ADDISON COUNTY REGIONAL PLANNING COMMISSION

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENT NOTES

YEAR ENDED JUNE 30, 2025

Addison County Regional Planning Commission

Financial Statements

June 30, 2025

TABLE OF CONTENTS

	Page(s)
Independent Auditors' Report	1-3
Required Supplementary Information	
Management's Discussion and Analysis	4-8
Financial Statements	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements	12-18
Other Supplementary Information	
Schedule 1- Schedule of Operations-Budget and Actual	19
Schedule IIa – Statement of Revenues and Expenditures TPI- 08100 # GR 1936	20
Schedule IIb - Statement of Revenue and Expenditures TPI – 08100 # GR 1851	21
Schedule III – Indirect Overhead Rate	22
Schedule IV – Expenditures of Federal Awards Passed through VTRANS	23
Independent Auditors Report on Compliance and Internal Control	24-25
Addendum to Auditors Report: VTrans	26

INDEPENDENT AUDITORS REPORT

Board of Commissioners
Addison County Regional Planning Commission
14 Seminary Street
Middlebury, VT 05753

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of Addison County Regional Planning Commission (ACRPC) as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise ACRPC's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of ACRPC as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of ACRPC and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

My objective is 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 my opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government 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 are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit

- Identify and assess the risks of material misstatements 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 controls 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 ACRPC'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 evauate the overall presentation of the financial statements.

- Conclude whether, in my judgement, there are conditions or events considered in the aggregate that raise doubt about ACRPC's ability to continue as a going concern for a reasonable period of time.

I am 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 matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements.

I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and page 19 be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, Schedules IIa, IIb, III, IV and the Agency of Transportation report are presented for purposes of additional analysis and are not a required part of the financial statements.

I have applied certain limited procedures to the required supplementary information listed above in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated June 24, 2026, on my consideration of Addison County Regional Planning Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Regional Planning Commission's internal control over financial reporting and compliance.

Vance P. DeBouter, CPA, PC
Richmond, Virginia
June 24, 2026
VT Professional License # 624

Addison County Regional Planning Commission
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

The following management's discussion and analysis of the Addison County Regional Planning Commission (ACRPC)'s financial performance provides an overview of ACRPC's financial activities for the fiscal year ended June 30, 2025. Please read the analysis in conjunction with ACRPC's financial statements.

Overview of the Financial Statements

This annual report consists of the following three parts; Management's Discussion and Analysis, Basic Financial Statements, and other required supplementary information. The financial statements include notes which explain in detail some of the information included in the basic financial statements.

Addison County Regional Planning Commission

The mission of ACRPC is to assist member municipalities in providing effective local government and to work cooperatively with them to address regional issues. The legal basis and powers for the Commission serving as the region's regional planning commission stem from and are as stipulated in 24 V.S.A. Chapter 117 § 4301 et seq., as amended, 24 V.S.A. § 4345(a) et seq. and such other laws as may be enacted by the General assembly of the State of Vermont. The Commission was charted by the municipalities of Addison County and is funded in part through the State of Vermont property transfer tax as outlined in 24 V.S.A. § 4306 (a). Along with other regional planning commissions in Vermont, ACRPC is a nontaxing political subdivision of the State of Vermont established under state statute (24 V.S.A. §4341). To the extent a conflict exists with a provision in Vermont statutes governing regional planning commissions, the Vermont statutes will control.

Financial Highlights

Key Financial Highlights for fiscal year 2025 are as follows:

ACRPC's total net position increased by $37,381 in fiscal year 2025 as compared to $77,807 in fiscal year 2024.

Using These Financial Statements

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position (on pages 9 and 10) provide information about ACRPC's activities as a whole. These statements include all assets, deferred outflows of resources, and liabilities of ACRPC using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Net position is the difference between assets, deferred outflows of resources and liabilities, and is one way to measure the financial health, or financial position, of ACRPC. Over time, increases or decreases in the Commission's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the mix of grant and operating revenue.

Addison County Regional Planning Commission
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Budget

ACRPC builds its annual budget on diverse sources of state, federal and local funding. ACRPC's most consistent and base funding comes from the State of Vermont municipal and regional planning funds, allocated to ACRPC and all other regional planning commissions by formula through a grant from the Agency of Commerce, Department of Commerce and Community Development. These funds totaled $580,243 for FY 2025 and constituted ACRPC's base planning funds. ACRPC also received local dues of $44,348 from its member municipalities. ACRPC uses this source of unrestricted revenue as local matching funds and as another source of its base funding.

ACRPC also funds its operations through special purpose grants and service contracts for technical assistance. These funds tend to vary from year to year, but include funding through the Agency of Transportation, Emergency Management Performance Grants funded by the federal U.S. Department of Homeland Security through Vermont Emergency Management, the Agency of Natural Resources and the Clean Water Service Provider grants for improving water quality.

Operating Results

ACRPC finished the year ended June 30, 2025, with a surplus change in net position of $37,381. That figure could have been larger, but following the advice of our CPA, ACRPC's management chose to include the contingent liability for accumulated Sick time on its books for the first time. Sick time is contingent because if it is not used, it is not paid. However, since ACRPC's contingent sick time liability had reached a significant threshhold, management chose to record the expense and associated liability of $57,031 this fiscal year. The liability is included in accrued compensated absences in the statement of Net Position on Page 9 and the expense is included in the salaries and wages expense shown in in the statement of Revenues, Expenses and Changes in Net Position on Page 10.

The change in net position was increased by a prior period adjustment that resulted in the beginning balance in ACRPC's net position being increased by $18,136. These results are shown in the statement of Revenues, Expenses and Changes in Net Position on page 10.

Management is satisfied with the current year's results. ACRPC's finances are structured so that it is designed to break even on every contract. ACRPC charges its actual expenses for nearly all of the work it performs. This includes the cost of the employee's salary that performs the work, plus benefits, a calculated overhead rate and actual expenses incurred. Unlike for-profit corporations and consultants, ACRPC does not add a profit margin to these costs. Accordingly, the budget is designed to roughly break even at the end of the year year and therefore a slight increase in net position constitutes a good result.

Each year the upcoming indirect rate for the subsequent year is estimated and negotiated based on the most recent audited expenses, which are always two fiscal years previous, and the subtraction of any previous year's adjustments. There will always be some variance between the estimates and actual experience. A rate that is higher than it should will tend to produce revenues in excess of expenses, while a lower rate will reduce revenues. The variance between estimates and actual indirect rates are accounted for by a "carry-forward" adjustment each year.

Operating Results (continued)

The carry-forward adjustment adds or subtracts to the calculation in a manner that will reduce the rate in subsequent years to make up for an inflated rate or increase a rate if indirect costs were under collected in the previous year.

Condensed Financial Information

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of ACRPC, assets exceed liabilities by $472,222 at the close of the most recent fiscal year. This surplus provides ACRPC with a fund balance capable of supporting ACRPC's expenses for several months, should that be necessary. Financial stability constitutes a solid foundation for ACRPC's planning activities.

Investment in capital assets represents 2.5% of ACRPC's net position. ACRPC uses these capital assets to provide services; consequently, these assets are not available for future spending.

Restricted net assets for the fiscal year ended June 30, 2025, consist of interest income of $15,014 earned on the investment of CWSP-04 grant funds held for future project costs yet to be incurred.

The remaining balance of unrestricted net assets of $449,964 may be used to meet ACRPC's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Commission is able to report a positive net position balance for the entity as a whole.

The following condensed and reformatted financial information is a condensed version of the financial statements presented in this report.

Government-wide Financial Analysis
Summary of Net Position

	June 30, 2025	June 30, 2024	Change
Current and other assets	$ 1,320,773	$ 1,108,721	$ 212,052
Non-current assets	7,244	10,602	(3,358)
Total Assets	1,328,017	1,119,323	208,694
Current liabilities	855,795	702,618	153,177
Long-term liabilities	0	0	0
Total liabilities	855,795	702,618	153,177
Net position			
Net investment in capital	7,244	10,602	(3,358)
Restricted (CWSP-04)	15,014	13,405	1,609
Unrestricted	449,964	410,834	39,130
Total net position	$ 472,222	$ 434,841	$ 37,381

Addison County Regional Planning Commission
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Explanation of Changes in Net Position for the year ended June 30, 2025

• Change in cash and cash equivalents in current and other assets: The decrease is the result of normal operational needs.

• Change in receivables in current and other assets: The increase in accounts receivable at the end of the fiscal year was due to regular changes in how quickly our grantors pay invoices.

• Change in capital assets: The decrease in capital assets was the result of routine depreciation.

• Change in accounts payable in current liabilities: The increase can be attributed to fluctuations in consultant billings from one time period to another and timing of vendor payments.

• The change in total net position from FY 2024 to FY 2025 was $37,381. Our total net position of $472,222 includes a prior period adjustment of $18,136 to the beginning unrestricted net position, see page 10. The prior period adjustment increased the unrestricted net position at the beginning of the fiscal year from $392,698 to 410,384 and the total net position from $416,705 to $434,841.

A summary of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025 are as follows:

	June 30, 2025	June 30, 2024	Change
Operating revenues	$ 1,855,553	$ 1,031,461	$ 824,092
Operating expenses	1,824,028	979,455	844,573
Operating income(loss)	31,525	52,016	(20,491)
Nonoperating income			
Interest Income	5,856	25,790	(19,934)
Change in net position	$ 37,381	$ 77,806	$ (40,425)

ACRPC produced operating revenues of $1,855,553 this fiscal year.

Our operating expenses of $1,824,028 were higher than last year, but lower than operating income, and resulted in operating income of $31,525. Operating income, plus interest income, produced the net change in position of $37,381.

Budgeting Highlights

ACRPC's budget is prepared according to the requirements of the Commission's bylaws and policies. The operating budget included proposed expenditures and estimated revenues. Final revenues and other nonoperating sources, in the amount of $1,855,553 were less than originally budgeted revenues by the amount of $587,497. Operating expenditures were budgeted at $2,321,089 while actual operating expenditures were only $1,824,028, or a favorable variance of $497,061.

The vast majority of the discrepancy between both the revenues and expenses in the budget stems from one program, the Clean Water Service Provider Grant with the Agency of Natural Resources. In 2025, ACRPC received a grant from the Agency of Natural Resources of over $1,000,000 to serve as the Clean Water Service Provider for the Otter Creek Basis of Lake Champlain. The goal of the program is to prevent or slow phosphorus from reaching Lake Champlain. Most of the money is intended to flow through ACRPC to consultants working on actual cleanup projects. Due to a shortage of projects, ACRPC spent only about $500,000 on the funding in 2025. The remainder will carry over to ACRPC's 2026 budget.

ACRPC's final approved budget for FY2025 included federal, state and local grants awarded to the Commission for planning, transportation, natural resource and emergency management projects that had not been received as of June 30, 2025. The budget also included consulting costs for the planning, transportation, natural resource and emergency management projects planned for FY2025 that had not been incurred as of June 30, 2025. Overall, the operating budget showed a positive change in net position from operations of $37,381.

Contacting the Commission's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of ACRPC's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact ACRPC's Office at 14 Seminary Street, Middlebury, Vermont 05753.

Prior Period Adjustment

The Net Position at the beginning of the year has been adjusted for revenue and expenses not previously recognized. The cululative effect increased the Net Position by $18,136. This positive adjustment stems from a number of transactions that occurred in the prior fiscal year, the largest of which involved ACRPC's ability to collect a large outstanding invoice. As discussed on pages 5,6, 7 & 10, this prior period adjustment added a positive adjustment to the overall net financial position of ACRPC.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

		2025
CURRENT ASSETS		
Cash and cash equivalents	$	703,349
Program Receivables		609,036
Prepaid expenses		8,388
TOTAL CURRENT ASSETS		1,320,773
NONCURRENT ASSETS		
Capital assets, net of depreciation		7,244
Right of use asset, net of accumulated amortization		174,306
TOTAL ASSETS	$	1,502,323

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$	265,958
Accrued payroll and related taxes		19,925
Accrued compensated absences		118,057
Unearned revenue		451,855
Current portion of lease liability		30,783
TOTAL CURRENT LIABILITIES		886,578
LONG-TERM LIABILITIES		
Lease liability, net of current portion		143,523
TOTAL LIABILITIES		1,030,101
NET POSITION		
Net investment in capital assets		7,244
Restricted (CWSP-04)		15,014
Unrestricted		449,964
Total net position		472,222
TOTAL LIABILITIES AND NET POSITION	$	1,502,323

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES	
Federal, state and other grants	$ 1,808,857
Local communities-annual assessments	44,348
Interest income	5,856
Other income	2,348
Total revenues	1,861,409
OPERATING EXPENSES	
Salaries and wages	671,192
Payroll taxes and benefits	207,444
Consultants and contract services	778,129
Building and occupancy	48,592
General office and program costs	90,673
Grant expenses	24,640
Depreciation expense	3,358
Total expenditures	1,824,028
CHANGE IN NET POSITION	37,381
BEGINNING NET POSITION	416,705
PRIOR PERIOD ADJUSTMENT	18,136
BEGINNING NET POSITION AS RESTATED	434,841
CHANGE IN NET POSITION	37,381
ENDING NET POSITION	$ 472,222

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from grants, contracts and services	$ 1,668,995
Cash received from local communities	42,562
Cash paid for personnel	(878,636)
Cash paid for goods and services	(941,151)
Net cash provided by operating activities	(108,230)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	5,856
Net cash flows from investing activities	5,856
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(102,374)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	805,723
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 703,349
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 31,525
Depreciation	3,358
(Increase)/decrease in receivables	(305,027)
(Increase)/decrease in prepaid expenses	8,738
Increase/(decrease) in accounts payable	161,663
Increase/(decrease) in accrued payroll and related taxes	8,285
Increase/(decrease) in compensated absenses	42,072
Increase/(decrease) in unearned revenue	(58,844)
Net cash provided by operating activities	$ (108,230)

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A: DESCRIPTION OF THE COMMISSION AND REPORTING ENTITY

Addison County Regional Planning Commission (ACRPC) was formed in April 1967. The Commission receives the support of twenty-one municipalities in Addison County. The activities of the Commission are governed largely by statute, namely Chapter 117 of Title 24 of the Vermont Statutes Annotated.

One of the primary objectives of the Commission has been, and continues to be, providing local elected and appointed officials and the general public with information; training and technical assistance necessary to facilitate the ability of locally elected and controlled municipal government to serve the needs of its citizens. The Commission's work program reflects the needs expressed by its member municipalities and priorities of state or federal funding agencies. The Commission assists its members by preparing municipal plans and bylaws. It also addresses area-wide concerns such as land use planning, economic development, energy and transportation, housing, emergency management and natural resources planning.

As part of its assistance, ACRPC speaks for municipal interests in many forums involving state and federal agencies. The Commission reviews projects and programs specifically related to Addison County and the state as a whole. The Commission represents the region at Act 250 and Section 248 hearings and in various state and federal programs involving land use planning, transportation planning, natural resources planning, emergency planning, outdoor recreation, housing, energy planning and other programs. Assistance is available to municipalities and institutions for procurement of state and federal grants. The above activities demonstrate only a portion of the Commission's ongoing programs and projects.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

This report includes all of the funds of the Commission. Based on the criteria below, there are no other entities that should be combined with the financial statements of the Commission. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting enity's financial statement to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to or burdens on the primary government.

Basis of Presentation

The commission reports itself as a business-type activity as defined in GASB 34.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

The accounting and financial reporting treatment applied is determined by the measurement focus. The financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows are resources (whether current or noncurrent) are included in the statement of net position. Fund equity (i.e. net total position) is segregated into net investment in property and equipment, restricted and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of accounting

Business type activities are accounted for on the economic resources' measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned, including unbilled services which are accrued. Expenses are recorded at the time liabilities are incurred.

Under the terms of grant agreements, the Commission funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and other grant requirements have been met.

Property and Equipment

Capital assets purchased or acquired with an original cost of $2,500 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life on an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assts is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data are unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by elimination the net carrying values. The estimated useful life of the assets is typically 3-7 years.

Use of Estimates

During the preparation of ACRPC's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent items as of the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

As determined by the Internal Revenue Service in 1970, Addison County Regional Planning Commission has been classified as an organization performing essential government functions for its members. ACRPC constitutes a political subdivision of the State of Vermont. Income earned by ACRPC is excluded from gross income under Section 115 (a) (1) of the Internal Revenue Code. The Commission is not required to file federal or state income tax returns.

Concentration of Credit Risk

At various times during the fiscal year the Commission's cash accounts may have exceeded the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000. The Commission's policy is to maintain funds for operating purposes in accounts where the balances are government secured.

Town Assessments

The town assessments receivable and associated unearned revenue at June 30, 2025 were based on the Vermont Department of Health's estimated population figures excluding group quarters at a rate of $1.35 per capita in 2025. Revenue for 2025 was based on the 2020 US Census population figures, excluding institutional or group quarters' population as approved by the Commission.

Right of Use Assets and Lease Obligaions

No. 2016-02, Leases (Topic 842), which replaces the prior guidance for leases found in FASB ASC 840. ASU No. 2016-02 applies to both lessees and lessors and will require lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more.

The Commission is a lessee in a non-cancelable operating lease. If the contract provides the Commission with the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be a or 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.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. When leases do not provide an implicit rate, the Commission uses a risk-free rate based on the information available at commencement datein determining the present value of lease payments. The implicit rate of the lease is not readily determinable and accordingly, the Commission uses the risk-free discount rate based on the information available at the commencement date for all leases. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE C: CASH AND CASH EQUIVALENTS

Cash and cash equivalents as June 30, 2025 is comprised of the following:

Checking accounts	$ 193,144
Money Market Account	1
Sweep account	379,175
Subtotal Bank Accounts	572,320
Vanguard federal money market	131,029
Total cash and cash equivalents	$ 703,349

The Vanguard Money Market account is backed by U.S. Government Securities.

State statutes authorize investments in such securities as savings banks or securities that fiduciaries or trustees are allowed to hold.

NOTE D: COMPENSATED ABSENCES

It is the policy of ACRPC to accrue compensated absences based on the liability due on June 30, 2025. Vacation leave is available for full-time and regular part-time staff on a prorated basis. No vacation leave is granted for employees who work less than 19 hours per week. The vacation wage expense is the adjustment of the vacation wages payable as of June 30 of the prior year to the vacation wages payable as of June 30 of the current year as follows:

Accrued vacation current year	$ 61,026
Accrued vacation prior year	(75,985)
Vacation wages expense	$ (14,959)

During the fiscal year ended June 30, 2025, ACRPC began recording sick wages payable earned by eligible employees. The accrued sick wages payable and expense for the current fiscal year are $57,031.

NOTE E: UNEARNED REVENUE

Unearned revenue as of June 30, 2025, consists of the following:

Donations for accessory dwelling units	$ 20,865
Vermont Department of Environmental Conservation WID-04	355,157
Vermont Department of Buildings and General Services Act 172	75,083
Preservation Trust	750
Total	$ 451,855

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE F: PROGRAM RECEIVABLES

Receivables from individual programs as of June 30, relate to the following programs:

	2025
CCRPC WQ FY 25, Raise	$ 6,237
DCHD Grant 5% retainage	29,012
Mt. Ascutny Regional Commission	3,052
Middlebury College	28,577
Northwest Regional Planning Commission	10,864
Rutland Regional Planning Commission	13,311
Town of Addison MPG	15,471
Town of Bridport MPM & LHMP (24-25)	3,450
Town of Cornwall LHMP (24-25)	1,702
Town of Ferrisburgh MPM & Travel Master plan	3,673
Town of Lincoln	9,686
Town of Middlebury	(199)
Town of Monkton LHMP (23-24)	3,682
Town of New Haven LHMP (24-26)	9,135
Town of Salisbury LHMP (23-24) Bylaws (24-26)	9,697
Town of Weybridge MPM (23-28)	334
Two Rivers Ottaquechee Regional Planning Commission	22,420
US EPA CWA Assessment GR 00A01067	105,631
US Forest Service-Mooslamoo Master Plan	6,264
VT- Agency of Tansportation TPI GR1936 FY 25	93,163
VT DEC 2022 Proj Dev Block Gr	101,111
VT DEC CWSP FY 23 (04-Impl GR)	95,841
VT DPS BRIC 2020 Panton Island Expansion	22,500
VT DPS EMPG-24 #02140-31047C-001	8,937
VT DPS HMGP GR #02140-34720MCRPC-001	5,485
Totals	$ 609,036

ACRPC expects the balance in Program receivables at 6/30/2025 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

NOTE G: SINGLE AUDIT REQUIREMENT

For the year ended June 30, 2025, the Commission is exempt for the Single Audit Act of 1996 as it expended less than $750,000 in federal funds.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE H: CAPITAL ASSE5TS

The following is a summary of change in capital assets for the year ended June 30, 2025:

	Cost	Accumulated Depreciation	Book Value
Balances at 6/30/2024	$ 117,943	$ 107,341	$ 10,602
Acquisitions	0	0	0
Dispositions	(85,425)	(85,425)	0
Depreciation	0	3,358	(3,358)
Balance at 6/30/2025	$ 32,518	$ 25,274	$ 7,244

NOTE I: OPERATING LEASES

As of June 30, 2024, the Commission entered into a lease agreement for its office space for a 5-year term with a monthly rent payment of $3,903 per month at June 30, 2025. The operating lease is included in operating lease right-to-use (ROU) assets and operating lease liabilities on the Commission's statement of net position. The lease provides for fixed increases in the annual base rent of 1.5%. Upon adoption of ASC 842, Leases, the Commission evaluated the current contract and determined that it met the criteria for an operating lease. The right-of-use (ROU) asset represents the Commission's right to use the underlying asset for the remaining lease term, and the lease liability represents the Commission's obligation to make lease payments arising from this lease. The ROU asset and lease liability from the operating lease was calculated based on the present value of future lease payments over the lease term. The Commission has made an accounting policy election to use a risk-free rate, in lieu of its incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liabilities as of June 30, 2025, was 4.33%. The weighted average lease term is 60 months as of June 30, 2024.

Total monthly payments under the terms of the lease agreement for the year ended June 30, 2025 were $46,836.

Future minimum office space lease commitments are as follows:

Year ending June 30, 2026	$ 47,529
Year ending June 30, 2027	48,251
Year ending June 30, 2028	48,975
Year ending June 30, 2029	49,711
Total operating lease obligation payments	$ 194,466
Less discount	(20,160)
Total operating lease obligation	$ 174,306

NOTE I: LEASE COMMITMENTS (continued)

In August of 2020, Addison County Regional Planning Commission signed a sixty-month operating lease with Canon Solutions of America replacing the previous operating lease that expired. Terms of the lease call for monthly payments of $181 per month through August 2025. In addition, the Commission pays a base charge of $15.30 per month for up to 3,000 black and white copies and copies in excess of 3,000 copies per month are billed at .0051 per copy. All color copies are billed monthly at .0395 per copy. The lease includes a full-service maintenance agreement that includes all parts, labor, travel and toner. The lease payments and copy expense was $4,696 in 2025.

Future minimum lease payments are as follows:

Year ending June 30, 2026	$ 362
Total	$ 362

NOTE J: RETIREMENT PLAN

The commission maintains a SEP-IRA from the Vanguard Funds Group for its employees. The Commission contributes 7% of each eligible employee's salary to a fund established for the employee. The employer may contribute up to 15% of compensation for each employee for an annual maximum of $30,000. The amount contibuted by the Commission is fully vested in each employee's name. For the fiscal year ended June 30, 2025, employer contributions totaled $40,618.

NOTE K: LIQUIDITY AND AVAILIBILITY

The Commission has $1,297,371 of financial assets available to meet cash needs for general expenditures, including $688,335 of cash and cash equivalents and $609,036 of individual program receivables.

NOTE L: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2026, the date the financial statements were available to be issued.

SCHEDULE I
ADDISON COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF OPERATIONS-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
State of Vermont-Department of Housing and Community Development (DHCD)	$ 509,000	$ 580,243	$ 71,243
Federal, state and other grants	1,889,050	1,228,614	(660,436)
Local communities-annual assessments	45,000	44,348	(652)
Interest income	10,000	5,856	(4,144)
Other Income	0	2,348	2,348
Total operating revenues	2,453,050	1,861,409	(591,641)
OPERATING EXPENDITURES			
Salaries and wages	610,000	652,787	(42,787)
Payroll taxes and benefits	224,349	225,849	(1,500)
Consultants and contract services	1,282,100	766,551	515,549
Building and occupancy	53,340	48,592	4,748
General office and program costs	89,500	109,983	(20,483)
Capital budget	18,000	0	18,000
Grant expenses	43,800	16,908	26,892
Depreciation expense	0	3,358	(3,358)
Total operating expenses	2,321,089	1,824,028	497,061
Change in net position	$ 131,961	37,381	$ (94,580)
BEGINNING NET POSITION		416,705	
PRIOR PERIOD ADJUSTMENT		18,136	
BEGINNING NET POSITION, AS RESTATED		434,841	
CHANGE IN NET POSITION		37,381	
ENDING NET POSITION		$ 472,222	

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

SCHEDULE IIa
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES AND EXPENSES
TPI 08100 #GR1936
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES	
TPI 08100 #GR1936	$ 140,813
Less local match required	(12,076)
Federal award	128,737
EXPENSES	
Regular Salaries and Wages	72,200
Overhead/Fringe (61%)	44,215
Consultants	21,108
Training/Travel/Conference	1,443
Meetings/Equipment/Supplies	474
TOTAL EXPENSES	139,440
Less local match expended	(12,076)
TOTAL FEDERAL AWARD EXPENDED	127,364
EXCESS OF REVENUES OVER EXPENDITURES	$ 1,373

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

SCHEDULE IIb
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES AND EXPENSES
TPI 08100 #GR1851
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES		
TPI 08100 #GR1851	$	94,665
Less local match required		(9,051)
Federal award		85,614
EXPENSES		
Regular Salaries and Wages		26,733
Overhead/Fringe (61%)		16,335
Consultants		50,676
Training/Travel/Conference		1,038
Meetings/Equipment/Supplies		241
Postage		3
TOTAL EXPENSES		95,026
Less local match expended		(9,051)
TOTAL FEDERAL AWARD EXPENDED		85,975
EXCESS OF EXPENDITURES OVER REVENUES	$	(361)

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

SCHEDULE III
ADDISON COUNTY REGIONAL PLANNING COMMISSION
INDIRECT OVERHEAD AND FRINGE RATE
FOR THE YEAR ENDED JUNE 30, 2025

The indirect overhead rate charged to programs are calculated as follows:

		2025
1- Total Direct Salary and Direct Fringe benefits		$ 618,326
2 - Overhead:		
Indirect Salary and Indirect Fringe benefits		260,310
Fringe benefits: Vacation, payroll taxes, BCBS, Life & Disability Insurance, Dental, Workers Compensation and Retirement		
Other Indirect Costs		
Building	$ 48,592	
Office Operations	98,556	
Depreciation	3,358	
		150,506
Total Indirect Costs		410,816
3 - Indirect Rate		
Total Indirect Costs	$ 410,816	
Total Direct Salary	$ 618,326	
Indirect Rate	66.44%	

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

SCHEDULE IV

ADDISON COUNTY REGIONAL PLANNING COMMISSION

EXPENDITURES OF FEDERAL AWARDS- INCLUDING VTRANS PASSTHROUGH

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-through Program Title	Pass-through Grantors Number	Federal CFDA Number	Start Date	Federal Award Amount	FY 2025 Expenditures Federal Funds
US DEPARTMENT OF HOMELAND SECURITY					
Passed through VT Dept of Public Safety					
Emergency Management Performance Grant	02140-31047C-001 (EMPG-S-23)	97.042	9/30/2024	56,191	15,776
Emergency Management Performance Grant	02140-31044C-001 (EMPG-S-24)	97.042	9/30/2025	45,033	16,297
BRIC: Building Resilient Infrastructure and Communities	02140-31236MC-007	97.047	12/23/2021	1,500	539
BRIC: 2020 Panton Island Expansion	02140-31236-007	97.047		22,500	22,500
FRCF-Lewis Creek-Pass through to GMP	02140-33500-011	21.027	12/23/2021	31,500	22,536
Hazard Mitigation Grant Program (HMGP)	02140-34720MCRPC-001	97.039	6/1/2024	5,500	5,485
Hazard Mitigation Grant Program (HMGP)	02140-31044C-001	97.039	10/1/2023		
US DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction, Passed through VT Agency of Transportation					
Highway Planning and Construction	08100-GR1851	20.205	10/1/2023	256,248	85,975
Highway Planning and Construction	08100-GR1936	20.205	10/1/2024	253,723	127,364
US ENVIRONMENTAL PROTECTION AGENCY					
Brownfields Multipurpose, Assessment Revolving	00A010067	66.818	9/1/2022	500,000	271,963
US DEPARTMENT OF AGRICULTURE FOREST SERVICE					
Passed through the State of Vermont Dept of Health					
Emergency Management Grant					
Emergency Management Grant-Lamoille CPC Health Equity	CDC Funds	93.391	11/1/2024		4,620
USFS Moosalamoo Master Plan	23-CS11092000-002			140,000	18,993
	Total Federal Expenditures				592,048

Revenue and expenditures are on the accrual basis of accounting

See Independent Auditor's Report and Accompanying Notes to Financial Statements

INDEPENDENT AUDITORS 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 ACCOUNTING STANDARDS

To the Board of Commissioners
Addison County Regional Planning Commission
14 Seminary Street
Middlebury, VT 05753

I 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 the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Addison County Regional Planning Commission (ACRPC) for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise ACRPC's basic financial statements and have issued my report thereon dated June 24, 2026

Internal Control over Financial Reporting

In planning and performing my audit, I considered Addison County Regional Planning Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACRPC's internal control. Accordingly, I do not express an opinion on the effectiveness of ACRPC's internal control.

A deficiency in 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACRPC's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance 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 my testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed with Government Auditing Standards in considering ACRPC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vance P. DeBouter, CPA, PC
Richmond, Virginia
June 24, 2026
Certified Public Accountant
VT Professional License # 624

June 24, 2026

State of Vermont
Agency of Transportation (VTrans)
One National Life Drive
Montpelier, VT 05091

In connection with the audit of the financial statements of Addison County Regional Planning Commission for the year ended June 30, 2025, and the provisions of the existing grant agreements in place between VTrans and Addison County Regional Planning Commission, I offer the following:

- I am a duly licensed Vermont CPA Firm.
- I am independent with respect to auditing the Addison County Regional Planning Commission.
- I have completed the June 30,2025 annual independent audit of Addison County Regional Planning Commission and have issued my report dated June 24, 2026.
- As part of the annual independent audit, I tested certain transactions associated with the establishment of the "Indirect Cost Rate" and in-kind match in accordance with the latest approved procedure for implementing the use of in-kind and non-federal matching funds.

Nothing came to my attention during the course of the audit that would result in material non-compliance.

Sincerely,

Vance P. DeBouter, CPA
Vance P. DeBouter, CPA, PC
Vermont Firm License # 624