



**ADDISON COUNTY ECONOMIC DEVELOPMENT  
CORPORATION**

**MANAGEMENT LETTER**

**YEAR ENDED JUNE 30, 2023**

**JMM & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**



VT License #92-0000171

To the Board of Directors of  
Addison County Economic Development Corporation  
Middlebury, Vermont

In planning and performing our audit of the financial statements of Addison County Economic Development Corporation (the Organization or ACEDC) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

During our audit we became aware of a certain matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion concerning this matter. We previously reported on the Organization's internal control in our report dated November 14, 2023. This letter does not affect our report dated November 14, 2023, on the financial statements of Addison County Economic Development Corporation.

Addison County Economic Development Corporation's written response to the recommendation identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Organization personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

We wish to express our appreciation for the courtesy and assistance extended to our firm by the staff and management of the Organization and we look forward to working with them in the future.

This report is intended solely for the information and use of the Board of Directors, finance committee, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

*Jmm & Associates*

November 14, 2023

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION  
MANAGEMENT LETTER COMMENT  
JUNE 30, 2023**

**MATERIAL WEAKNESS**

None.

**OTHER MATTER**

**Check protection**

Recently, we became aware of a situation in which a nonprofit organization's check was photocopied and duplicated in an attempt to commit fraud. To reduce the risk of fraud, we recommend the Organization consult with its bank and investment representatives to reduce the risk of misappropriation of assets.

*Management's response:*

ACEDC will consult with our banks to reduce the risk of misappropriation of assets. However, ACEDC no longer uses paper checks for transactions, instead using only electronic payments, so the risk of a check being photocopied or duplicated inappropriately is negligible.



VT License #92-0000171

November 14, 2023

To the Board of Directors  
Addison County Economic Development Corporation  
Middlebury, Vermont

We have audited the financial statements of Addison County Economic Development Corporation for the year ended June 30, 2023, and we will issue our report thereon dated November 14, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 24, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Addison County Economic Development Corporation are described in Note 1 to the financial statements. Effective July 1, 2022, the Organization adopted the provisions of Accounting Standards Update No. 2016-02, *Leases*, Topic 842. The application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was the loan loss reserve and functional allocation of expenses.

Management's estimate of the loan loss reserve is based on specific review of the individual amounts outstanding, historical collections experience and current economic conditions. We evaluated the methods, assumptions, and data used to develop the loan loss reserve in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the functional allocation of expenses is based on estimates of staff wages by function. We evaluated the methods, assumptions, and data used to develop the functional allocation of expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 14, 2023.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

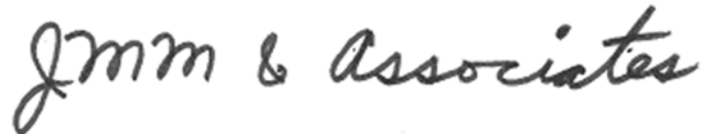
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Addison County Economic Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "JMM & Associates". The letters are fluid and connected, with a prominent loop at the end of the word "Associates".

JMM & Associates



**ADDISON COUNTY ECONOMIC DEVELOPMENT  
CORPORATION**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023 AND 2022**

**JMM & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**



**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Addison County Economic Development Corporation  
Middlebury, Vermont

### Opinion

We have audited the accompanying financial statements of Addison County Economic Development Corporation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Addison County Economic Development Corporation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization has adopted the provisions of Accounting Standards Update No. 2016-02, *Leases*, Topic 842. Our opinion is not modified with respect to that matter.

### Responsibilities of Management for the Financial Statements

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

## **Responsibilities of Management for the Financial Statements (continued)**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Addison County Economic Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 23 - 28, including the Schedule of Expenditures of Federal Awards on pages 23 - 24, which is presented as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of Addison County Economic Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Addison County Economic Development Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Jmm & Associates". The signature is written in black ink and is positioned above the date.

November 14, 2023

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2023 AND 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash - unrestricted	\$ 198,245	\$ 243,792
Accounts and grants receivable, net	9,863	26,508
Current portion of loans receivable	82,000	139,000
Prepaid expenses	3,370	3,370
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<u>293,478</u>	<u>412,670</u>
<b>PROPERTY AND EQUIPMENT</b>		
Office equipment and furniture	7,215	7,215
Website	7,900	7,900
	<hr/>	<hr/>
	15,115	15,115
Less accumulated depreciation	(15,062)	(14,666)
	<hr/>	<hr/>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>53</u>	<u>449</u>
<b>OTHER ASSETS</b>		
Cash - restricted	264,725	229,635
Long-term investments	80,036	79,797
Loans receivable, net	499,189	474,577
Right-of-use asset, net of accumulated amortization	15,490	-
	<hr/>	<hr/>
<b>TOTAL OTHER ASSETS</b>	<u>859,440</u>	<u>784,009</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,152,971</u>	<u>\$ 1,197,128</u>

**See accompanying notes.**

## LIABILITIES AND NET ASSETS

	2023	2022
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 586	\$ 6,045
Accrued salaries and payroll taxes	9,028	9,486
Accrued vacation	6,684	6,684
Deferred revenue - grant funds held	4,005	21,419
Current portion of long-term debt	44,000	44,000
Current portion of lease liability	12,000	-
<b>TOTAL CURRENT LIABILITIES</b>	76,303	87,634
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	725,870	670,801
Lease liability, net of current portion	3,490	-
<b>TOTAL LONG-TERM LIABILITIES</b>	729,360	670,801
<b>TOTAL LIABILITIES</b>	805,663	758,435
<b>NET ASSETS</b>		
Net assets without donor restrictions	282,779	321,880
Net assets with donor restrictions	64,529	116,813
<b>TOTAL NET ASSETS</b>	347,308	438,693
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 1,152,971	\$ 1,197,128

See accompanying notes.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Grants and contracts	\$ 147,887	\$ 181,746
Membership support	33,375	45,400
Municipal support	16,025	17,025
Loan interest	6,610	1,030
Loan fees	2,617	1,978
Fees for services	2,360	3,000
Bank interest income	807	343
Miscellaneous income	290	46,783
Subtotal - support and revenue	<u>209,971</u>	<u>297,305</u>
Net assets released from restrictions	<u>77,290</u>	<u>75,522</u>
 <b>TOTAL SUPPORT AND REVENUE</b>	 <u>287,261</u>	 <u>372,827</u>
 <b>EXPENSES</b>		
Program services:		
Community services	160,969	155,602
Lending services	<u>101,207</u>	<u>91,255</u>
Total program services	262,176	246,857
Support services:		
General and administrative	<u>64,186</u>	<u>93,024</u>
Total support services	<u>64,186</u>	<u>93,024</u>
 <b>TOTAL EXPENSES</b>	 <u>326,362</u>	 <u>339,881</u>
 <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	 (39,101)	 32,946
 <b>BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	 <u>321,880</u>	 <u>288,934</u>
 <b>ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	 <u><u>\$ 282,779</u></u>	 <u><u>\$ 321,880</u></u>

See accompanying notes.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**STATEMENTS OF ACTIVITIES (CONTINUED)**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS SUPPORT AND REVENUE</b>		
Loan interest	\$ 25,006	\$ 32,453
Bank interest income	-	-
Subtotal - support and revenue	<u>25,006</u>	<u>32,453</u>
Net assets released from restrictions	<u>(77,290)</u>	<u>(75,522)</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>(52,284)</u>	<u>(43,069)</u>
 <b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	 (52,284)	 (43,069)
 <b>BEGINNING NET ASSETS WITH DONOR RESTRICTIONS</b>	 <u>116,813</u>	 <u>159,882</u>
 <b>ENDING NET ASSETS WITH DONOR RESTRICTIONS</b>	 <u>\$ 64,529</u>	 <u>\$ 116,813</u>
 <b>TOTAL CHANGE IN NET ASSETS</b>	 <u>\$ (91,385)</u>	 <u>\$ (10,123)</u>

**See accompanying notes.**



**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES - 2023**

**FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

	<b>Community Services</b>	<b>Lending Services</b>	<b>Total Programs</b>	<b>General &amp; Administrative</b>	<b>2023 Total</b>	<b>2022 Total</b>
Salaries and wages	\$ 88,109	\$ 58,739	\$ 146,848	\$ 33,058	\$ 179,906	\$ 178,106
Payroll taxes	7,759	5,173	12,932	2,282	15,214	11,446
Employee benefits	7,322	4,881	12,203	3,440	15,643	16,262
<b>Subtotal - personnel</b>	<b>103,190</b>	<b>68,793</b>	<b>171,983</b>	<b>38,780</b>	<b>210,763</b>	<b>205,814</b>
Professional fees	31,980	745	32,725	18,193	50,918	48,368
Occupancy	11,272	7,515	18,787	3,315	22,102	19,085
Office expense	7,594	5,447	13,041	1,895	14,936	15,940
Loan loss expense	-	10,815	10,815	-	10,815	10,198
Interest expense	-	7,021	7,021	-	7,021	7,470
Conferences and meetings	3,438	-	3,438	518	3,956	245
Insurance	1,154	769	1,923	339	2,262	2,264
Travel and entertainment	1,421	-	1,421	-	1,421	874
Advertising	920	102	1,022	114	1,136	2,665
Miscellaneous expenses	-	-	-	636	636	775
Depreciation	-	-	-	396	396	507
Project expenses	-	-	-	-	-	26,859
Administration fees	-	-	-	-	-	(1,183)
<b>TOTAL EXPENSES</b>	<b>\$ 160,969</b>	<b>\$ 101,207</b>	<b>\$ 262,176</b>	<b>\$ 64,186</b>	<b>\$ 326,362</b>	<b>\$ 339,881</b>

See accompanying notes.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES - 2022**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Community Services</u>	<u>Lending Services</u>	<u>Total Programs</u>	<u>General &amp; Administrative</u>	<u>2022 Total</u>
Salaries and wages	\$ 79,067	\$ 38,770	\$ 117,837	\$ 60,269	\$ 178,106
Payroll taxes	5,081	2,492	7,573	3,873	11,446
Employee benefits	7,219	3,540	10,759	5,503	16,262
Subtotal - personnel	91,367	44,802	136,169	69,645	205,814
Professional fees	21,127	15,141	36,268	12,100	48,368
Project expenses	26,859	-	26,859	-	26,859
Occupancy	7,157	7,157	14,314	4,771	19,085
Office expense	5,862	5,004	10,866	5,074	15,940
Loan loss expense	-	10,198	10,198	-	10,198
Interest expense	-	7,470	7,470	-	7,470
Advertising	1,439	160	1,599	1,066	2,665
Insurance	729	1,049	1,778	486	2,264
Travel and entertainment	874	-	874	-	874
Miscellaneous expenses	217	-	217	558	775
Depreciation	-	-	-	507	507
Conferences and meetings	(29)	274	245	-	245
Administration fees	-	-	-	(1,183)	(1,183)
<b>TOTAL EXPENSES</b>	<u>\$ 155,602</u>	<u>\$ 91,255</u>	<u>\$ 246,857</u>	<u>\$ 93,024</u>	<u>\$ 339,881</u>

See accompanying notes.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contracts	\$ 130,473	\$ 196,852
Cash received from members and other support	49,400	62,425
Cash received from fees for service	19,005	30,703
Loan and other fees	2,617	1,978
Loan interest received	31,616	33,483
Interest income	807	343
Other operating receipts	290	-
Cash paid for salaries and benefits	(211,221)	(205,347)
Cash paid for goods and services	(102,826)	(113,949)
Interest paid	(7,021)	(7,470)
	<u>(86,860)</u>	<u>(982)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Increase in investments	(239)	(239)
Principal received on loans receivable	121,573	101,451
Loans issued	(100,000)	(150,000)
	<u>21,334</u>	<u>(48,788)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	100,000	125,000
Principal payments on long-term debt	(44,931)	(85,922)
	<u>55,069</u>	<u>39,078</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		
<b>DECREASE IN CASH AND RESTRICTED CASH</b>	(10,457)	(10,692)
<b>BEGINNING CASH AND RESTRICTED CASH</b>	<u>473,427</u>	<u>484,119</u>
<b>ENDING CASH AND RESTRICTED CASH</b>	<u>\$ 462,970</u>	<u>\$ 473,427</u>
<b>AS REPORTED IN THE STATEMENTS OF FINANCIAL POSITION</b>		
Cash - unrestricted	\$ 198,245	\$ 243,792
Cash - restricted	264,725	229,635
	<u>\$ 462,970</u>	<u>\$ 473,427</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITY</b>		
Paycheck Protection Program loan forgiveness	<u>\$ -</u>	<u>\$ 44,065</u>

See accompanying notes.

# ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### 1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### Operations

Addison County Economic Development Corporation (the Organization or ACEDC) is a nonprofit corporation organized to engage in a comprehensive economic development program. ACEDC promotes sound economic development by providing assistance to existing and new businesses in Addison County through financial assistance and loan programs, and by supporting and facilitating improvements to the economic infrastructure to improve the economic base. The Organization receives support and revenue from loan interest, state and federal grants and public and private support.

#### Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available, ACEDC maintains its accounts according to the principles of fund accounting. Under this approach, ACEDC maintains a separate self-balancing fund in accordance with the specified activities or objectives. ACEDC has presented its financial statements by fund in the supplementary information. The following are the individual groups:

The *Operating Fund* is used to report the unrestricted general operations of the Organization. ACEDC's Board of Directors has discretionary control over the Operating Fund's resources, which are derived primarily from membership support and government grants.

The other funds, the *Revolving Loan Fund*, the *Champlain Bridge Loan Fund (CBLF)*, and the *Intermediary Relending Program (IRP) Loan Funds* are all used to provide loans to local area businesses in furtherance of ACEDC's mission.

The *Champlain Bridge Loan Fund* was appropriated by the State of Vermont Economic Development Authority (VEDA) to ACEDC to provide loans to businesses negatively affected by the closure of the Lake Champlain Bridge between Vermont and New York in 2010 through 2012.

The *Intermediary Relending Program Loan Fund* consists of individual loan funds established through loans from the United States Department of Agriculture (USDA) to enable ACEDC to make loans to area businesses meeting certain criteria. A separate loan fund must be established for each loan provided by the USDA. Once all of the loan funds have been lent at least once by ACEDC, the funds are considered "revolved" and remain in that fund as a revolving loan fund. The net assets within these loan funds are considered restricted until the note payable to the USDA is repaid in full. One fund (ACEDC RLF) is without restrictions as ACEDC has retired that fund's debt.

#### Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Lease and adoption of new accounting standard

Effective July 1, 2022 ACEDC adopted the provisions of Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which replaces the current guidance for leases found in FASB ASC 840. ASU 2016-02 applies to both lessees and lessors, and requires lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more.

ACEDC is a lessee in an operating lease. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for financing leases are amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

ACEDC has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

ACEDC has elected to use the practical expedient to not separate lease and non-lease components for all leases.

ACEDC has elected to not use the risk-free rate to determine the discount rate for all leases and to report ROU assets and lease liabilities as separate line items on the Statements of Financial Position.

Contributed nonfinancial assets and adoption of new accounting standard

Effective July 1, 2022, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which improves transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The adoption of the new standard had no effect on the change in net assets for the years ended June 30, 2023 or 2022.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

In the Statements of Financial Position, certain investments have been reclassified to long-term investments to reflect the maturity date of the securities.

Grant revenue, receivables and deferred revenue

Under the terms of various grant agreements, income is recognized as allowable expenses are incurred or over the applicable grant period. The amounts receivable at June 30, 2023 and 2022 represent the excess of allowable expenses incurred over cash received from the grants. Deferred revenue represents payments received at June 30, 2023 and 2022 for services to be provided in a future period.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

Advertising costs are charged to expense when incurred.

Cash, cash equivalents and long-term investments

For purposes of the Statements of Cash Flows, ACEDC considers all unrestricted, highly-liquid securities with an initial maturity of three months or less to be cash equivalents. Amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per bank. ACEDC has a collateralization agreement with its primary bank to secure all cash accounts with the bank, collectively totaling more than \$250,000. Amounts on deposit in excess of the FDIC limit were approximately \$92,000 and \$52,000 as of June 30, 2023 and 2022, respectively.

Included in unrestricted cash, cash equivalents and long-term investments are a money market account and certificates of deposit which the ACEDC Board of Directors has designated as operating reserves. The balances in these accounts totaled approximately \$153,000 and \$135,000 as of June 30, 2023 and 2022, respectively.

Restricted cash consisted of revolving loan funds on hand in restricted loan funds.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Donated services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

No amounts have been reflected in the financial statements for donated services since they do not meet the criteria for recognition.

Property and equipment

Property and equipment are stated at cost and are depreciated over the estimated useful lives by the straight-line method. Donations of property and equipment received without stipulations about how long the donated asset must be used are recorded as revenue without donor restrictions at their estimated fair value. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are initially reported as donor-restricted support, and will be released from restrictions by reclassifying net assets with donor restrictions to net assets without donor restrictions when the asset is placed in service, unless the donor also placed a time restriction on the use of the long-lived asset, in which case the release occurs over the life of the time restriction. The portion of assets acquired with federal and state assistance are reported as net assets with donor restrictions, and an amount equal to the annual depreciation is released from restrictions until they expire. ACEDC's policy is to capitalize acquisitions over \$5,000.

Accounts receivable

ACEDC uses the allowance method for recording uncollectible accounts receivable. Balances still outstanding after management uses reasonable collection efforts are written off to bad debt. There was no bad debt expense related to accounts receivable for the years ended June 30, 2023 or 2022.

Income taxes

Addison County Economic Development Corporation is a nonprofit corporation exempt from income taxes under IRC Section 501(c)(6). It has been classified as an organization that is not a private foundation.

The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among the various functional areas. Costs are allocated among the programs based primarily on wages. ACEDC had no significant fundraising expenses for the years ended June 30, 2023 or 2022.

Revenue recognition

ACEDC occasionally provides services to customers under contracts for technical assistance to area businesses or to manage programs on behalf of a state agency. A contract with a customer may create legal rights and obligations whether or not the contract is in writing. The rights and obligations under the contract may, in turn, give rise to contract assets and contract liabilities. Performance obligations are considered satisfied when the services are completed.

Loans receivable

Loans receivable represent funds advanced to eligible businesses in Addison County, Vermont. The loans are collateralized by the borrower's assets and are stated at unpaid principal balances, less an allowance for loan losses (loan loss reserve). The loan loss reserve is computed using an established formula which assigns an allowance percentage based on the status of each loan, historical experience and current economic conditions. The loan loss reserve is increased by a provision for loan losses which is charged to expense and reduced by charge-offs, net of recoveries.

Loans receivable which are at least 90 days past due are reviewed for special servicing. Any changes to the loan repayment terms must be approved by the Loan Committee. These delinquent loans may be modified in one or more of the following ways: (a) placed in forbearance, in which interest continues to accrue but no late fees are incurred; (b) placed in deferment, in which loan payments may be deferred or reduced to interest-only for a period up to one year; or (c) placed in loan modification, in which the terms of the loan may be changed, including modifying the interest rate, loan payment amount or loan term.

ACEDC's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition or for other reasons.



**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**2) LIQUIDITY**

Addison County Economic Development Corporation regularly monitors liquidity required to meet its operating needs and other contractual commitments. ACEDC has various sources of liquidity at its disposal, primarily cash, accounts receivable, interest, and loans receivable.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, ACEDC considers all expenditures related to its ongoing program and support activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, ACEDC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the Statements of Cash Flows, which identify the sources and uses of the Organization's cash generated by operating activities.

As of June 30, 2023 and 2022, the following table shows the financial assets held by ACEDC and the amounts of those financial assets which could readily be made available within one year of the dates of the Statements of Financial Position to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Cash - unrestricted	\$ 198,245	\$ 243,792
Cash - restricted	264,725	229,635
Long-term investments	80,036	79,797
Accounts receivable, net	9,863	26,508
Current portion of loans receivable	82,000	139,000
Loans receivable - noncurrent portion, net	499,189	474,577
Subtotal	<u>1,134,058</u>	<u>1,193,309</u>
Less amounts not readily available to meet general expenditures for the next 12 months:		
Cash - restricted	(264,725)	(229,635)
Loans receivable, net	(499,189)	(474,577)
Board-designated reserves	<u>(153,000)</u>	<u>(135,000)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 217,144</u>	<u>\$ 354,097</u>

**3) ACCOUNTS AND GRANTS RECEIVABLE**

Accounts and grants receivable consisted primarily of amounts due from Federal and State grants, or program services rendered. Accounts receivable for revenue from contracts with customers were not material as of June 30, 2023 or 2022. Management has determined that no allowance for doubtful accounts is necessary as of June 30, 2023 or 2022.

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**4) LOANS RECEIVABLE**

A summary of loans receivable by loan fund are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Champlain Bridge Loan Fund (CBLF):		
Loans to local businesses issued May to November 2010. Maximum loan was \$25,000 with 10-year maturity. Interest rates are 1% for years 3 to 5 and 2% for years 6 to 10, with no principal or interest due in first two years and equal monthly installments in the last eight years.	\$ 10,054	\$ 11,430
Revolving Loan Fund - ACEDC:		
Loans to local businesses issued February 2015 to February 2018. Original loan amounts from \$6,000 to \$14,688. Interest rates ranging from 1.25% to 7%, maturing in 1 to 5 years, with combined monthly principal and interest payments totaling \$595. Collateralized by assets of the individual businesses.	7,218	18,555
Intermediary Relending Program Loan Fund (USDA #2):		
Loans to local businesses issued November 2013 to March 2018. Original loan amounts from \$40,000 to \$100,000. Interest rates ranging from 5.5% to 7%, maturing in 3 to 15 years, with combined monthly principal and interest payments totaling \$6,764. Collateralized by assets of the individual businesses.	127,968	141,146
Intermediary Relending Program Loan Fund (USDA #6):		
Loans to local businesses issued June 2011 to December 2016. Original loan amounts from \$38,000 to \$100,000. Interest rates at 7%, maturing in maximum of 15 years, with combined monthly principal and interest payments totaling \$4,825. Collateralized by assets of the individual businesses.	149,802	175,992
Intermediary Relending Program Loan Fund (USDA #7):		
Loans to local businesses issued September 2013 to April 2018. Original loan amounts from \$25,000 to \$100,000. Interest rates at 7%, maturing in 5 years, with combined monthly principal and interest payments totaling \$4,288. Collateralized by assets of the individual businesses.	<u>246,382</u>	<u>277,874</u>
Subtotal (forward)	<u>\$ 541,424</u>	<u>\$ 624,997</u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**4) LOANS RECEIVABLE (continued)**

	<u>2023</u>	<u>2022</u>
Subtotal (forwarded)	\$ 541,424	\$ 624,997
Intermediary Relending Program Loan Fund (USDA #9): Loans to local businesses issued commencing in February 2022 through February 2027. Original loan amount of \$95,000. Interest rates at 5%, maturing in 5 years, with monthly interest payments and principal payments due upon sale of related properties. Collateralized by assets of the individual business.	157,000	95,000
	<u>698,424</u>	<u>719,997</u>
Less loan loss reserve	<u>(117,235)</u>	<u>(106,420)</u>
	581,189	613,577
Less current portion	<u>(82,000)</u>	<u>(139,000)</u>
	<u>\$ 499,189</u>	<u>\$ 474,577</u>

When ACEDC borrows loan capital from the USDA, they must loan the funds within three years of receiving the loan proceeds. As the loans are repaid, ACEDC may loan the funds again beyond the original time period.

In response to the COVID-19 global pandemic, ACEDC reduced the effective interest rate on existing loans receivable to 5% for fiscal year 2022. The rates were increased in fiscal year 2024.

ACEDC considers a loan to be past due after 30 days. The Organization's loan committee reviews loans that are not in good standing on an as-needed basis, and assigns a doubtful grade when ACEDC determines that it is highly probable that the loan is uncollectible.

An analysis of the age of outstanding loans receivable was as follows as of June 30:

<u>2023</u>	<u>Current</u>	<u>Past Due</u>	<u>Total</u>
Loans receivable	<u>\$ 697,078</u>	<u>\$ 1,346</u>	<u>\$ 698,424</u>
<u>2022</u>			
Loans receivable	<u>\$ 717,728</u>	<u>\$ 2,269</u>	<u>\$ 719,997</u>

The USDA requires a minimum loan loss reserve of 6% for loans outstanding under their Intermediary Relending Program. ACEDC's policy is to maintain a minimum loan loss reserve of 7% on all loans which bear risk to the Organization. No loan loss reserve has been established for the CBLF as ACEDC is merely a passthrough for this loan program, and the notes receivable are offset by a corresponding note payable to the Vermont Economic Development Authority (VEDA).

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**4) LOANS RECEIVABLE (continued)**

A rollforward of the loan loss reserve was as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 106,420	\$ 96,222
Provision for losses	10,815	10,198
Loan write-off	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 117,235</u>	<u>\$ 106,420</u>

In the years ended June 30, 2023 and 2022, the Organization did not record any charge-off against the loan loss reserve.

**5) LONG-TERM INVESTMENTS**

Long-term investments as of June 30, 2023 and 2022 consisted of a certificate of deposit with a two-year maturity. The amount is fully insured by the FDIC. The investments are reported at cost, which approximates fair value.

**6) LONG-TERM DEBT**

Long-term debt consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Vermont Economic Development Authority (VEDA): \$160,000 loan bearing interest at 0% for the purpose of providing loans to businesses negatively affected by the closure of the Lake Champlain Bridge between New York and Vermont. All principal collected on the corresponding loans receivable must be transferred to VEDA, while interest and late fees earned may be retained by ACEDC. ACEDC is not required to repay any portion of the note payable in excess of principal collected by the borrowers.	\$ 10,054	\$ 11,430
USDA Intermediary Relending Program #2: \$500,000 promissory note dated April 1, 1998, bearing interest at 1%. Interest-only payments until April 2001. Thereafter, annual principal and interest payments of \$21,225 due on April 1, with final payment due on April 1, 2028. Collateralized by the corresponding loans receivable.	<u>103,510</u>	<u>123,505</u>
Subtotal (forward)	<u>\$ 113,564</u>	<u>\$ 134,935</u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**6) LONG-TERM DEBT (continued)**

	<u>2023</u>	<u>2022</u>
Subtotal (forwarded)	\$ 113,564	\$ 134,935
USDA Intermediary Relending Program #6: \$500,000 promissory note dated May 6, 2009, bearing interest at 1%. Interest-only payments until May 2012. Thereafter, annual principal and interest payments of \$21,225 due on May 6, with final payment due on May 6, 2039. Collateralized by the corresponding loans receivable.		
	312,850	330,773
USDA Intermediary Relending Program #7: \$162,000 promissory note dated April 4, 2012, bearing interest at 1%. Interest-only payments until April 2015. Thereafter, annual principal and interest payments due on April 4 based on the outstanding loan balance, with final payment due in April 2042. Collateralized by the corresponding loans receivable.		
	118,456	124,093
USDA Intermediary Relending Program #9: \$500,000 promissory note dated September 1, 2021, bearing interest at 1%. Interest-only payments until September 2024. Thereafter, annual principal and interest payments of \$18,519 due on September 1, with final payment due on September 1, 2051. Collateralized by the corresponding loans receivable.		
	<u>225,000</u>	<u>125,000</u>
Subtotal	<u>769,870</u>	<u>714,801</u>
Less current portion	<u>(44,000)</u>	<u>(44,000)</u>
	<u>\$ 725,870</u>	<u>\$ 670,801</u>

Future maturities of long-term debt are as follows for the years ending June 30:

2024	\$ 44,000
2025	44,000
2026	52,000
2027	53,000
2028	54,000
Thereafter	<u>522,870</u>
	<u>\$ 769,870</u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**7) REVENUE FROM CONTRACTS WITH CUSTOMERS**

Total revenue from contracts with customers was approximately \$2,400 and \$3,000 for the years ended June 30, 2023 and 2022, respectively. Contracts with customers consisted primarily of agreements to provide technical assistance to clients.

Contract assets were not material as of the beginning or ending of fiscal year 2023 or 2022. There were no contract liabilities as of the beginning or ending of fiscal year 2023 or 2022. See Note 3 for information about accounts receivable from contracts with customers.

**8) NET ASSETS**

The net assets in the USDA IRP Loan Funds are considered restricted if there is a corresponding note payable outstanding. ACEDC's net assets with donor restrictions consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Champlain Bridge Loan Fund	\$ (425)	\$ (425)
USDA IRP Loan Fund #2	206,130	214,626
USDA IRP Loan Fund #6	(1,714)	(4,191)
USDA IRP Loan Fund #7	(109,833)	(80,996)
USDA IRP Loan Fund #9	(29,629)	(12,201)
	<u>\$ 64,529</u>	<u>\$ 116,813</u>

**9) OPERATING LEASE, RIGHT-OF-USE ASSET AND LEASE LIABILITY**

The Organization leases office space under an operating lease that expires on November 30, 2024. The lease requires monthly payments of \$975. Rent expense was \$12,900 and \$12,675 for the years ended June 30, 2023 and 2022, respectively.

The Organization adopted the provisions of ASU 2016-02 effective July 1, 2022 and elected to use the Transitional Alternative method of adoption which does not require the restatement of the prior year financial statements. The adoption of ASU 2016-02 had no effect on the Organization's net assets as of July 1, 2022.

Right-of-use asset for the operating lease consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Right-of-use asset	\$ 23,158	\$ -
Less accumulated amortization	(7,668)	-
	<u>\$ 15,490</u>	<u>\$ -</u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**9) RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)**

Future minimum operating lease commitments are as follows for the years ending June 30:

2024	\$	12,000
2025		4,000
		<u>16,000</u>
Less discount to net present value		(510)
		<u>15,490</u>
Less current portion		<u>(12,000)</u>
	\$	<u>3,490</u>

Lease liability has been discounted using ACEDC's incremental borrowing rate of 1%.

**10) RETIREMENT EXPENSE**

ACEDC sponsors a SIMPLE IRA retirement plan in which all employees are eligible to participate. The Organization makes matching contributions for up to 3% of the employee's salary. Employer contributions to the plan were \$4,797 and \$5,084 for the years ended June 30, 2023 and 2022, respectively.

**11) SUBSEQUENT EVENTS**

Addison County Economic Development Corporation has evaluated events and transactions for potential recognition or disclosure through November 14, 2023, the date the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**



**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor Pass-through Grantor Program Title</b>	<b>Federal Assistance Listing</b>	<b>Pass-through Entity ID Number</b>	<b>Federal Expenditures</b>
<b>OTHER PROGRAMS</b>			
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Intermediary Relending Program			
Direct Funding:			
Loans issued in current year	10.767	N/A	\$ 100,000
Loans with continuing compliance requirements	10.767	N/A	<u>703,371</u>
Total Intermediary Relending Program			<u>803,371</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>803,371</u>
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Economic Development Support for Planning Organizations			
Passed through Chittenden County Regional Planning Commission:			
Economic Development Support for Planning Organizations	11.302	CEDS- ED20PHI3020087	<u>5,864</u>
Total Economic Development Support for Planning Organizations			<u>5,864</u>
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>			<u>5,864</u>
<b>VARIOUS AGENCIES</b>			
Northern Borders Regional Commission			
Passed through Vermont Department of Economic Development:			
Northern Borders Regional Development	90.601	07120-23-05	<u>15,000</u>
Total Northern Borders Regional Development			<u>15,000</u>
<b>TOTAL VARIOUS AGENCIES</b>			<u>15,000</u>
<b>TOTAL OTHER PROGRAMS</b>			<u>824,235</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 824,235</u></u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**2) INDIRECT COST RATE**

ACEDC has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**3) BASIS OF PRESENTATION**

The Schedule includes the federal award activity of Addison County Economic Development Corporation (ACEDC) under programs of the Federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of ACEDC, it is not intended to and does not present the financial position, changes in net assets or cash flows of Addison County Economic Development Corporation.

**4) LOAN PROGRAMS**

The loan programs listed below are administered directly by Addison County Economic Development Corporation, and the balances and transactions relating to these loan programs are included in ACEDC's basic financial statements. Loans outstanding at the beginning of the year, and loans made during the current year, are included in the Schedule. The balances of outstanding loans at June 30, 2023 consisted of the following:

USDA IRP #2	\$ 103,510
USDA IRP #6	312,850
USDA IRP #7	118,456
USDA IRP #9	<u>225,000</u>
	<u><u>\$ 759,816</u></u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY FUND  
JUNE 30, 2023**

	<b>A S S E T S</b>			
	<b>Operating Fund</b>	<b>CBLF</b>	<b>ACEDC Revolving Loan Fund</b>	<b>IRP Loan Fund #2</b>
<b>CURRENT ASSETS</b>				
Cash - unrestricted	\$ 119,858	\$ 770	\$ 77,617	\$ -
Accounts receivable, net	9,863	-	-	-
Current portion of loans receivable	-	1,000	2,000	23,000
Prepaid expenses	3,370	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>133,091</b>	<b>1,770</b>	<b>79,617</b>	<b>23,000</b>
<b>PROPERTY AND EQUIPMENT</b>				
Office equipment and furniture	7,215	-	-	-
Website	7,900	-	-	-
	15,115	-	-	-
Less accumulated depreciation	(15,062)	-	-	-
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER ASSETS</b>				
Cash - restricted	(1,004)	(1,195)	6,914	206,655
Long-term investment	80,036	-	-	-
Loans receivable, net	-	9,054	4,375	79,985
Right-of-use asset, net	15,490	-	-	-
<b>TOTAL OTHER ASSETS</b>	<b>94,522</b>	<b>7,859</b>	<b>11,289</b>	<b>286,640</b>
<b>TOTAL ASSETS</b>	<b>\$ 227,666</b>	<b>\$ 9,629</b>	<b>\$ 90,906</b>	<b>\$ 309,640</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 586	\$ -	\$ -	\$ -
Accrued salaries and payroll taxes	9,028	-	-	-
Accrued vacation	6,684	-	-	-
Deferred revenue - grant funds held	4,005	-	-	-
Current portion of long-term debt	-	-	-	20,000
Current portion of lease liability	12,000	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>32,303</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term debt, net of current portion	-	10,054	-	83,510
Lease liability, net of current portion	3,490	-	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>3,490</b>	<b>10,054</b>	<b>-</b>	<b>83,510</b>
<b>TOTAL LIABILITIES</b>	<b>35,793</b>	<b>10,054</b>	<b>-</b>	<b>103,510</b>
<b>NET ASSETS</b>	<b>191,873</b>	<b>(425)</b>	<b>90,906</b>	<b>206,130</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 227,666</b>	<b>\$ 9,629</b>	<b>\$ 90,906</b>	<b>\$ 309,640</b>

## ASSETS

	IRP <u>Loan Fund #6</u>	IRP <u>Loan Fund #7</u>	IRP <u>Loan Fund #9</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash - unrestricted	\$ -	\$ -	\$ -	\$ 198,245
Accounts receivable, net	-	-	-	9,863
Current portion of loans receivable	23,000	31,000	2,000	82,000
Prepaid expenses	-	-	-	3,370
<b>TOTAL CURRENT ASSETS</b>	<u>23,000</u>	<u>31,000</u>	<u>2,000</u>	<u>293,478</u>
<b>PROPERTY AND EQUIPMENT</b>				
Office equipment and furniture	-	-	-	7,215
Website	-	-	-	7,900
	-	-	-	15,115
Less accumulated depreciation	-	-	-	(15,062)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53</u>
<b>OTHER ASSETS</b>				
Cash - restricted	180,856	(199,422)	71,921	264,725
Long-term investment	-	-	-	80,036
Loans receivable, net	107,280	177,045	121,450	499,189
Right-of-use asset, net	-	-	-	15,490
<b>TOTAL OTHER ASSETS</b>	<u>288,136</u>	<u>(22,377)</u>	<u>193,371</u>	<u>859,440</u>
<b>TOTAL ASSETS</b>	<u>\$ 311,136</u>	<u>\$ 8,623</u>	<u>\$ 195,371</u>	<u>\$ 1,152,971</u>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 586
Accrued salaries and payroll taxes	-	-	-	9,028
Accrued vacation	-	-	-	6,684
Deferred revenue - grant funds held	-	-	-	4,005
Current portion of long-term debt	18,000	6,000	-	44,000
Current portion of lease liability	-	-	-	12,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>18,000</u>	<u>6,000</u>	<u>-</u>	<u>76,303</u>
<b>LONG-TERM LIABILITIES</b>				
Long-term debt, net of current portion	294,850	112,456	225,000	725,870
Lease liability, net of current portion	-	-	-	3,490
	<u>294,850</u>	<u>112,456</u>	<u>225,000</u>	<u>729,360</u>
<b>TOTAL LIABILITIES</b>	<u>312,850</u>	<u>118,456</u>	<u>225,000</u>	<u>805,663</u>
<b>NET ASSETS</b>	<u>(1,714)</u>	<u>(109,833)</u>	<u>(29,629)</u>	<u>347,308</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 311,136</u>	<u>\$ 8,623</u>	<u>\$ 195,371</u>	<u>\$ 1,152,971</u>

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**SCHEDULE OF CHANGES IN NET ASSETS BY FUND**

**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Operating Fund</u>	<u>CBLF</u>	<u>ACEDC Revolving Loan Fund</u>	<u>IRP Loan Fund #2</u>
<b>SUPPORT AND REVENUE</b>				
Grants and contracts	\$ 147,887	\$ -	\$ -	\$ -
Membership support	33,375	-	-	-
Municipal support	16,025	-	-	-
Loan interest	-	-	6,611	805
Loan fees	2,617	-	-	-
Fees for services	2,360	-	-	-
Bank interest income	807	-	-	-
Miscellaneous income	290	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>203,361</u>	<u>-</u>	<u>6,611</u>	<u>805</u>
<b>EXPENSES</b>				
Salaries and wages	151,524	-	-	1,417
Payroll taxes and benefits	30,857	-	-	-
Subtotal - personnel	<u>182,381</u>	<u>-</u>	<u>-</u>	<u>1,417</u>
Professional fees	32,690	-	-	911
Occupancy	22,102	-	-	-
Office expense	14,936	-	-	-
Loan loss expense	-	-	(2,361)	3,505
Interest expense	-	-	-	1,230
Conferences and meetings	3,956	-	-	-
Insurance	2,262	-	-	-
Travel and entertainment	1,421	-	-	-
Advertising	1,136	-	-	-
Miscellaneous expenses	636	-	-	-
Depreciation	396	-	-	-
Interest transfer to operations	(10,482)	-	-	2,238
Subtotal - other expenses	<u>69,053</u>	<u>-</u>	<u>(2,361)</u>	<u>7,884</u>
<b>TOTAL EXPENSES</b>	<u>251,434</u>	<u>-</u>	<u>(2,361)</u>	<u>9,301</u>
<b>CHANGE IN NET ASSETS</b>	(48,073)	-	8,972	(8,496)
<b>BEGINNING NET ASSETS</b>	<u>239,946</u>	<u>(425)</u>	<u>81,934</u>	<u>214,626</u>
<b>ENDING NET ASSETS</b>	<u>\$ 191,873</u>	<u>\$ (425)</u>	<u>\$ 90,906</u>	<u>\$ 206,130</u>

	IRP <u>Loan Fund #6</u>	IRP <u>Loan Fund #7</u>	IRP <u>Loan Fund #9</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Grants and contracts	\$ -	\$ -	\$ -	\$ 147,887
Membership support	-	-	-	33,375
Municipal support	-	-	-	16,025
Loan interest	7,631	11,881	4,688	31,616
Loan fees	-	-	-	2,617
Fees for services	-	-	-	2,360
Bank interest income	-	-	-	807
Miscellaneous income	-	-	-	290
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>7,631</b>	<b>11,881</b>	<b>4,688</b>	<b>234,977</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>				
Salaries and wages	1,417	25,548	-	179,906
Payroll taxes and benefits	-	-	-	30,857
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal - personnel	<b>1,417</b>	<b>25,548</b>	<b>-</b>	<b>210,763</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Professional fees	911	16,406	-	50,918
Occupancy	-	-	-	22,102
Office expense	-	-	-	14,936
Loan loss expense	(3,089)	(6,540)	19,300	10,815
Interest expense	3,303	1,241	1,247	7,021
Conferences and meetings	-	-	-	3,956
Insurance	-	-	-	2,262
Travel and entertainment	-	-	-	1,421
Advertising	-	-	-	1,136
Miscellaneous expenses	-	-	-	636
Depreciation	-	-	-	396
Interest transfer to operations	2,612	4,063	1,569	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal - other expenses	<b>3,737</b>	<b>15,170</b>	<b>22,116</b>	<b>115,599</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>5,154</b>	<b>40,718</b>	<b>22,116</b>	<b>326,362</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	<b>2,477</b>	<b>(28,837)</b>	<b>(17,428)</b>	<b>(91,385)</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>BEGINNING NET ASSETS</b>	<b>(4,191)</b>	<b>(80,996)</b>	<b>(12,201)</b>	<b>438,693</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>ENDING NET ASSETS</b>	<b>\$ (1,714)</b>	<b>\$ (109,833)</b>	<b>\$ (29,629)</b>	<b>\$ 347,308</b>
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**ADDISON COUNTY ECONOMIC DEVELOPMENT  
CORPORATION**

**COMPLIANCE REPORTS**

**JUNE 30, 2023**

**JMM & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**COMPLIANCE REPORTS**

**JUNE 30, 2023**

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**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2022**

There were no findings in 2022.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Addison County Economic Development Corporation  
Middlebury, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Addison County Economic Development Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Addison County Economic Development Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Addison County Economic Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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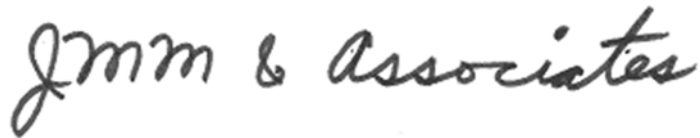
336 Water Tower Circle, Suite 801 ■ Colchester, VT 05446 ■ 802 655 5665 ■ FAX: 802 655 5666 ■ JMM@JMMCPA.NET

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Addison County Economic Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Jmm & Associates". The signature is written in a cursive, flowing style.

November 14, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Addison County Economic Development Corporation  
Middlebury, Vermont

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Addison County Economic Development Corporation's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Addison County Economic Development Corporation's major federal programs for the year ended June 30, 2023. Addison County Economic Development Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Addison County Economic Development Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Addison County Economic Development Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Addison County Economic Development Corporation's compliance with the compliance requirements referred to above.

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## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Addison County Economic Development Corporation's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Addison County Economic Development Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Addison County Economic Development Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Addison County Economic Development Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Addison County Economic Development Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Addison County Economic Development Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

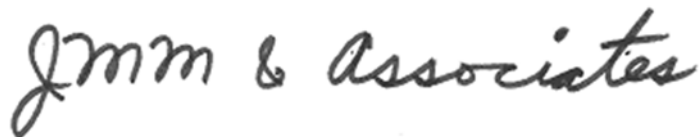
## Report on Internal Control over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Jmm & Associates".

November 14, 2023

**ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unmodified.
Internal control over financial reporting: Material weakness identified	No.
Significant deficiency identified not considered to be a material weakness	None reported.
Noncompliance material to financial statements noted	No.

Federal Awards

Internal control over major programs: Material weakness identified	No.
Significant deficiency identified not considered to be a material weakness	None reported.
Type of auditor's report issued on compliance for major programs:	Unmodified.
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	No.

Identification of major programs:

<u>Federal Assistance Listing</u>	<u>Program Title</u>
10.767	Intermediary Relending Program

Dollar threshold used to distinguish between Type A & Type B programs:	\$750,000.
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Auditee qualified as low-risk auditee	Yes.
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**Section II - Financial Statement Finding**

None reported.

**Section III - Federal Award Finding and Questioned Costs**

None reported.



**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2022**  
**Open to Public Inspection**

Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A For the 2022 calendar year, or tax year beginning 07/01/22, and ending 06/30/23**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1590 ROUTE 7 SOUTH #8 City or town, state or province, country, and ZIP or foreign postal code MIDDLEBURY VT 05753	<b>D</b> Employer identification number ** - *** 1665 <b>E</b> Telephone number 802-388-7953 <b>G</b> Gross receipts\$ 234,977
<b>F</b> Name and address of principal officer: FREDERICK KENNEY II 1590 ROUTE 7 SOUTH #8 MIDDLEBURY VT 05753		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions
<b>I</b> Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 6 ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c)</b> Group exemption number
<b>J</b> Website: WWW.ADDISONCOUNTYEDC.ORG		<b>L</b> Year of formation: 1991 <b>M</b> State of legal domicile: VT
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: TO CREATE AN ENTREPRENEURIAL AND INNOVATIVE ENVIRONMENT, NURTURING BUSINESSES TO LAUNCH, GROW, AND THRIVE.		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	14
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	14
	<b>5</b> Total number of individuals employed in calendar year 2022 (Part V, line 2a)	<b>5</b>	4
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	16
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>b</b> Net unrelated business taxable income from Form 990-T, Part I, line 11	<b>7b</b>	0	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	288,236	197,287
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	38,461	36,593
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	343	807
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,718	290
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	329,758	234,977
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)		0
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	205,814	210,764
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	0	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	134,067	115,598
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	339,881	326,362	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	-10,123	-91,385	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	1,197,128	1,152,971
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	758,435	805,663
		438,693	347,308

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer FREDERICK KENNEY II	Date		
	Type or print name and title EXECUTIVE DIRECTOR			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name RANDALL L. SARGENT, CPA	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN *****
	Firm's name JMM & ASSOCIATES, PC	Firm's EIN ** - *** 0081		
	Firm's address 463 MOUNTAIN VIEW DRIVE, SUITE 403 COLCHESTER, VT 05446	Phone no. 802-655-5665		

May the IRS discuss this return with the preparer shown above? See instructions  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [ ]

1 Briefly describe the organization's mission:

TO CREATE AN ENTREPRENEURIAL AND INNOVATIVE ENVIRONMENT, NURTURING BUSINESSES TO LAUNCH, GROW, AND THRIVE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 153,772 including grants of\$ ) (Revenue \$ 2,360 )

COMMUNITY SERVICES: ACEDC PROVIDES DIRECT SERVICES TO BUSINESSES INCLUDING ADVICE, ASSISTANCE, REFERRALS, SITE SELECTION AND PROJECT MANAGEMENT, AND BUSINESS EXPANSION SERVICES, SERVICES TO THE GENERAL BUSINESS COMMUNITY SUCH AS BUSINESS WORKSHOPS AND TRAINING, NETWORKING, AND ADVOCATING ON BEHALF OF BUSINESSES REGIONALLY, AND ON THE STATE AND FEDERAL LEVELS. ACEDC ALSO PROVIDES SERVICES TO MUNICIPALITIES, NON-PROFITS, AND COMMUNITY GROUPS TO ADVANCE ECONOMIC AND COMMUNITY DEVELOPMENT IN THE REGION, INCLUDING GRANT WRITING, FISCAL AGENCY, AND GRANT ADMINISTRATION.

4b (Code: ) (Expenses \$ 100,654 including grants of\$ ) (Revenue \$ 34,233 )

LENDING SERVICES: LENDING SERVICES INCLUDE PROJECT FINANCE PLANNING AND DIRECT LENDING TO BUSINESSES THROUGH AN ACEDC REVOLVING LOAN FUND AND A USDA-FINANCED INTERMEDIARY RELENDING PROGRAM.

4c (Code: ) (Expenses \$ including grants of\$ ) (Revenue \$ )

N/A

4d Other program services (Describe on Schedule O.)

(Expenses \$ including grants of\$ ) (Revenue \$ )

4e Total program service expenses 254,426

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24b			
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24c			
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
24d			
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		
25a			
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		
25b			
26	Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28	Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV		X
28a			X
b	A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV		X
28b			X
c	A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV		X
28c			X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
29			X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
30			X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
31			X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
32			X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
33			X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
34			X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35a			X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
35b			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
36			
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
37			X
38	Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O.	X	
38		X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
1a			4
b	Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
1b			0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
1c			

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)		Yes	No		
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	4		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	<b>2b</b>		X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>			X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	<b>3b</b>			
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>			X
<b>b</b>	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>			X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>			X
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>			
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>		X	
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		X	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>				
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>			
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>			
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>			
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>			
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>			
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>			
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>			
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>			
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>			
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>				
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>			
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>			
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:				
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>			
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>			
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:				
<b>a</b>	Gross income from members or shareholders	<b>11a</b>			
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>			
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>			
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>			
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>				
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note:</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>			
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>			
<b>c</b>	Enter the amount of reserves on hand	<b>13c</b>			
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>			X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	<b>14b</b>			
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	<b>15</b>			X
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	<b>16</b>			X
<b>17</b>	<b>Section 501(c)(21) organizations.</b> Did the trust, any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	<b>17</b>			

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
<b>1b</b>	Enter the number of voting members included on line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
<b>11b</b>	Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		X
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed NONE
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records

FREDERICK KENNEY II 1590 ROUTE 7 SOUTH #8 VT 05753 802-388-7953  
 MIDDLEBURY

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/ 1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/ 1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) FREDERICK KENNEY II EXECUTIVE DIRECTOR	40.00 0.00			X				104,444	0	13,810
(2) JASON LAROCQUE PRESIDENT	2.00 0.00	X		X				0	0	0
(3) GINA LARROW TREASURER	2.00 0.00	X		X				0	0	0
(4) DAVE CASTLE SECRETARY	2.00 0.00	X		X				0	0	0
(5) JOSEPH ANDRIANO BOARD MEMBER	2.00 0.00	X						0	0	0
(6) VALERIE CAPELS BOARD MEMBER	2.00 0.00	X						0	0	0
(7) MARK FOSTER BOARD MEMBER	2.00 0.00	X						0	0	0
(8) CHRISTOPHER LAPIERRE BOARD MEMBER	2.00 0.00	X						0	0	0
(9) RICHARD MCKERR BOARD MEMBER	2.00 0.00	X						0	0	0
(10) RENNY PERRY BOARD MEMBER	2.00 0.00	X						0	0	0
(11) SUSAN RITTER BOARD MEMBER	2.00 0.00	X						0	0	0

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(12) JASON ROBART BOARD MEMBER	2.00 0.00	X						0	0	0
(13) DARCY TARTE BOARD MEMBER	2.00 0.00	X						0	0	0
(14) THOMAS THOMPSON BOARD MEMBER	2.00 0.00	X						0	0	0
(15) BILL TOWNSEND BOARD MEMBER	2.00 0.00	X						0	0	0
(16) SUSAN MCCLURE (TERM ENDED 2023) BOARD MEMBER	2.00 0.00	X						0	0	0
(17) MATTHEW CURRAN (TERM ENDED 2022) BOARD MEMBER	2.00 0.00	X						0	0	0
<b>1b Subtotal</b>								104,444		13,810
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								104,444		13,810

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>	33,375				
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	163,912				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>					
	<b>g</b> Noncash contributions included in lines 1a-1f	<b>1g</b> \$					
	<b>h Total.</b> Add lines 1a-1f			197,287			
<b>Program Service Revenue</b>			Business Code				
	<b>2a</b> INTEREST FROM LOANS		522200	31,616	31,616		
	<b>b</b> LOAN FEES		522200	2,617	2,617		
	<b>c</b> FEES FOR SERVICES		522200	2,360	2,360		
	<b>d</b>						
	<b>e</b>						
	<b>f</b> All other program service revenue						
<b>g Total.</b> Add lines 2a-2f			36,593				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			807		807	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6a</b> Gross rents		(i) Real				
			(ii) Personal				
		<b>6a</b>					
	<b>b</b> Less: rental expenses	<b>6b</b>					
	<b>c</b> Rental inc. or (loss)	<b>6c</b>					
	<b>d</b> Net rental income or (loss)						
	<b>7a</b> Gross amount from sales of assets other than inventory		(i) Securities				
			(ii) Other				
		<b>7a</b>					
	<b>b</b> Less: cost or other basis and sales exps.	<b>7b</b>					
	<b>c</b> Gain or (loss)	<b>7c</b>					
<b>d</b> Net gain or (loss)							
<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18							
	<b>8a</b>						
<b>b</b> Less: direct expenses	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events							
<b>9a</b> Gross income from gaming activities. See Part IV, line 19							
	<b>9a</b>						
<b>b</b> Less: direct expenses	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities							
<b>10a</b> Gross sales of inventory, less returns and allowances							
	<b>10a</b>						
<b>b</b> Less: cost of goods sold	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory							
<b>Miscellaneous Revenue</b>			Business Code				
	<b>11a</b> MISCELLANEOUS		900099	290		290	
	<b>b</b>						
	<b>c</b>						
	<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d			290				
<b>12 Total revenue.</b> See instructions			234,977	36,593	0	1,097	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	122,157	85,510	36,647	
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	71,673	71,085	588	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,551	1,470	81	
<b>9</b> Other employee benefits	169	169		
<b>10</b> Payroll taxes	15,214	12,932	2,282	
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management				
<b>b</b> Legal	1,793	1,793		
<b>c</b> Accounting	25,125		25,125	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 7				
<b>f</b> Investment management fees				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	24,000	24,000		
<b>12</b> Advertising and promotion	1,136	1,022	114	
<b>13</b> Office expenses	14,936	13,041	1,895	
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy	22,103	18,787	3,316	
<b>17</b> Travel	1,421	1,421		
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	3,956	3,438	518	
<b>20</b> Interest	7,021	7,021		
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	396		396	
<b>23</b> Insurance	2,260	1,922	338	
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> LOAN LOSS EXPENSE	10,815	10,815		
<b>b</b> MISCELLANEOUS	636		636	
<b>c</b>				
<b>d</b>				
<b>e</b> All other expenses				
<b>25</b> Total functional expenses. Add lines 1 through 24e	326,362	254,426	71,936	0
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing	123,546	<b>1</b>	47,539
	<b>2</b> Savings and temporary cash investments	429,678	<b>2</b>	495,467
	<b>3</b> Pledges and grants receivable, net		<b>3</b>	
	<b>4</b> Accounts receivable, net	26,508	<b>4</b>	9,863
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		<b>6</b>	
	<b>7</b> Notes and loans receivable, net	613,577	<b>7</b>	581,189
	<b>8</b> Inventories for sale or use		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges	3,370	<b>9</b>	3,370
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 15,115		
	<b>b</b> Less: accumulated depreciation	<b>10b</b> 15,062	449	<b>10c</b> 53
	<b>11</b> Investments—publicly traded securities		<b>11</b>	
	<b>12</b> Investments—other securities. See Part IV, line 11		<b>12</b>	
	<b>13</b> Investments—program-related. See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11		<b>15</b>	15,490
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33)		1,197,128	<b>16</b>	1,152,971
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	22,215	<b>17</b>	16,298
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue	21,419	<b>19</b>	4,005
	<b>20</b> Tax-exempt bond liabilities		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	714,801	<b>23</b>	769,870
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		<b>25</b>	15,490
	<b>26 Total liabilities.</b> Add lines 17 through 25		758,435	<b>26</b>
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions	321,880	<b>27</b>	282,779
	<b>28</b> Net assets with donor restrictions	116,813	<b>28</b>	64,529
	<b>Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds		<b>31</b>	
<b>32</b> Total net assets or fund balances		438,693	<b>32</b>	347,308
<b>33</b> Total liabilities and net assets/fund balances		1,197,128	<b>33</b>	1,152,971

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	234,977
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	326,362
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	-91,385
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	438,693
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	347,308

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>2c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?	X	
<b>3b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	X	

**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

Complete if the organization answered "Yes" on Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
Attach to Form 990.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2022**

**Open to Public  
Inspection**

Name of the organization ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION	Employer identification number  ** - *** 1665
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**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>		

**Part II Conservation Easements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	<b>2a</b>
b Total acreage restricted by conservation easements	<b>2b</b>
c Number of conservation easements on a certified historic structure included in (a)	<b>2c</b>
d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	<b>2d</b>

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 \$

(ii) Assets included in Form 990, Part X \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 \$

b Assets included in Form 990, Part X \$

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

**3** Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange program
- e**  Other .....

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

**b** If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
<b>c</b> Beginning balance .....	<b>1c</b>
<b>d</b> Additions during the year .....	<b>1d</b>
<b>e</b> Distributions during the year .....	<b>1e</b>
<b>f</b> Ending balance .....	<b>1f</b>

**2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance .....					
<b>b</b> Contributions .....					
<b>c</b> Net investment earnings, gains, and losses .....					
<b>d</b> Grants or scholarships .....					
<b>e</b> Other expenditures for facilities and programs .....					
<b>f</b> Administrative expenses .....					
<b>g</b> End of year balance .....					

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment .....
- b** Permanent endowment .....
- c** Term endowment .....

The percentages on lines 2a, 2b, and 2c should equal 100%.

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** Unrelated organizations .....
- (ii)** Related organizations .....

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

**4** Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land .....				
<b>b</b> Buildings .....				
<b>c</b> Leasehold improvements .....				
<b>d</b> Equipment .....		15,115	15,062	53
<b>e</b> Other .....				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 53

**Part VII Investments – Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments – Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LEASE LIABILITY	15,490
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	15,490

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	234,977
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>		
<b>b</b>	Donated services and use of facilities	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	234,977
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	234,977

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	326,362
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
<b>a</b>	Donated services and use of facilities	<b>2a</b>		
<b>b</b>	Prior year adjustments	<b>2b</b>		
<b>c</b>	Other losses	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	326,362
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	326,362

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X - FIN 48 FOOTNOTE

ACEDC BELIEVES IT HAS ADEQUATE SUPPORT FOR ANY TAX POSITIONS TAKEN AND, AS A RESULT, HAS NOT RECORDED ANY LIABILITY FOR UNCERTAIN TAX POSITIONS.





**SCHEDULE O  
(Form 990)**

**Supplemental Information to Form 990 or 990-EZ**

OMB No. 1545-0047

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

**2022**

Department of the Treasury  
Internal Revenue Service

Attach to Form 990 or Form 990-EZ.

**Open to Public Inspection**

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

Name of the organization ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION	Employer identification number **-***1665
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FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990 THE DRAFT AUDIT, INCLUDING THE DRAFT 990 IS REVIEWED BY THE EXECUTIVE COMMITTEE PRIOR TO SIGNING.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY BOARD MEMBERS DISCLOSE ANY CONFLICTS OR POTENTIAL CONFLICTS PRIOR TO BOARD MEETINGS. IF CONFLICT EXISTS, BOARD MEMBER DOES NOT RECEIVE INFORMATION ON THE CONFLICTING ENTITY, DOES NOT PARTICIPATE IN DEBATE AND ABSTAINS FROM VOTING.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL THE EXECUTIVE COMMITTEE/HIRING COMMITTEE DETERMINES COMPENSATION UPON HIRING. PAY CHANGE AND BENEFIT CHANGES ARE APPROVED AS PART OF THE ANNUAL BUDGET APPROVAL IN JULY, SUBJECT TO POSITIVE PERFORMANCE EVALUATION BY THE EXECUTIVE COMMITTEE IN OCTOBER.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION GOVERNING DOCUMENTS ARE PROVIDED UPON REQUEST.