

ADDISON COUNTY REGIONAL PLANNING COMMISSION

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

Addison County Regional Planning Commission

Financial Statements

June 30, 2020

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Vance P. DeBouter, CPA, PC

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INDEPENDENT AUDITORS REPORT

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

I have audited the accompanying financial statements of Addison County Regional Planning Commission which comprise the statements of net assets as of June 30, 2020 and 2019, and the related statements of revenues, expenses, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements which collectively comprise the Addison County Regional Planning Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions


In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Addison County Regional Planning Commission as of June 30, 2020 and 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 17-18 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 I, II, 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, Schedules and report 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 December 9, 2020 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
December 9, 2020
VT Professional License # 624

Addison County Regional Planning Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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.

Required Financial Statements

The financial statements of the Commission report information using the accrual basis of accounting. The financial statements conform to accounting principles which are generally accepted in the United States of America. The Statement of Net Assets includes information on the Commission's assets and liabilities and provides information about the nature and amounts of resources (assets) and their obligations to others (liabilities) at June 30, 2020 and 2019. The Statements of Revenues, Expenses and Changes in Net Assets identify the Commission's revenue and expenses for the fiscal years ended June 30, 2020 and 2019. This statement provides information on the Commission's operations over the past two fiscal years.

Financial Analysis of the Commission

The Statement of Net Assets and Statements of Revenues, Expenses and Changes in Net Assets provide an indication of the Commission's financial condition and indicate that the financial condition of the Commission remained strong and improved slightly during the last fiscal year.

Management's Discussion and Analysis

This section of the Addison County Regional Planning Commission's annual financial report constitutes management's analysis of the Commission's financial performance during the fiscal year ended June 30, 2020. This information is presented in conjunction with the audited basic financial statements which follow this section.

Financial Highlights for Fiscal Year 2020

- Total assets increased \$21,301 from \$419,420 to \$440,721.
- Total liabilities increased \$1,564 from \$106,999 to \$108,563.
- Total net assets increased \$19,737 from \$312,421 to \$332,158.
- Operating revenue decreased \$17,565 from \$717,016 to \$699,451.
- Operating expenses decreased \$44,133 from \$725,419 to \$681,286.

Addison County Regional Planning Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Management's Discussion and Analysis (continued)

ACRPC ended fiscal year 2020 with a positive fund balance. As the first bulleted item above notes, ACRPC's total assets increased by \$21,301 and ACRPC's current liabilities increased by \$1,564. Accordingly, the total net assets; which accounts for both assets and liabilities increased by \$19,737 during fiscal year 2020. The increase in net assets represents an operating surplus. ACRPC's financial position remains strong, with total net assets of \$332,158. Additionally, since most of ACRPC's current assets are composed of cash or other relatively easily liquidated securities, ACRPC will be able to control its cash flow for the foreseeable future.

Factors leading to the increase in net assets include the following:

Revenues: While ACRPC operating revenues decreased by \$17,565 compared to the previous fiscal year, the revenues exceeded ACRPC's projected budget by just over \$15,000. While the operating revenues were lower than the previous year, expenses were \$44,000 lower than the previous year resulting in better than expected financial results for fiscal year 2020.

As noted above, ACRPC's revenue decreased about \$17,000 from the previous fiscal year. However, ACRPC's budget anticipated that decrease, as the previous fiscal year's revenues had increased because of a one time \$100,000 consulting contract with VTrans concerning truck traffic on Route 22A and its impact on the City of Vergennes and the surrounding area. More importantly, ACRPC's revenues exceeded its projections by about \$15,000. Most of this revenue stemmed from projects started in the prior fiscal year, but which carried over into the current year. Primary increases in project revenues included municipal planning grants and the VTrans Back Roads programs contracts associated with road inventories for water quality, which ACRPC conducted with member towns. The increases in work came with some additional expenses, most notably additional staff costs associated with the part time employee ACRPC hired to help with the road inventory work. However, overall the work propelled ACRPC to a moderate budget surplus.

Expenditures: ACRPC'S expenditures generally tracked close to ACRPC's projections. The largest negative budget variance was in staff costs, which came in about \$7,000 more than the projected budget but wags directly attributable to the increased revenue from the Back Roads project. General Office and Program expenses came in slightly under budget by about \$16,000. Overall, operating expenses amounted to about \$1,700 less than the budget projections.

Addison County Regional Planning Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Management's Discussion and Analysis (continued)

As of June 30, 2020 the capital assets owned by the Commission had a carrying value of \$147,505 and accumulated depreciation of \$139,943 resulting in a net book value of \$7,562, an increase of increase of \$5,286 from the previous year. The increase stems from asset purchases of \$ 6,565 less depreciation expense of \$1,279.

Overall management was pleased with the financial results it achieved in 2020 after the small deficit in the prior fiscal year. Given the uncertainty caused by the Covid-19 pandemic at the end of the fiscal year, management appreciates the work staff performed to remain working, complete projects and contribute to a successful fiscal year. In the long run, management recognizes that in order to continue providing planning services to the Addison County Region, ACRPC must maintain its current sound financial foundation. ACRPC will continue to forecast conservatively moving into the future and intends to operate with a modest projected fund balance in the coming year.

Charts summarizing the Commission's Consolidated Statement of Net Assets and the Commission's Revenues, Expenditures and Changes in Net Assets follow.

Table 1
Condensed Statement of Net Assets
June 30,

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 433,159	\$ 417,144	\$ 16,015	3.83%	\$ 411,525	\$ 5,619	1.09%
Capital Assets, Net	<u>7,562</u>	<u>2,276</u>	<u>5,286</u>	<u>232.25%</u>	<u>3,369</u>	<u>(1,093)</u>	<u>(32.44%)</u>
Total Assets	440,721	419,420	21,301	5.08%	414,894	4,526	1.09%
Current Liabilities	<u>108,563</u>	<u>106,999</u>	<u>1,564</u>	<u>1.46%</u>	<u>96,517</u>	<u>10,482</u>	<u>10.86%</u>
Total Net Assets	\$ <u>332,158</u>	\$ <u>312,421</u>	\$ <u>19,737</u>	<u>6.32%</u>	\$ <u>318,377</u>	\$ <u>(5,956)</u>	<u>(1.87%)</u>

Addison County Regional Planning Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Management's Discussion and Analysis (continued)

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Assets
For the years ended June 30,

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues	\$ 701,023	\$ 719,463	\$ (18,440)	(2.56%)	\$ 663,820	\$ 55,643	8.38%
Total Expenses	<u>681,286</u>	<u>725,419</u>	<u>(44,133)</u>	<u>(6.08%)</u>	<u>663,657</u>	<u>61,762</u>	<u>9.31%</u>
Change in Net Assets	19,737	(5,956)	25,693	431.389%	163	(6,119)	3,753.9%
Beginning Net Assets	<u>312,421</u>	<u>318,377</u>	<u>(5,956)</u>	<u>(1.87%)</u>	<u>318,214</u>	<u>163</u>	<u>.05 %</u>
Total Net Assets	\$ <u>332,158</u>	\$ <u>312,421</u>	\$ <u>19,737</u>	<u>6.32%</u>	\$ <u>318,377</u>	\$ <u>(5,956)</u>	<u>(1.87%)</u>

Additional Financial Information

This financial report is designed to provide the Commission's interested parties with an overview of the Commission's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Addison County Regional Planning Commission at 14 Seminary Street, Middlebury, Vermont 05753.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

STATEMENTS OF NET ASSETS

JUNE 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 269,284	\$ 217,327
Municipal Assessments receivable	43,997	27,642
Individual program receivables	106,860	157,275
Prepaid expenses	13,018	13,315
Utilities and miscellaneous receivables	0	1,585
TOTAL CURRENT ASSETS	<u>433,159</u>	<u>417,144</u>
CAPITAL ASSETS		
Equipment net of accumulated depreciation of \$140,306 in 2020 and \$138,664 in 2019	<u>7,562</u>	<u>2,276</u>
TOTAL ASSETS	<u>\$ 440,721</u>	<u>\$ 419,420</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 11,281	\$ 15,717
Accrued and withheld payroll taxes	65	126
Employee benefits withheld and accrued (FSA)	125	1,157
Vacation wages payable	50,331	44,043
Deferred Town Assessments	43,997	43,237
Deferred Walk-Bike Summit	2,764	2,719
TOTAL CURRENT LIABILITIES	<u>108,563</u>	<u>106,999</u>
NET ASSETS		
Invested in capital assets	7,562	2,276
Unrestricted net assets	<u>324,596</u>	<u>310,145</u>
Total net assets	<u>332,158</u>	<u>312,421</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 440,721</u>	<u>\$ 419,420</u>

See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

OPERATING REVENUES	<u>2020</u>	<u>2019</u>
State of Vermont: DCA	\$ 233,191	\$ 235,358
Municipal Assessments	43,237	42,336
TA MPG Contracts (TP/ZB/SDR)	35,457	10,197
Chargepoint (Charging Station)	371	443
Municipal Agreement FC APP	1,300	500
VTrans TPI	185,739	252,304
Middlebury Exchange Street Sidewalk (STPBP(13)11)	11,500	4,897
Middlebury PMB/Seymour St. Proj (STPBP 14(8)	3,951	12,464
Lincoln Sidewalk Project	1,147	0
New Management Project	2,176	0
VTRANS Back Roads - Cat A	13,705	32,423
Town Contracts - Cat A	22,222	7,333
Walk-Bike Summit	6,393	0
BCRPC-VEIC Energy	19,500	0
NR ACRPC WQ2017 604B	3,636	3,636
Chittenden County RPC - WQ FY2019	5,734	19,077
Chittenden County RPC - WQ FY2020	24,500	0
NWRPC- Municipal Energy 3	6,200	15,600
NWRPC- Grants-In-Aid Project	12,332	13,563
EM-Local Liason Agreement	5,558	3,514
EM-EMPG #2140-31026C-001	13,987	26,300
EM-EMPG #2140-31027C-001	36,255	0
EM- HMPG State #02140-34000C-106k	772	1,152
EM- HMPG State #02140-34000-106k	3,222	5,187
LEPC Admin and Support	6,366	3,665
Other New Revenue	1,000	7,200
Bristol ERP Project	0	2,799
CCRPC/ACRPC WQ 2018	0	1,054
NWRPC- Municipal Energy 2	0	4,400
EM - EMPG - 2140-31025C-001	0	10,290
Watershed Consultants - P3 Project	0	1,324
TOTAL OPERATING REVENUES	\$ 699,451	\$ 717,016
OPERATING EXPENSES		
Building and Occupancy Costs	48,480	50,110
General Office and Program Costs	51,556	61,518
Grant Expenditures	14,330	10,408
Staff Cost	515,691	471,607
Consultants	49,950	130,683
Depreciation	1,279	1,093
Capital Budget	0	0
TOTAL OPERATING EXPENSES	681,286	725,419
OPERATING INCOME	18,165	(8,403)
NON OPERATING REVENUES (EXPENSE)		
Interest Income	1,572	2,447
Increase (decrease) in net assets	19,737	(5,956)
Net Assets: Beginning of year	312,421	318,377
Net Assets: End of year	<u><u>\$ 332,158</u></u>	<u><u>\$ 312,421</u></u>

See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Operating Income	\$ 18,165	\$ (8,403)
Adjustment to reconcile operating income to net cash from operating activities.		
Depreciation	1,279	1,093
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Municipal Assessments receivable	(16,355)	(2,795)
Individual program receivables	50,415	(70,460)
Prepaid expenses	297	1,082
Utilities and miscellaneous receivables	1,585	(364)
(Decrease) increase in:		
Accounts payable	(4,436)	6,372
Accrued and withheld payroll taxes	(61)	(6)
Employee benefits withheld and accrued (FSA)	(1,032)	1,157
Vacation wages payable	6,288	(661)
Deferred Town Assessments	760	901
Deferred Walk-Bike Summit	45	2,719
Total adjustments	<u>38,785</u>	<u>(60,962)</u>
Net cash provided by (used in) Operations	<u>56,950</u>	<u>(69,365)</u>
INVESTING ACTIVITIES		
Interest Income	<u>1,572</u>	<u>2,447</u>
Net cash provided by (used in) investing activities	<u>1,572</u>	<u>2,447</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	<u>(6,565)</u>	<u>0</u>
Net cash provided by (used in) financing activities	<u>(6,565)</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	51,957	(66,918)
Cash and cash equivalents at beginning of year	<u>217,327</u>	<u>284,245</u>
Cash and cash equivalents at end of year	\$ <u>269,284</u>	\$ <u>217,327</u>
Cash paid during the year for interest and taxes	\$ <u>0</u>	\$ <u>0</u>

See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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 is a clearinghouse for the Vermont Intergovernmental Coordination System (VICS). It 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.

1. Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

2. Property and Equipment

Equipment purchases are recorded at cost and depreciation is calculated using straight-line and declining methods over the estimated useful lives of the assets, typically 5-10 years. It is the Commission's policy to expense items costing less than \$1,000. Assets acquired with project funds are recorded at cost and expensed fully in the year of acquisition. Upon the sale or retirement of the item, the costs and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the accompanying Statement of Revenues, Expenses and Changes in Net Assets.

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of activities and expenditures during the reporting period. Actual results could differ from those estimates.

4. 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.

5. Government Accounting

The financial transactions of the Commission have been received and reported as government type activities. The Commission uses fund accounting.

6. 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.

B. TOWN ASSESSMENTS

The town assessments receivable and associated deferred revenue at June 30, 2020 and 2019 respectively are based on the Vermont Department of Health's estimated population figures excluding group quarters at a rate of \$1.32 per capita in 2020 and \$1.29 per capita in 2019 with a minimum of \$200 per town in both 2020 and 2019. Revenue for 2020 and 2019 was based on the 2010 US Census population figures, excluding institutional or group quarters' population as approved by the Commission.

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

C. CASH

Cash at June 30 consists of:

	<u>2020</u>	<u>2019</u>
Checking accounts	\$ 104,709	\$ 54,325
Money Market Account	46,309	46,274
Certificates of Deposit	<u>6,455</u>	<u>6,455</u>
Total Bank Accounts	<u>157,473</u>	<u>107,054</u>
 Vanguard Money Market	 <u>111,811</u>	 <u>110,273</u>
Total Cash	\$ <u>269,284</u>	\$ <u>217,327</u>

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.

D. COMPENSATED ABSENCES

It is the policy of Addison County Regional Planning Commission to accrue compensated absences based on the liability due on June 30. 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:

	<u>2020</u>	<u>2019</u>
Accrued vacation current year	\$ 50,331	\$ 44,043
Accrued vacation prior year	<u>44,043</u>	<u>44,704</u>
 Vacation wages expense	 \$ <u>6,288</u>	 \$ <u>(661)</u>

E. DEFERRED REVENUE AND MUNICIPAL ASSESSMENTS RECEIVABLE

Deferred Town Assessments of \$43,997 and \$43,237 at June 30, 2020 and 2019 represent the total fiscal year municipal assessments billed for the upcoming fiscal year. \$0 and \$15,595 of assessments were received by the Commission prior to the end of the fiscal years ending June 30, 2020 and 2019, resulting in municipal assessments receivable balances totaling \$ 43,997 and \$27,642 at June 30, 2020 and 2019. ACRPC expects the balance in Municipal Assessments receivable at 6/30/2020 to be fully collectible; accordingly no allowance for doubtful accounts is required.

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

F. PROGRAM RECEIVABLES

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

	<u>2020</u>	<u>2019</u>
State of Vermont DCA	\$ 11,659	\$ 13,755
Local TA Contracts (TP/ZB/SDR)	5,074	3,101
TPI	25,693	36,596
Middlebury Exchange Street (STPBP (13)11)	2,150	1,549
Lincoln Sidewalk Project	101	0
Vergennes Sidewalk Project	2,176	0
VTrans Back Roads CAT A	13,705	46,058
Town Contracts- CAT A	2,667	7,334
BCRPC-VEIC Energy	4,875	0
CCRPC WQ FY 2020	4,873	0
NWRPC - Grants in Aid Project	3,064	7,181
EM – Local Liaison Agreement	1,951	614
(EM) EMPG – 2140-31057C-001	25,450	0
LEPC-Staff Assistance	2,002	1,345
(EM) HMGP #02140-34000-106K	1,420	725
Watershed Consultants-P3 Project	0	1,324
CCRPC WQ-FY 2018	0	1,818
NWRPC – (Municipal Energy-3)	0	15,600
LEPC-Admin	0	415
CCRPC WQ-FY 2019	0	8,460
(EM) EMPG-H2140-31026C-001	0	8,090
(EM) HMGP #02140-34000C-106K	0	448
Municipal Assessments-Fulcrum App	0	500
Middlebury-Seymour Street (STPBP (14)(8)	0	2,330
Charge Point	<u>0</u>	<u>32</u>
Totals	\$ <u>106,860</u>	\$ <u>157,275</u>

ACRPC expects the balance in Program receivables at 6/30/2020 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

G. SINGLE AUDIT REQUIREMENT

For the years ended June 30, 2020 and June 30, 2019, the Commission is exempt for the Single Audit Act of 1996 as it expended less than \$750,000 in federal funds for each respective year.

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

H. EQUIPMENT

Activity for the years ended June 30, 2020 and 2019 are:

Activity for the year ended 6/30/2020		Accumulated	Book
	<u>Cost</u>	<u>Depreciation</u>	<u>Value</u>
Balances at 6/30/2019	\$ 140,940	\$ 138,664	\$ 2,276
Acquisitions	6,565	0	6,565
Dispositions	0	0	0
Depreciation	0	1,279	(1,279)
Balance at 6/30/2020	\$ <u>147,505</u>	\$ <u>139,943</u>	\$ <u>7,562</u>
Activity for the year ended 6/30/2019		Accumulated	Book
	<u>Cost</u>	<u>Depreciation</u>	<u>Value</u>
Balances at 6/30/2018	\$ 140,940	\$ 137,571	\$ 3,369
Acquisitions	0	0	0
Dispositions	0	0	0
Depreciation	0	1,093	(1,093)
Balance at 6/30/2019	\$ <u>140,940</u>	\$ <u>138,664</u>	\$ <u>2,276</u>

Depreciation has been allocated as follows for the years ending June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Depreciation – Direct	\$ 1,279	\$ 1,093
Depreciation – Allocated to Grants	0	0
Total	\$ <u>1,279</u>	\$ <u>1,093</u>

I. FUND BALANCE TRANSFERS

Fund balance transfers for the year ended June 30, 2020 were as follows:

	<u>Core</u>	<u>Equipment</u>	<u>Total</u>
	<u>Programs</u>	<u>Fund</u>	
Transfers for new equipment	\$ (6,565)	\$ 6,565	\$ 0
Transfer from Equip. fund to depreciation	1,279	(1,279)	0
Excess of resources over expenditures	19,737	0	19,737
Beginning Fund Balance	<u>310,145</u>	<u>2,276</u>	<u>312,421</u>
Ending Fund Balance	\$ <u>324,596</u>	\$ <u>7,562</u>	\$ <u>332,158</u>

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

I. FUND BALANCE TRANSFERS (Continued)

Fund balance transfers for the year ended June 30, 2019 were as follows:

	Core Programs	Equipment Fund	Total
Transfer for new equipment	\$ 0	\$ 0	\$ 0
Transfer of equipment fund to depreciation	1,093	(1,093)	0
Excess of resources over expenditures	(5,956)	0	(5,956)
Beginning Fund Balance	<u>315,008</u>	<u>3,369</u>	<u>318,377</u>
Ending Fund Balance	\$ <u>310,145</u>	\$ <u>2,276</u>	\$ <u>312,421</u>

J. OPERATING LEASES

In May of 2019 the Commission entered into a five year extension of its operating lease for office space at 14 Seminary Street in Middlebury, Vermont. The previous lease expired at the end of June 2019. The new lease has been extended through June 30, 2024 with monthly lease payments of \$3,700 and contains an option to extend the lease for an additional five years on all of the same terms and conditions set forth in the current extension. Lease expense for the years ended June 30, 2020 and 2019 was \$44,400 and \$39,621 respectively. Future minimum lease payments are as follows:

Year ending June 30, 2021	\$ 44,400
Year ending June 30, 2022	45,240
Year ending June 30, 2023	45,240
Year ending June 30, 2024	<u>46,140</u>
Total	\$ <u>181,020</u>

In August of 2015, Addison County Regional Planning Commission signed a sixty month operating lease with Canon Solutions of America. Terms of the lease call for monthly payments of \$240.00 through August 2020. ACRPC has opted to pay for the copies it makes rather than pay a set fee for copies as it was determined this method was more cost efficient. Black and white copies are billed at .00490 per copy and color copies at .05500 per copy. The lease includes a full service maintenance agreement to include all parts, labor, travel and toner. The lease payments and copy expense was \$5,101 in 2020 and \$5,984 in 2019.

See accompanying independent auditors' report

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

J. OPERATING LEASES (CONTINUED)

Future minimum lease payments are as follows:

Year ending June 30, 2021	\$	<u>480</u>
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K. NAMES OF PROGRAMS

VTrans TPI	-	Transportation Planning Initiative
WQ	-	Water Quality Funds
CPDP	-	Community Planning Development Program
EM	-	Emergency Management

L. 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 contributed by the Commission is fully vested in each employee's name.

M. SUBSEQUENT EVENTS

In August of 2020, Addison County Regional Planning Commission signed a sixty month operating lease with Canon Solutions of America. 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.

Subsequent events were evaluated through December 9, 2020 which is the date the financial statements were available to be issued.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

BUDGETARY COMPARISON SCHEDULE-REQUIRED SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amount	Actual Amount	Variance Over (Under)
<u>OPERATING REVENUES</u>			
State of Vermont: DCA	\$ 233,191	\$ 233,191	\$ 0
Municipal Assessments	43,500	43,237	(263)
TA MPG Contracts (TP/ZB/SDR)	36,000	35,457	(543)
Chargepoint (Charging Station)	500	371	(129)
Municipal Agreement FC APP	0	1,300	1,300
VTrans TPI	183,400	185,739	2,339
Middlebury Exchange Street Sidewalk (STPBP(13)11)	6,000	11,500	5,500
Middlebury PMB/Seymour St. Proj (STPBP 14(8)	1,000	3,951	2,951
Lincoln Sidewalk Project	0	1,147	1,147
New Management Project	10,000	2,176	(7,824)
VTRANS Back Roads - Cat A	20,000	13,705	(6,295)
Town Contracts - Cat A	0	22,222	22,222
Walk-Bike Summit	0	6,393	6,393
BCRPC-VEIC Energy	10,000	19,500	9,500
Middlebury Energy RFP	5,000	0	(5,000)
NR ACRPC WQ2017 604B	3,636	3,636	0
Chittenden County RPC - WQ FY2019	0	5,734	5,734
Chittenden County RPC - WQ FY2020	25,000	24,500	(500)
NWRPC- Municipal Energy 3	5,000	6,200	1,200
ANR Trans MRGP Grants-In-Aid Project	28,000	12,332	(15,668)
EM-Local Liason Agreement	5,000	5,558	558
EM-EMPG #2140-31026C-001	0	13,987	13,987
EM-EMPG #2140-31027C-001	50,000	36,255	(13,745)
EM- HMPG State #02140-34000C-106k	0	772	772
EM- HMPG State #02140-34000-106k	10,000	3,222	(6,778)
LEPC Admin and Support	3,500	6,366	2,866
Other New Revenue	5,000	1,000	(4,000)
TOTAL OPERATING REVENUES	\$ 683,727	\$ 699,451	\$ 15,724
<u>OPERATING EXPENSES</u>			
<u>BUILDING/OCCUPANCY COSTS</u>			
Rent	\$ 45,400	\$ 44,400	\$ (1,000)
Electricity	0	0	0
Insurance - Fire/Liability	1,000	926	(74)
Rubbish Removal	1,100	1,354	254
Repairs, Misc. Building Expense	500	0	(500)
Janitorial Expense	2,000	1,800	(200)
Propane	0	0	0
TOTAL BUILDING/OCCUPANCY EXPENSES	50,000	48,480	(1,520)
<u>GENERAL OFFICE/PROGRAM</u>			
Accounting	7,000	6,534	(466)
Advertising	1,000	267	(733)
Auto and Charging Station	3,000	2,656	(344)
Data Expense	1,000	0	(1,000)
Dues Government Relations	4,000	3,455	(545)
Dues/ Subscriptions/VSA/Library/Data	5,000	3,978	(1,022)
Insurance - Public Officials	9,000	6,104	(2,896)
Legal Expense	0	0	0
Miscellaneous	500	234	(266)
Meeting Expense	4,000	731	(3,269)
Postage	2,000	771	(1,229)
Copy Machine Expense	6,000	5,101	(899)
Printing/ Publications	2,500	0	(2,500)
Office Supplies Expense	2,200	1,946	(254)
Software Upgrade/ Supplies	5,000	5,401	401
Telephone & Internet	6,500	6,549	49
Training/Travel & Conferences	4,000	1,226	(2,774)
Website Maintenance	4,500	6,603	2,103
Equipment Maintenance	500	0	(500)
TOTAL GENERAL OFFICE/PROGRAM EXPENSES	\$ 67,700	\$ 51,556	\$ (16,144)

See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

BUDGETARY COMPARISON SCHEDULE - REQUIRED SUPPLEMENTAL INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted	Actual	Variance
	Amount	Amount	Over (Under)
<u>GRANT EXPENSES</u>			
MPG TA Contracts (TP/ZB/SDR) Regional Energy Management	\$ 500	\$ 47	\$ (453)
Zoning for Great Neighborhoods	0	205	205
VTrans TPI	4,000	7,517	3,517
Walk -Bike Summit	0	226	226
Vtrans Local Roads - Cat A	2,000	1,716	(284)
New Haven - Cat A	0	380	380
Ferrisburgh - Cat A	0	384	384
Waltham - Cat A	0	266	266
Whiting- Cat A	0	833	833
Goshen- Cat A	0	882	882
Chittenden County RPC-WQ-FY20	500	102	(398)
NR - WQ - 604B	100	0	(100)
BCRPC Regional Energy	0	206	206
Grants In-Aid Project	0	183	183
EM - EMPG	2,000	338	(1,662)
NWRPC Municipal Energy	300	0	(300)
Municipal Agreement - FC App	0	982	982
EM-Local Liason	100	52	(48)
Lincoln Project	0	11	11
TOTAL GRANT EXPENSES	<u>9,500</u>	<u>14,330</u>	<u>4,830</u>
Capital Budget Totals	<u>3,500</u>	<u>0</u>	<u>(3,500)</u>
<u>STAFF COSTS</u>			
Vacation wage adjustment	0	6,288	6,288
Salaries	388,310	395,441	7,131
Taxes - FICA/MED	29,123	30,074	951
Unemployment Compensation	1,400	813	(587)
Employee Life/ Disability Insurance	3,400	3,056	(344)
Health Insurance	48,000	49,170	1,170
Insurance - Delta Dental and Vision	3,600	2,657	(943)
Insurance - Workers Comp	1,300	864	(436)
Retirement	27,182	27,328	146
TOTAL STAFF EXPENSES	<u>502,315</u>	<u>515,691</u>	<u>13,376</u>
<u>CONSULTANTS</u>			
AMERICORP HOST	6,500	7,333	833
VTrans TPI	40,000	42,617	2,617
TOTAL CONSULTANT EXPENSES	<u>46,500</u>	<u>49,950</u>	<u>3,450</u>
<u>OTHER (INCOME) EXPENSES</u>			
Contingency	0	0	0
Interest Income	1,500	(1,572)	(72)
Depreciation	0	1,279	1,279
TOTALS	<u>1,500</u>	<u>(293)</u>	<u>1,207</u>
TOTALS	\$ <u>681,015</u>	\$ <u>679,714</u>	\$ <u>1,699</u>

See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE II - STATEMENT OF REVENUES AND EXPENSES

TPI STP-SPR PL- 1 (56) #GR1342
FOR THE YEAR ENDED JUNE 30, 2020

REVENUES

TPI STP-SPR PL- 1 (56) #GR1342	\$ <u>56,391</u>
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EXPENSES

Regular Salaries and Wages	14,727
Overhead/Fringe (141.61%)	20,855
Consultants	17,999
Training/Travel/Conference	608
Meetings/Supplies/	338
Equipment	4,224
T8 Bike/Ped 2020 Summit	<u>3,515</u>

TOTAL EXPENSES	<u>62,266</u>
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EXCESS OF EXPENSES OVER REVENUES PROVIDED OUT OF LOCAL MATCH / CORE PROGRAM	<u><u>\$ (5,875)</u></u>
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See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE II - STATEMENT OF REVENUES AND EXPENSES

TPI STP-SPR PL- 1 (55) #GR 1378
FOR THE YEAR ENDED JUNE 30, 2020

REVENUES

TPI STP-SPR PL- 1 (55) #GR 1378	\$ <u>130,937</u>
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EXPENSES

Regular Salaries and Wages	45,716
Overhead/Fringe (141.61%)	64,738
Consultants	24,617
Training/Travel/Conference	811
Meetings/Supplies/Equipment	1,912
Bike/Ped 2020 Summit	<u>6,922</u>

TOTAL EXPENSES	<u><u>144,716</u></u>
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EXCESS OF EXPENSES OVER REVENUES PROVIDED OUT OF LOCAL MATCH / CORE PROGRAM	\$ <u><u>(13,779)</u></u>
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See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE III - INDIRECT OVERHEAD AND FRINGE RATE

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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

	<u>2020</u>	<u>2019</u>
1- Total Direct Salary and Direct Fringe benefits	\$ <u>377,687</u>	\$ <u>336,764</u>
2 - Overhead:		
Indirect salary expense	131,716	135,504
Fringe benefits: Vacation, payroll taxes, BCBS, Life & Disability Insurance, Dental, Workers Compensation and Retirement		
Other Indirect Costs		
Building	\$ 48,480	\$ 50,110
Office Operations	58,834	56,589
Depreciation	<u>1,279</u>	<u>1,093</u>
	<u>108,593</u>	<u>107,792</u>
Total Indirect Costs	<u>240,309</u>	<u>243,296</u>
3 - Indirect Rate		
Total Indirect Costs	\$ <u>240,309</u>	\$ <u>243,296</u>
Total Direct Salary	\$ <u>377,687</u>	\$ <u>336,764</u>
Indirect Rate	<u>64%</u>	<u>72%</u>

For the fiscal year ending June 30, 2019 the Commission changed the way it calculates the indirect rate to be consistent with the presentation of other Regional Planning Commissions by including direct fringe benefits with direct salaries instead of with indirect costs.

See accompanying independent auditors' report and notes to the financial statements.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE IV EXPENDITURES OF FEDERAL AWARDS- INCLUDING VTRANS PASSTHROUGH

FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Program Title	Pass-through Grantors Number	Federal CFDA Number	Start Date	Federal Award Amount	FY 2020 Expenditures Federal Funds
Public Safety	02140-31026C-001 (EMPG18)	97.042	10/1/2018	45,105	13,987
Public Safety	02140-31027C-001 (EMPG19)	97.042	10/1/2019	50,455	36,255
Public Safety	02140-34000-106K	97.039	9/23/2016	216,000	3,222
Public Safety	02140-34000MC		9/23/2016	4,320	772
Public Safety	Local Liason Agreement				5,558
Agency of Transportation	08122-GR1378	20.205	10/1/2017	162,404	115,773
Agency of Transportation	08122-GR1342 (As Amended)	20.205	10/1/2018	241,544	49,813
Agency of Transportation	08126-BR0406 (BRPA018-075)	20.205	7/1/2017	8,000	4,663
Agency of Transportation	08126-BR0408 (BRPA018-077)	20.205	7/1/2017	8,000	5,487
Agency of Transportation	08126-BR0409 (BRPA018-078)	20.205	7/1/2017	8,000	3,555
Sub Contract Towns	Category "A"				
Town of Waltham		20.205	4/20/2017	6,000	4,000
Town of Ferrisburgh		20.205	10/1/2018	8,000	5,333
Town of New Haven		20.205	2/7/2019	8,000	5,333
Town of Goshen		20.205	7/1/2019	8,000	5,333
Town of Whiting		20.205	7/24/2020	6,666	2,222
<u>Sub Contract Towns</u>					
City of Vergennes	Main Street Sidewalk Project STP BP 19(6)				1,741
Town of Lincoln			11/1/2019		1,147
Two Rivers RPC/ACRPC	WQ2018-604B-01		11/20/2019	3,636	3,636
Town of Middlebury	Exchange Street Sidewalk STP BP (13) 11			Hourly Billing Rate	10,350
Town of Middlebury	Seymour Street/Pulp Mill Bridge Sidewalk Project STP BP 14(8)			Hourly Billing Rate	3,161
Total Federal Expenditures					<u>281,341</u>

Revenues and expenditures are on the accrual basis of accounting

See accompanying independent auditors' report and notes to the financial statements.

Vance P. DeBouter, CPA, PC

5621 Saint James Ct
Richmond, VA 23225

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 for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Addison County Regional Planning Commission's basic financial statements and have issued my report thereon dated December 9, 2020.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Addison County Regional Planning Commission's internal control over financial reporting 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 Addison County Regional Planning Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of Addison County Regional Planning Commission'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, 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 Addison County Regional Planning Commission'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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vance P. DeBouter, CPA, PC
Richmond, Virginia
December 9, 2020
Certified Public Accountant
VT Professional License # 624

Vance P. DeBouter, CPA, PC

5621 Saint James Ct
Richmond, VA 23225

December 9, 2020

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, 2020, 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, 2020 annual independent audit of Addison County Regional Planning Commission and have issued my report dated December 9, 2020.
- 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