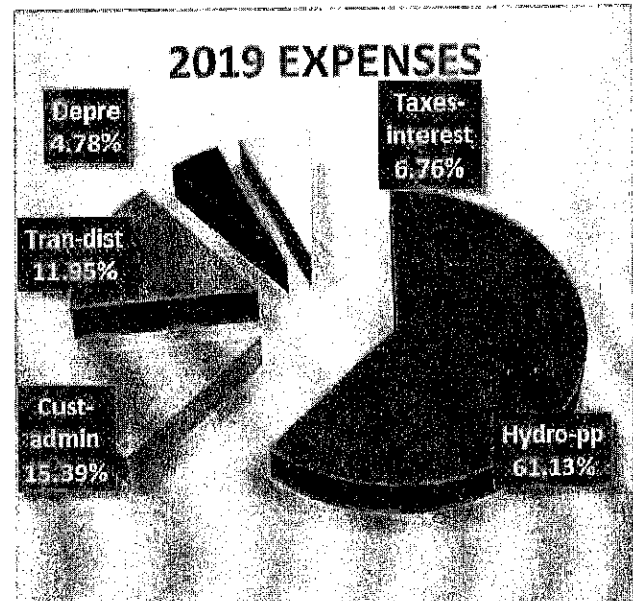
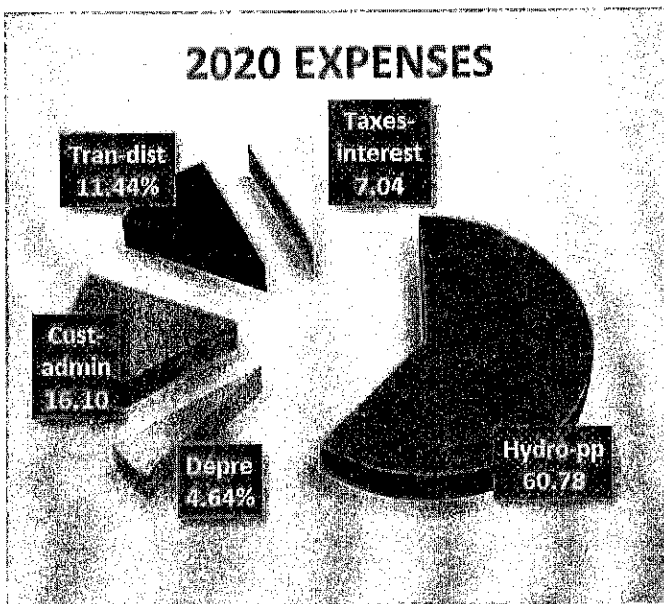


Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Expenses

The following chart summarizes the Department's expense for the years ended December 31, 2020, 2019, and 2018:

| | <u>2020</u> | <u>%</u> | <u>2019</u> | <u>%</u> | <u>2018</u> | <u>%</u> |
|-----------------------------|----------------------|----------------|----------------------|----------------|--------------------|----------------|
| Hydro-purchase power | \$ 6,297,669 | 60.78% | \$ 6,341,643 | 61.13% | \$5,972,286 | 61.16% |
| Transmission distribution | 1,185,363 | 11.44% | 1,239,344 | 11.95% | 1,124,078 | 11.51% |
| Customer accts-administrat | 1,668,469 | 16.10% | 1,596,309 | 15.39% | 1,533,083 | 15.70% |
| Depreciation-administrative | 480,933 | 4.64% | 495,826 | 4.78% | 476,388 | 4.88% |
| Taxes-interest | 729,430 | 7.04% | 700,804 | 6.76% | 659,199 | 6.74% |
| | <u>\$ 10,361,864</u> | <u>100.00%</u> | <u>\$ 10,373,926</u> | <u>100.00%</u> | <u>\$9,765,034</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>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| CAPITAL ASSETS | | |
| Net utility plant in service | \$ 6,161,892 | \$ 6,304,179 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 722,284 | 1,327,680 |
| Accounts receivable - net of allowance for doubtful accounts of \$30,000 | 802,109 | 835,941 |
| Unbilled revenue | 544,452 | 520,525 |
| Materials, supplies and fuel stock | 307,785 | 279,940 |
| Prepaid expenses | 87,092 | 82,173 |
| Other current assets | 19,300 | 16,878 |
| TOTAL CURRENT ASSETS | <u>2,483,022</u> | <u>3,063,137</u> |
| NON-CURRENT ASSETS | | |
| Investments in associated company | 4,000,784 | 3,592,729 |
| Restricted cash | 145,558 | 195,295 |
| Customer cash deposit | 87,290 | 97,647 |
| TOTAL NON-CURRENT ASSETS | <u>4,233,632</u> | <u>3,885,671</u> |
| DEFERRED OUTFLOWS | <u>180,356</u> | <u>196,945</u> |
| TOTAL ASSETS | <u>\$ 13,058,902</u> | <u>\$ 13,449,932</u> |

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

| | | |
|---|----------------------|----------------------|
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 519,442 | \$ 552,257 |
| Current portion of long-term debt | 120,228 | 119,358 |
| Customer deposits | 87,290 | 97,647 |
| TOTAL CURRENT LIABILITIES | <u>726,960</u> | <u>769,262</u> |
| NON CURRENT LIABILITIES | | |
| Long-term debt, excluding current installments | 893,425 | 1,013,719 |
| Net pension liability | 499,799 | 404,693 |
| TOTAL LONG-TERM LIABILITIES, net of current portion | <u>1,393,224</u> | <u>1,418,412</u> |
| DEFERRED INFLOWS | <u>4,320</u> | <u>7,108</u> |
| NET POSITION | | |
| Net investment in capital assets | 5,148,239 | 5,171,102 |
| Restricted - future capital additions | 145,558 | 195,295 |
| Unrestricted | 5,640,601 | 5,888,753 |
| TOTAL NET POSITION | <u>10,934,398</u> | <u>11,255,150</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION | <u>\$ 13,058,902</u> | <u>\$ 13,449,932</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>2020</u> | <u>2019</u> |
|--|----------------------|----------------------|
| OPERATING REVENUES | | |
| Electric sales to customers | \$ 8,990,130 | \$ 9,112,594 |
| Miscellaneous income | 618,065 | 645,286 |
| Provision for uncollectible accounts | <u>(15,961)</u> | <u>(10,734)</u> |
| TOTAL OPERATING REVENUES | <u>9,592,234</u> | <u>9,747,146</u> |
| OPERATING EXPENSES | | |
| Operation, maintenance, and general and administrative expenses | 9,135,540 | 9,166,562 |
| Depreciation | 480,933 | 495,826 |
| Taxes | <u>692,297</u> | <u>660,541</u> |
| TOTAL OPERATING EXPENSES | <u>10,308,770</u> | <u>10,322,929</u> |
| LOSS FROM OPERATIONS | <u>(716,536)</u> | <u>(575,783)</u> |
| NON-OPERATING REVENUE (EXPENSE) | | |
| Investment income | 432,917 | 423,695 |
| Interest expense | <u>(37,133)</u> | <u>(40,263)</u> |
| TOTAL NON-OPERATING REVENUE (EXPENSE) | <u>395,784</u> | <u>383,432</u> |
| CHANGE IN NET POSITION | (320,752) | (192,351) |
| NET POSITION, Beginning of Year | <u>11,255,150</u> | <u>11,447,501</u> |
| NET POSITION, End of Year | <u>\$ 10,934,398</u> | <u>\$ 11,255,150</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>2020</u> | <u>2019</u> |
|---|-----------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts: | | |
| Electric sales to customers | \$ 8,956,229 | \$ 9,068,114 |
| Miscellaneous | 610,724 | 643,220 |
| Payments made for: | | |
| Power production, transmission, and purchase power | (7,046,148) | (6,992,898) |
| Outside services and other general expenses | (1,172,353) | (1,225,495) |
| Others and employees | <u>(1,543,601)</u> | <u>(1,519,730)</u> |
| NET CASH (USED) BY OPERATING ACTIVITIES | <u>(195,149)</u> | <u>(26,789)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital expenditures, net | <u>(338,646)</u> | <u>(593,570)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Increase) in investment in others | (408,055) | (526,152) |
| Investment income | <u>432,917</u> | <u>423,695</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>24,862</u> | <u>(102,457)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Principal payments | (119,424) | (123,754) |
| Interest paid | <u>(37,133)</u> | <u>(40,263)</u> |
| NET CASH (USED) BY NON-CAPITAL FINANCING ACTIVITIES | <u>(156,557)</u> | <u>(164,017)</u> |
| NET (DECREASE) IN CASH | (665,490) | (886,833) |
| CASH - Beginning of Year | <u>1,620,622</u> | <u>2,507,455</u> |
| CASH - End of Year | <u>\$ 955,132</u> | <u>\$ 1,620,622</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>2020</u> | <u>2019</u> |
|---|-------------------------|------------------------|
| Reconciliation of operating income to net cash provided (used) by operating activities | | |
| Operating loss | \$ (716,536) | \$ (575,783) |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Depreciation | 480,933 | 495,826 |
| (Increase) decrease in: | | |
| Accounts receivable | 33,832 | (87,548) |
| Unbilled revenue | (23,927) | 49,306 |
| Materials, supplies, and fuel stock | (27,845) | 4,496 |
| Prepaid expenses | (4,919) | (2,183) |
| Other current assets | (2,422) | 117 |
| Deferred outflows | 16,589 | 6,005 |
| Increase (decrease) in: | | |
| Accounts payable | (32,815) | 9,007 |
| Customer deposits liability | (10,357) | 14,128 |
| Net pension liability | 95,106 | 63,155 |
| Deferred inflows | <u>(2,788)</u> | <u>(3,315)</u> |
| Total adjustments | <u>521,387</u> | <u>548,994</u> |
| NET CASH (USED) BY OPERATING ACTIVITIES | <u>\$ (195,149)</u> | <u>\$ (26,789)</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, 2020

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 Light 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 Light 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, 2020

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 2020 and 2019, the Department reported \$141,458 and \$55,167, 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, 2020

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, 2020

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>2019</u> | <u>Additions</u> | <u>Disposals</u> | <u>2020</u> |
|------------------------------|--------------------|--------------------|---------------------|--------------------|
| Utility Plant in Service: | | | | |
| Land - Non-depreciable | \$ 216,819 | \$ 56 | \$ - | \$ 216,875 |
| Total | <u>216,819</u> | <u>56</u> | <u>-</u> | <u>216,875</u> |
| Production Plant | 4,120,573 | 187,867 | - | 4,308,440 |
| Transmission Plant | 3,093,655 | - | - | 3,093,655 |
| Distribution Plant | 8,378,766 | 276,813 | (155,976) | 8,499,603 |
| General Plant | <u>1,998,584</u> | <u>-</u> | <u>-</u> | <u>1,998,584</u> |
| Depreciable Operating | <u>17,591,578</u> | <u>464,680</u> | <u>(155,976)</u> | <u>17,900,282</u> |
| Total | <u>17,808,397</u> | <u>464,736</u> | <u>(155,976)</u> | <u>18,117,157</u> |
| Accumulated Depreciation: | | | | |
| Production Plant | 1,930,168 | 67,987 | - | 1,998,155 |
| Transmission Plant | 1,438,024 | 90,390 | - | 1,528,414 |
| Distribution Plant | 6,441,988 | 248,416 | (29,886) | 6,660,518 |
| General Plant | <u>1,694,038</u> | <u>74,140</u> | <u>-</u> | <u>1,768,178</u> |
| Total | <u>11,504,218</u> | <u>480,933</u> | <u>(29,886)</u> | <u>11,955,265</u> |
| Net Utility Plant in Service | <u>\$6,304,179</u> | <u>\$ (16,197)</u> | <u>\$ (126,090)</u> | <u>\$6,161,892</u> |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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 \$2,500,000 by FHLB Boston. The bank deposits at December 31, 2020 were \$1,567,294, of which \$506,011 was insured by the federal deposit insurance corporation (FDIC) and \$1,061,283 was collateralized. The book deposits at December 31, 2020 were \$955,132 which were collateralized at December 31, 2020.

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>2020</u> | <u>2019</u> |
|---|------------------------|------------------------|
| Velco Class C preferred stock - Net of Return Capital | \$ 1,653 | \$ 1,653 |
| Velco Class B common stock - 2,659 shares in 2020 | 259,900 | 259,900 |
| Velco Class C common stock - 846 shares in 2020 | <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 2020. | <u>3,654,631</u> | <u>3,246,576</u> |
| TOTAL INVESTMENTS | <u>\$4,000,784</u> | <u>\$3,592,729</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, 2020

NOTE 4 RETIREMENT - VMERS (continued)

Schedule A – Employers' Allocation as of June 30, 2018

| Fiscal Year Ended June 30, 2018 | | | | | | |
|---------------------------------|---------------------|-----------------------|-------------------------|------------------------|---|---|
| Employer Contributions | Employer Proportion | Net Pension Liability | Total Deferred Outflows | Total Deferred Inflows | Net Pension Liability 1% Decrease (6.95% Disc Rate) | Net Pension Liability 1% Decrease (8.95% Disc Rate) |
| \$ 50,389 | 0.28770% | \$ 404,693 | \$ 140,565 | \$ 7,108 | \$ 685,457 | \$ 176,352 |

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

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

Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2019

| 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 |
| 0.28808% | \$ 499,799 | \$ 64,754 | \$ 16,687 | \$ - | \$ 34,042 | \$ 7,956 | \$ 123,439 |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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 |
| \$ 4,320 | \$ - | \$ - | \$ - | \$ - | \$ 4,320 |

| 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 |
| \$ 159,292 | \$ 5,506 | \$ 164,798 |

Schedule D – Employers' Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2019

| Fiscal Year Ending June 30, | | | | | |
|-----------------------------|-----------|-----------|-----------|------|------------|
| 2020 | 2021 | 2022 | 2023 | 2024 | Thereafter |
| \$ 47,868 | \$ 27,127 | \$ 27,379 | \$ 16,745 | \$ - | \$ - |

Schedule E – Contribution History for Fiscal Years 2017-2019

| FY 2019 | FY 2018 | FY 2017 |
|-----------|-----------|-----------|
| \$ 55,351 | \$ 50,389 | \$ 46,036 |

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

<http://finance.vermont.gov/reports and publications/cafr>

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 RETIREMENT - VMERS (continued)

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2019, the retirement system consisted of 379 participating employers.

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

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

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

Summary of System Provisions

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 RETIREMENT - VMERS (continued)

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. |

Vested Retirement Allowance

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 RETIREMENT - VMERS (continued)

Disability Retirement Allowance

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

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

Death Benefit

| | |
|-------------|---------------------------------|
| Eligibility | Death after 5 years of service. |
|-------------|---------------------------------|

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

Optional Benefit and Death
after Retirement

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

Refund of Contribution

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

Post-Retirement Adjustments

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

Retirement Stipend

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 RETIREMENT - VMERS (continued)

| Member Contributions | Group | Effective 7/1/19 | For the Fiscal year ended 6/30/19 |
|------------------------|---------|------------------|-----------------------------------|
| | Group A | 2.750% | 2.625% |
| | Group B | 5.125% | 5.000% |
| | Group C | 10.250% | 10.125% |
| | Group D | 11.600% | 11.475% |
| Employer Contributions | Group | Effective 7/1/19 | For the Fiscal year ended 6/30/19 |
| | Group A | 4.250% | 4.125% |
| | Group B | 5.750% | 5.625% |
| | Group C | 7.500% | 7.375% |
| | Group D | 10.100% | 9.975% |

Significant Actuarial Assumptions and Methods

Interest Rate: 7.50%, net of pension plan investment expenses, including inflation.

Salary Increases: 5% per year

Mortality:

Death in active service:

Groups A, B and C – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017

Group D – RP-2006 Blue Collar Annuitant Table with generational projection using Scale SSA-2017

Healthy Post-retirement:

Groups A, B and C – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Annuitant and 40% Healthy Employee Annuitant with generational projection using Scale SSA-2017

Group D – 100% of RP-2006 Blue Collar Annuitant Table with generational projection using Scale SSA-2017

Disabled Post-retirement:

All Groups – RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 RETIREMENT - VMERS (continued)

Cost-of-Living Adjustments: 1.15% for Group A members and 1.30% for Group B, C and D members. The January 1, 2019 and January 1, 2020 COLAs are 1.30% and .80%, respectively, for all groups.

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

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

Inflation: 2.50%

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, 2019 are summarized in the following table:

| Asset Class | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|---------------------------|-------------------------|--|
| Global Equity | 29.00% | 6.90% |
| US Equity - Large Cap | 4.00% | 5.94% |
| US Equity - Small/Mid Cap | 3.00% | 6.72% |
| Non- US Equity-Large Cap | 5.00% | 6.81% |
| Non- US Equity-Small Cap | 2.00% | 7.31% |
| Emerging Markets Debt | 4.00% | 4.26% |
| Core Bonds | 14.00% | 1.79% |
| Non-Core Bonds | 6.00% | 3.22% |
| Short Quality Credit | 5.00% | 1.81% |
| Private Credit | 5.00% | 6.00% |
| US Tips | 3.00% | 1.45% |
| Core Real Estate | 5.00% | 4.26% |
| Non-Core Real Estate | 3.00% | 5.76% |
| Private Equity | 10.00% | 10.81% |
| Infrastructure/Farmland | 2.00% | 4.89% |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 RETIREMENT - VMERS (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceeds the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

| 1% Decrease (6.50%) | Discount Rate (7.50%) | 1% Increase (8.50%) |
|---------------------|-----------------------|---------------------|
| \$ 819,594 | \$ 499,799 | \$ 235,067 |

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, 2020 and 2019 was \$44,715 and \$42,948, respectively.

NOTE 6 NOTES AND BONDS PAYABLE

| | <u>2020</u> | <u>2019</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 | \$ 800,000 | \$ 880,000 |
| Note payable to Passumpsic Bank, requiring monthly payments of \$3,715 including fixed interest at 2.19% Matures in March, 2026 | 213,653 | 253,077 |
| | 1,013,653 | 1,133,077 |
| Less Current Portion: | (120,228) | (119,358) |
| | <u>\$ 893,425</u> | <u>\$ 1,013,719</u> |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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, 2020 are as follows:

| <u>For the years then ended</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 120,228 | \$ 31,180 | \$ 151,408 |
| 2022 | 121,118 | 27,819 | 148,937 |
| 2023 | 122,028 | 24,438 | 146,466 |
| 2024 | 122,957 | 21,038 | 143,995 |
| 2025 | 123,908 | 17,506 | 141,414 |
| 2026-2030 | 403,414 | 42,575 | 445,989 |
| | <u>\$ 1,013,653</u> | <u>\$ 164,556</u> | <u>\$ 1,178,209</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, 2020.

Chester Solar

- Size: 4.8 MW
- Fuel: Solar
- Location: Chester, MA
- Entitlement: 29.8% (1.423 MW), PPA
- Products: Energy, capacity

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 COMMITMENTS (continued)

- 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.

McNeil Station

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 COMMITMENTS (continued)

New York Power Authority (NYPA)

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

PUC Rule 4.100 (VEPPI Program)

- Size: Small hydro < 80 MW
- Fuel: Hydro
- Location: Vermont
- Entitlement: 1.06% (Statutory)
- Products: Energy, capacity
- End Date: 10/31/2020
- Notes: The Electric Department is required to purchase hydro power from small power producers through Vermont Electric Power Producers, Inc. ("VEPPI"), in accordance with PUC Rule #4.100. The entitlement percentage fluctuates slightly each year with the Electric Department's pro rata share of Vermont's retail energy sales, and does not include the renewable energy credits.

PUC Rule 4.300 (Standard Offer Program)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 1.14% (Statutory)
- Products: Energy, capacity, renewable energy credits
- End Date: Varies
- Notes: The Electric Department is required to purchase power from small power producers through the Vermont Standard Offer Program in 2020, 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
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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: 1.13% (0.232 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 10/31/2021

Seabrook 2018-22

- Size: 1,250 MW
- Fuel: Nuclear
- Location: East Ryegate, VT
- 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, 2020

NOTE 7 COMMITMENTS (continued)

Wyman 4

- **Size:** 619 MW
- **Fuel:** Oil
- **Location:** Yarmouth, ME
- **Entitlement:** 0.204 MW, PPA
- **Products:** Energy, capacity, reserves
- **End Date:** November 2019
- **Notes:** The current owner of the plant, NextEra, offered to buy out the Electric Department's entitlement in 2019, and the Electric Department accepted. As a result, it no longer has an entitlement to the plant as of November 2019. While Lyndonville no longer had an entitlement in 2020, there was some resettlement in early 2020 which caused dollar values to be associated with this generator.

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.

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:** 0.108145%

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 **COMMITMENTS (continued)**

- **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 support costs has been estimated to be about \$42,000, and the capacity credits and lease payments have been estimated to be about \$127,000 and \$130,000 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, 2020 was as follows:

| Resource | 2020 MWH | % | Fuel | Exp. Date |
|----------------------------|----------------------|-----------------------|--------------|------------------|
| Chester Solar | 2,094 | 3.20% | System | 6/30/2039 |
| Fitchburg Landfill | 9,201 | 14.20% | Landfill Gas | 12/31/2031 |
| HQUS Contract | 3,527 | 5.40% | Hydro | 10/31/2038 |
| Kruger Hydro | 5,881 | 9.10% | System | 12/31/2037 |
| Market Contracts | -4,861 | -7.50% | Hydro | Life of Unit |
| McNeil Facility | 6,892 | 10.60% | Wood | Life of Unit |
| NYPA Niagara Contract | 5,681 | 8.80% | Hydro | 9/1/2025 |
| NYPA St. Lawrence Contract | 120 | 20.00% | Hydro | 4/30/2032 |
| Project #10 | 84 | 10.00% | Oil | Life of Unit |
| Ryegate Facility | 1,847 | 2.90% | Wood | 10/31/2021 |
| Seabrook 2018-22 Purchase | 28,847 | 44.50% | Nuclear | 12/31/2022 |
| Standard Offer Program | 1,356 | 2.10% | Solar | Varies |
| Stony Brook Station | 418 | 60.00% | Oil | Life of Unit |
| Vail & Great Falls Hydro | 3,455 | 5.30% | Hydro | Life of Unit |
| Veppi Program | <u>243</u> | <u>40.00%</u> | Hydro | Varies |
| TOTAL RESOURCES | <u>64,785</u> | <u>100.00%</u> | | |

| | | |
|--------------------------------|--------|--------|
| Total Load Including Losses | 62,391 | |
| ISO Exchange (+Purchase/-Sale) | -2,394 | -3.70% |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 COMMITMENTS (continued)

The cost of power from all power vendor sources for the year ended December 31, 2020 was as follows:

| |
|---------------------------|
| POWER SUPPLY COSTS |
|---------------------------|

| Resource | Total |
|------------------------------------|----------------------|
| Chester Solar | \$ 94,076 |
| Fitchburg Landfill | 281,385 |
| HQUS Contract | 112,021 |
| Kruger Hydro | 116,938 |
| Market Contracts | 33,174 |
| McNeil Facility | 116,692 |
| NYPA Niagara Contract | (25,029) |
| NYPA St. Lawrence Contract | (2,136) |
| Phase I/II Transmission Facilities | (28,575) |
| Project #10 | (117,336) |
| Ryegate Facility | 108,940 |
| Seabrook 2018-22 Purchase | 839,871 |
| Standard Offer Program | 246,129 |
| Stony Brook Station | (57,062) |
| VEPPI Program | 19,828 |
| Wyman Station | <u>(1,150)</u> |
| SUBTOTAL POWER SUPPLY | <u>1,737,766</u> |

| |
|---------------------------|
| TRANSMISSION COSTS |
|---------------------------|

| Resource | Total |
|---------------------------------|----------------------|
| Open Access Transmission Tariff | 1,202,407 |
| 1991 VTA - Common Facilities | 189,451 |
| 1991 VTA - Specific Facilities | 329,665 |
| 1991 SPA - Shared & Exclusive | 41,461 |
| Highgate Converter - O&M | 1,957 |
| Wyman Transmission | <u>(69)</u> |
| SUBTOTAL TRANSMISSION | <u>1,764,872</u> |

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 COMMITMENTS (continued)

| ISO MARKETS & MISC COSTS | |
|--|---------------------------|
| Resource | Total |
| Energy Market | 1,432,888 |
| Capacity Market | 958,923 |
| Reserve Market | 15,671 |
| NCPC | 8,827 |
| Regulation Services | 10,018 |
| Marginal Loss Revenues | (4,533) |
| Auction Revenue Rights | (8,794) |
| Other Load Settlement | 1,297 |
| VPPSA Fees - Power Supply | 80,508 |
| ISONE Self Funding Tariff | 84,481 |
| VELCO Tariff Allocation | 1,671 |
| VELCO Market Settlement | 1,593 |
| VELCO Service Fees | 1,576 |
| GIS Costs | <u>487</u> |
| SUBTOTAL ISO MARKETS & MISC | <u>2,584,613</u> |
| GRAND TOTAL | <u>\$6,087,251</u> |

Lyndonville has not participated in the purchase of energy for delivery from any counterparty whose contract has not already begun delivery as of 12/31/2020. All contracted energy purchases are specifically reflected in the 2020 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, 2020

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 2020, 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 | <u>9,008</u> | <u>11,465</u> | <u>20,473</u> | <u>204,730</u> |
| | <u>331,281</u> | <u>421,633</u> | <u>752,914</u> | <u>\$7,529,140</u> |

The units are owned by VPPSA, the associated debt is an obligation of VPPSA and VPPSA will receive the distributions related to the units. However, as outlined in the Transco Equity Agreement and further recognized by the Vt. Public Service Board in Docket 7340, the Village of Lyndonville Electric Department will receive all the benefits of the units related to their load share. The distributions received by VPPSA related to these units shall be used first, to cover VPPSA's debt service costs related to those units, and second, all net earnings from the investment will be recorded as investment income in the Village of Lyndonville Electric Department's financial statements. In addition, as principle payments are made on this debt, the member will record an investment in others with an offsetting credit to miscellaneous income. At December 31, 2020 the investment in others is \$3,654,631.

NOTE 8 RISKS AND UNCERTAINTIES

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

Village of Lyndonville Electric Department
(A Component Unit of the Village of Lyndonville, Vermont)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 9 SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Department has evaluated subsequent events through February 10, 2021 the date which the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2020 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, 2020

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Department's proportion of the net pension liability (asset) | 0.2416% | 0.2321% | 0.2681% | 0.2624% | 0.2819% | 0.2877% | 0.2881% |
| Department's proportionate share of the net pension liability (asset) | \$ 87,961 | \$ 21,179 | \$ 206,701 | \$ 337,670 | \$ 341,535 | \$ 404,693 | \$ 499,799 |
| Department's covered-employee payroll | \$ 726,617 | \$ 683,875 | \$ 696,559 | \$ 770,720 | \$ 881,335 | \$ 975,212 | \$ 990,760 |
| 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% |
| Plan fiduciary net position as a percentage of the total pension liability | 92.71% | 98.32% | 87.42% | 80.95% | 83.64% | 82.60% | 83.64% |

Significant Actuarial Assumptions and methods are described in Note 4 to the financial statements. The were no changes in assumptions and methods as of December 31, 2019.

See Accompanying Notes to Financial Statements.

Village of Lyndonville Electric Department
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - VMERS
For the Year Ended December 31, 2020

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually Required Contributions (Actuarially Determined) | \$ 29,933 | \$ 29,001 | \$ 37,478 | \$ 39,878 | \$ 46,036 | \$ 50,389 | \$ 55,351 |
| 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> |
| 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> |
| Contributions as a Percentage of Covered Employee Payroll | 4.06% | 4.35% | 5.38% | 5.17% | 5.22% | 5.17% | 5.59% |

Significant Actuarial Assumptions and methods are described in Note 4 to the financial statements. The were no changes in assumptions and methods as of December 31, 2019.

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, 2020

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

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

SUPPLEMENTARY INFORMATION
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2019

| | <u>Operation</u> | <u>Maintenance</u> | <u>Total</u> |
|---|-------------------|--------------------|---------------------|
| PRODUCTION EXPENSES | | | |
| Power Generation: | | | |
| Supervision and labor | \$ 41,816 | \$ 9,085 | \$ 50,901 |
| Supplies and expense | <u>119,612</u> | <u>22,494</u> | <u>142,106</u> |
| Total Power Generation Expenses | <u>\$ 161,428</u> | <u>\$ 31,579</u> | 193,007 |
| Purchased power | | | <u>6,148,636</u> |
| TOTAL PRODUCTION EXPENSES | | | <u>6,341,643</u> |
| TRANSMISSION SUPPLIES AND EXPENSE | <u>\$ 11,363</u> | <u>\$ 2,486</u> | <u>13,849</u> |
| DISTRIBUTION EXPENSES | | | |
| Supervision and labor | \$ 32,365 | \$ 2 | 32,367 |
| Line and station expense | 249,063 | 663,631 | 912,694 |
| Street lighting and signal system | 1,762 | 12,468 | 14,230 |
| Meter expense | 26,967 | 1,084 | 28,051 |
| Customer installation | 2,209 | - | 2,209 |
| Miscellaneous distribution expenses | 200,273 | - | 200,273 |
| Rent | <u>35,671</u> | <u>-</u> | <u>35,671</u> |
| TOTAL DISTRIBUTION EXPENSES | <u>\$ 548,310</u> | <u>\$ 677,185</u> | <u>1,225,495</u> |
| CUSTOMER ACCOUNTS EXPENSES | | | |
| Meter reading expense | | | 108,078 |
| Customer record and collection expense | | | 222,060 |
| Uncollectible accounts | | | 49,866 |
| Promotional expense | | | 919 |
| Miscellaneous expense | | | <u>4,759</u> |
| TOTAL CUSTOMER ACCOUNTS EXPENSES | | | <u>385,682</u> |
| GENERAL AND ADMINISTRATIVE EXPENSES | | | |
| Salaries | | | 163,272 |
| Office supplies and expense | | | 39,036 |
| Outside services employed | | | 308,516 |
| Property insurance | | | 52,167 |
| Injuries and damages | | | 46,295 |
| Employee pension and benefits | | | 476,223 |
| Miscellaneous | | | <u>114,384</u> |
| TOTAL GENERAL AND ADMINISTRATIVE EXPENSES | | | <u>1,199,893</u> |
| TOTAL OPERATION, MAINTENANCE AND GENERAL AND ADMINISTRATIVE EXPENSES | | | <u>\$ 9,166,562</u> |