

ADDISON COUNTY REGIONAL PLANNING COMMISSION

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Addison County Regional Planning Commission

Financial Statements

June 30, 2021

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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, 2021 and 2020, and the related statements of revenues, expenses, changes in net assets and cash flows for the years 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

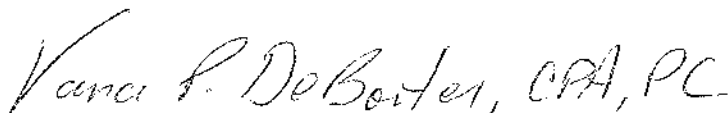
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Addison County Regional Planning Commission as of June 30, 2021 and 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year 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 8, 2021 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 8, 2021  
VT Professional License # 624

Addison County Regional Planning Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021

#### 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, 2021 and 2020. The Statements of Revenues, Expenses and Changes in Net Assets identify the Commission's revenue and expenses for the fiscal years ended June 30, 2021 and 2020. 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 but decreased 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, 2021. This information is presented in conjunction with the audited basic financial statements which follow this section.

#### Financial Highlights for Fiscal Year 2021

- Total assets decreased \$95,628 from \$440,721 to \$345,093.
- Total liabilities decreased \$53,516 from \$108,563 to \$55,047.
- Total net assets decreased \$42,112 from \$332,158 to \$290,046.
- Operating revenue increased \$6,788 from \$699,451 to \$706,239.
- Operating expenses increased \$67,398 from \$681,286 to \$748,684.

Addison County Regional Planning Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021

Management's Discussion and Analysis (continued)

ACRPC ended fiscal year 2021 with a net deficit or loss for the year. As the first bulleted item above notes, ACRPC's total assets decreased by \$95,628. However, since ACRPC's current liabilities decreased by \$53,516, the asset decrease overstates the loss. The total net assets, which accounts for the change in both assets and liabilities decreased by \$42,112 during fiscal year 2021 and better reflects ACRPC's loss for the year from operations. ACRPC's financial position remains strong, with total net assets of \$290,046. 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 loss from operations include the following:

While no excuse, the Covid - 19 pandemic certainly played a significant part in ACRPC's net loss for the year. First, the uncertainty it caused and disruptions to the working environment undoubtedly increased the amount of time staff and especially the Director spent on administrative or personnel issues. It also served as the impetus for two key, long term employees of ACRPC to seek well-deserved retirements. Kevin Behm, ACRPC's Assistant Director and GIS Manager retired after nearly 30 years with ACRPC and Pauline Cousino, ACRPC's Office Manager of 49 years retired in January and March respectively. Both Kevin and Pauline were generous to stay working and help train their replacements. However, as good as our new staff is, turnover is never kind to productivity as every one has some learning curve. Additionally, the budget did not anticipate overlapping payroll payments for two key positions, nor the lump sum payout of accrued vacation for two workers with 80 years of experience between them.

Finally, intentionally, ACRPC used the changes precipitated by the Covid-19 pandemic to modernize its systems. With Pauline's departure and blessing, ACRPC finally transitioned its accounting to an electronic system, both keeping the books for half the year and inputting the previous 6 months. ACRPC also chose to automate its payroll and timekeeping systems. Lastly, ACRPC took the time and expense of upgrading its communication systems (telephone and website), moved its software platform to Google Docs and generally improved its ability to work flexibly as the times demanded. ACRPC expects that all of these administrative changes will provide significant time saving benefits as it moves forward. However, in a year already exceptional by the amount of change necessary to adapt, the administrative changes took staff time and certainly added costs to implement that impacted the bottom line.

**Revenues:** Given all the change, ACRPC's operating revenues still increased by \$6,788 compared to the previous fiscal year. However, the revenues lagged ACRPC's budget projection by nearly \$84,000. About \$70,000 of the deviation below projections stems from three programs. First, the funding ACRPC anticipated in FY 21 for its Clean Water Service provider work never materialized as the program was delayed at the State level. Since ACRPC anticipated doing most of this work itself, this constituted a real loss of approximately \$20,000.

Addison County Regional Planning Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021

Management's Discussion and Analysis (continued)

Another program level loss stemmed from the Transportation Planning initiative. ACRPC spent \$30,000 less than it projected. Some of the loss of revenue stemmed from consultant's not completing projects until after June 30th, which impacted total revenue, but had no net impact on the bottom line since their expenses were also deferred. However, a significant portion impacted ACRPC's net revenues. The loss came largely from staff other than the transportation planner spending less time on Transportation projects. Third, ACRPC anticipated completing the Broadband Innovation Grant from the Vermont Department of Public Service, which would have created \$60,000 in revenue. Instead, ACRPC and its consultants only completed about half the project in this fiscal year resulting in revenue of \$30,000, or half the projected amount. Because ACRPC had consultant's performing the work, the net loss in revenue to ACRPC after expenses was only \$5,000. The remainder of the net operating loss stemmed from smaller revenue shortfalls in other programs.

**Expenditures:** ACRPC'S expenditures concluded about \$16,000 less than the projected budget. However, expenses increased over the previous year by about \$67,000. Some of the increase was anticipated, like the investment in the website (\$19,000, about \$5,000 more than projected). However, the largest portion of the increase came in staff related expenses. The largest negative budget variance was in staff wages, which came in about \$23,000 over budget, largely attributable to the overlap and changes in staffing noted above. These changes also caused healthcare costs to rise by about \$7,000 over projections and an additional ripple of about \$3,000 in payroll taxes due. Together, these account for nearly all of the operational shortfall.

As of June 30, 2021 the capital assets owned by the Commission had a carrying value of \$147,505 and accumulated depreciation of \$141,906 resulting in a net book value of \$5,598, a decrease of \$1,964 from the previous year. The decrease stems from depreciation expense of \$1,964, an expense similar to the previous year.

Overall management was disappointed with the financial results it achieved in 2021 after a moderate surplus in the prior fiscal year. ACRPC always strives to maintain a breakeven or better budget. The uncertainty caused by the Covid-19 pandemic during the entire year certainly impacted productivity and to a large extent contributed to the resignation of two very senior and important staff members. Additionally, the administrative and communications changes ACRPC made also increased its deficit. In spite of the loss, Management appreciates the work staff performed to remain productive, complete projects and contribute to a successful planning year. In the long run, ACRPC should be significantly more efficient because of the extensive administrative changes it made last year. Management recognizes that in order to continue providing planning services to the Addison County Region, ACRPC must maintain its current sound financial foundation. Management believes the problems that led to the deficit last year were extraordinary expenses driven by changes ACRPC made due to the pandemic. Overall, Management believes its business practices are sound and that last year's deficit should be an isolated event. ACRPC will continue to forecast conservatively moving into the future and intends to operate with a modest projected operating surplus in the coming year.

Addison County Regional Planning Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021

Management's Discussion and Analysis (continued)

Table 1  
Condensed Statement of Net Assets  
June 30,

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 339,495	\$ 433,159	\$ (93,664)	(21.62%)	\$ 417,144	\$ 16,015	3.83%
Capital Assets, Net	<u>5,598</u>	<u>7,562</u>	<u>(1,964)</u>	<u>(25.97%)</u>	<u>2,276</u>	<u>5,286</u>	<u>232.25%</u>
Total Assets	345,093	440,721	(100,006)	(21.70%)	419,420	21,301	5.08%
Current Liabilities	<u>55,047</u>	<u>108,563</u>	<u>(53,516)</u>	<u>(49.29%)</u>	<u>106,999</u>	<u>1,564</u>	<u>1.46%</u>
Total Net Assets	\$ <u>290,046</u>	\$ <u>332,158</u>	\$ <u>(44,112)</u>	<u>(12.68%)</u>	\$ <u>312,421</u>	\$ <u>(19,737)</u>	<u>6.32%</u>

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

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues	\$ 706,572	\$ 701,023	\$ 5,549	.79%	\$ 719,463	\$ (18,440)	(2.56%)
Total Expenses	<u>747,684</u>	<u>681,286</u>	<u>67,398</u>	<u>9.89%</u>	<u>725,419</u>	<u>(44,133)</u>	<u>(6.08%)</u>
Change in Net Assets	(42,112)	19,737	(61,849)	(313.37%)	(5,996)	25,693	431.389%
Beginning 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>
Total Net Assets	\$ <u>290,046</u>	\$ <u>332,158</u>	\$ <u>(42,112)</u>	<u>(12.68%)</u>	\$ <u>312,421</u>	\$ <u>19,737</u>	<u>6.32%</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, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 211,514	\$ 269,284
Municipal Assessments receivable	0	43,997
Individual program receivables	122,168	106,860
Prepaid expenses	5,813	13,018
Utilities and miscellaneous receivables	0	0
<b>TOTAL CURRENT ASSETS</b>	<u>339,495</u>	<u>433,159</u>
<b>CAPITAL ASSETS</b>		
Equipment net of accumulated depreciation of \$142,270 in 2021 and \$140,306 in 2020	<u>5,598</u>	<u>7,562</u>
<b>TOTAL ASSETS</b>	<u>\$ 345,093</u>	<u>\$ 440,721</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 19,129	\$ 11,281
Accrued and withheld payroll taxes	0	65
Employee benefits withheld and accrued (FSA)	0	125
Vacation wages payable	33,154	50,331
Deferred Town Assessments	0	43,997
Deferred Walk-Bike Summit	2,764	2,764
	<u>55,047</u>	<u>108,563</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>NET ASSETS</b>		
Invested in capital assets	5,598	7,562
Unrestricted net assets	<u>284,448</u>	<u>324,596</u>
<b>Total net assets</b>	<u>290,046</u>	<u>332,158</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 345,093</u>	<u>\$ 440,721</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, 2021 AND 2020**

<b>OPERATING REVENUES</b>	<u>2021</u>	<u>2020</u>
State of Vermont: DCA	\$ 233,271	\$ 233,191
Municipal Assessments	43,997	43,237
TA MPG Contracts (TP/ZB/SDR)	34,992	35,457
Chargepoint (Charging Station)	515	371
Municipal Agreement FC APP	0	1,300
DPS Broadband Grant	30,000	0
Transportation - ISTE A	164,545	185,739
Middlebury Exchange Street Sidewalk (STPBP(13)11)	5,575	11,500
ACCLUD Management	22,091	0
Middlebury PMB/Seymour St. Proj (STPBP 14(8))	0	3,951
Lincoln Sidewalk Project	384	1,147
Vergennes Sidewalk Project	3,851	0
New Management Project	0	2,176
VTRANS Back Roads - Cat A	0	13,705
Town Contracts - Cat A	15,111	22,222
Walk-Bike Summit	0	6,393
BCRPC-VEIC Energy	9,750	19,500
Chittenden County RPC - WQ FY2020	34,806	0
ANR Trans MRGP Grants-In-Aid Project	17,162	12,332
EM-EMPG #2140-31027C-001	8,294	0
EM-EMPG #2140-31026C-001	32,986	0
EM-EMPG #2140-31029C-001	8,118	0
LEPC Support	4,860	0
NWRPC- LGER	11,792	0
Transportation Resilience Planning Tool-3	2,128	0
Rutland Regional Planning Commission-ARPA Municipal Aid	4,040	0
EDA Covid Disaster CEDS	16,140	0
EM- HMPG State #02140-34000-106k	1,831	0
NR ACRPC WQ2017 604B	0	3,636
Chittenden County RPC - WQ FY2019	0	5,734
Chittenden County RPC - WQ FY2020	0	24,500
NWRPC- Municipal Energy 3	0	6,200
EM-Local Liason Agreement	0	5,558
EM-EMPG #2140-31026C-001	0	13,987
EM-EMPG #2140-31027C-001	0	36,255
EM- HMPG State #02140-34000C-106k	0	772
EM- HMPG State #02140-34000-106k	0	3,222
Other-(New Revenue)	<u>0</u>	<u>7,366</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ <u>706,239</u></b>	<b>\$ <u>699,451</u></b>
 <b>OPERATING EXPENSES</b>		
Building and Occupancy Costs	46,290	48,480
General Office and Program Costs	60,589	51,556
Grant Expenditures	8,274	14,330
Staff Cost	563,325	515,691
Consultants	68,242	49,950
Depreciation	<u>1,964</u>	<u>1,279</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>748,684</u></b>	<b><u>681,286</u></b>
 <b>OPERATING INCOME</b>	<b><u>(42,445)</u></b>	<b><u>18,165</u></b>
 <b>NON OPERATING REVENUES (EXPENSE)</b>		
Interest Income	<u>333</u>	<u>1,572</u>
 Increase (decrease) in net assets	<u>(42,112)</u>	<u>19,737</u>
Net Assets: Beginning of year	<u>332,158</u>	<u>312,421</u>
Net Assets: End of year	<b>\$ <u><u>290,046</u></u></b>	<b>\$ <u><u>332,158</u></u></b>

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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating Income	\$ (42,445)	\$ 18,165
Adjustment to reconcile operating income to net cash from operating activities.		
Depreciation	1,964	1,279
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Municipal Assessments receivable	43,997	(16,355)
Individual program receivables	(15,308)	50,415
Prepaid expenses	7,205	297
Utilities and miscellaneous receivables	0	1,585
(Decrease) increase in:		
Accounts payable	7,848	(4,436)
Accrued and withheld payroll taxes	(65)	(61)
Employee benefits withheld and accrued (FSA)	(125)	(1,032)
Vacation wages payable	(17,177)	6,288
Deferred Town Assessments	(43,997)	760
Deferred Walk-Bike Summit	<u>0</u>	<u>45</u>
Total adjustments	<u>(15,658)</u>	<u>38,785</u>
Net cash provided by (used in) Operations	<u>(58,103)</u>	<u>56,950</u>
<b>INVESTING ACTIVITIES</b>		
Interest Income	<u>333</u>	<u>1,572</u>
Net cash provided by (used in) investing activities	<u>333</u>	<u>1,572</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of property and equipment	<u>0</u>	<u>(6,565)</u>
Net cash provided by (used in) financing activities	<u>0</u>	<u>(6,565)</u>
Net increase (decrease) in cash and cash equivalents	(57,770)	51,957
Cash and cash equivalents at beginning of year	<u>269,284</u>	<u>217,327</u>
Cash and cash equivalents at end of year	\$ <u><u>211,514</u></u>	\$ <u><u>269,284</u></u>
Cash paid during the year for interest and taxes	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

# ADDISON COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### 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, 2021 AND 2020

### 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, 2021 and 2020 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 both 2021 and 2020. Revenue for 2021 and 2020 was based on the 2018 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, 2021 AND 2020

C. CASH

Cash at June 30 consists of:

	<u>2021</u>	<u>2020</u>
Checking accounts	\$ 46,604	\$ 104,709
Money Market Account	46,320	46,309
Certificates of Deposit	<u>6,738</u>	<u>6,455</u>
Total Bank Accounts	<u>99,662</u>	<u>157,473</u>
Vanguard Money Market	<u>111,849</u>	<u>111,811</u>
Total Cash	\$ <u>211,511</u>	\$ <u>269,284</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>2021</u>	<u>2020</u>
Accrued vacation current year	\$ 33,154	\$ 50,331
Accrued vacation prior year	<u>50,331</u>	<u>44,043</u>
Vacation wages expense	\$ <u>(17,177)</u>	\$ <u>6,288</u>

E. DEFERRED REVENUE AND MUNICIPAL ASSESSMENTS RECEIVABLE

Deferred Town Assessments of \$43,997 at June 30, 2020 represent the total fiscal year municipal assessments billed for the year ending June 30, 2021. There were no Town Assessments received by the Commission prior to the end of the fiscal year that ended June 30, 2020, resulting in municipal assessments receivable balance \$43,997 at June 30, 2020. The Town Assessments for the fiscal year ending 6/30/2022 were not billed in the fiscal year ending June 30, 2021 resulting in no deferred town assessments and no municipal assessments receivable at 6/30/2021.

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

F. PROGRAM RECEIVABLES

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

	<u>2021</u>	<u>2020</u>
State of Vermont DCA	\$ 11,664	\$ 11,659
Local TA Contracts (TP/ZB/SDR)	10,263	5,074
TPI	31,303	25,693
Middlebury Exchange Street (STPBP (13)11)	2,511	2,150
Vergennes Sidewalk Project	1,044	2,176
CCRPC WQ FY 2020	5,845	4,873
NWRPC - Grants in Aid Project	10,191	3,064
(EM) EMPG – 02140-31029C-001	6,697	25,450
LEPC-Staff Assistance	1,382	2,002
(EM) HMGP #02140-34000-106K	615	1,420
(EM) EMPG-H2140-31028C-001	27,215	0
WCVT CEDS 2020 Planning Grant	7,270	0
Transportation Resilience Planning Tool-3	2,128	0
Rutland Regional Planning Commission	4,040	0
Lincoln Sidewalk Project	0	101
VTrans Back Roads CAT A	0	13,705
Town Contracts- CAT A	0	2,667
BCRPC-VEIC Energy	0	4,875
EM – Local Liaison Agreement	<u>0</u>	<u>1,951</u>
Totals	\$ <u>122,168</u>	\$ <u>106,860</u>

ACRPC expects the balance in Program receivables at 6/30/2021 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

G. SINGLE AUDIT REQUIREMENT

For the years ended June 30, 2021 and June 30, 2020, 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, 2021 AND 2020

H. EQUIPMENT

Activity for the years ended June 30, 2021 and 2020 are:

Activity for the year ended 6/30/2021		Accumulated	Book
	<u>Cost</u>	<u>Depreciation</u>	<u>Value</u>
Balances at 6/30/2020	\$ 147,505	\$ 139,943	\$ 7,562
Acquisitions	0	0	0
Dispositions	0	0	0
Depreciation	0	1,964	(1,964)
Balance at 6/30/2021	\$ <u>147,505</u>	\$ <u>141,907</u>	\$ <u>5,598</u>
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	\$ 137,571	\$ 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>

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

	<u>2021</u>	<u>2020</u>
Depreciation – Direct	\$ 1,964	\$ 1,279
Depreciation – Allocated to Grants	0	0
Total	\$ <u>1,964</u>	\$ <u>1,279</u>

I. FUND BALANCE TRANSFERS

Fund balance transfers for the year ended June 30, 2021 were as follows:

	<u>Core</u> <u>Programs</u>	<u>Equipment</u> <u>Fund</u>	<u>Total</u>
Transfers for new equipment	\$ 0	\$ 0	\$ 0
Transfer from Equip. fund to depreciation	1,964	(1,964)	0
Excess of resources over expenditures	(42,112)	0	(42,112)
Beginning Fund Balance	<u>324,596</u>	<u>7,562</u>	<u>332,158</u>
Ending Fund Balance	\$ <u>284,448</u>	\$ <u>5,598</u>	\$ <u>290,046</u>

See accompanying independent auditors' report.

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

I. FUND BALANCE TRANSFERS (Continued)

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

	Core Programs	Equipment Fund	Total
Transfer for new equipment	\$ (6,565)	\$ 6,565	\$ 0
Transfer of equipment 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>

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, 2021 and 2020 was \$44,400 in each year. Future minimum lease payments are as follows:

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>136,620</u>

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 \$2,919 in 2021 and \$5,101 in 2020.

See accompanying independent auditors' report

ADDISON COUNTY REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

J. OPERATING LEASES (CONTINUED)

Future minimum lease payments are as follows:

Year ending June 30, 2022	\$	2,172
Year ending June 30, 2023		2,172
Year ending June 30, 2024		2,172
Year ending June 30, 2025		2,172
Year ending June 30, 2026		<u>362</u>
	\$	<u>9,050</u>

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

Subsequent events were evaluated through December 8, 2021 which is the date the financial statements were available to be issued.

N. LIQUIDITY AND AVAILABILITY

The Commission has \$333,682 of financial assets available to meet cash needs for general expenditures, consisting of \$211,514 of cash and cash equivalents and \$122,168 of individual program receivables. None of the Commission's financial assets are subject to restrictions.

See accompanying independent auditors' report

**ADDISON COUNTY REGIONAL PLANNING COMMISSION**

**BUDGETARY COMPARISON SCHEDULE-REQUIRED SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted	Actual	Variance
	Amount	Amount	Over (Under)
<b><u>OPERATING REVENUES</u></b>			
State of Vermont: DCA	\$ 233,191	\$ 233,271	\$ 80
Municipal Assessments	43,500	43,997	497
TA MPG Contracts (TP/ZB/SDR)	40,000	34,992	(5,008)
Chargepoint (Charging Station)	500	515	15
Municipal Agreement FC APP	500	0	(500)
DPS Broadband Grant	60,000	30,000	(30,000)
Transportation - ISTEA	191,400	164,545	(26,855)
Middlebury Exchange Street Sidewalk (STPBP(13)11)	6,000	5,575	(425)
Middlebury PMB/Seymour St. Proj (STPBP 14(8))	0	0	0
ACCUD Management	14,000	22,091	8,091
Lincoln Sidewalk Project	0	384	384
Vergennes Sidewalk Project	6,000	3,851	(2,149)
Town Contracts - Cat A	16,000	15,111	(889)
Walk-Bike Summit	5,000	0	(5,000)
BCRPC-VEIC Energy	10,000	9,750	(250)
NR RRPC-WQ20-604B-01	3,636	0	(3,636)
Chittenden County RPC - WQ FY2020	29,000	34,806	5,806
Clean Water Service Provider	20,000	0	(20,000)
ANR Trans MRGP Grants-In-Aid Project	28,000	17,162	(10,838)
EM-Local Liason Agreement	5,000	0	(5,000)
EM-EMPG #2140-31027C-001	0	8,294	8,294
EM-EMPG #2140-31028C-001	50,000	32,986	(17,014)
EM-EMPG #2140-31029C-001	0	8,118	8,118
LEPC Support	3,500	4,860	1,360
NWRPC- LGER	5,000	11,792	6,792
Transportation Resilience Planning Tool-3	0	2,128	2,128
Rutland Regional Planning Commission-ARPA Municipal Aid	0	4,040	4,040
EDA Covid Disaster CEDS	15,000	16,140	1,140
EM- HMPG State #02140-34000-106k	5,000	1,831	(3,169)
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 790,227</b>	<b>\$ 706,239</b>	<b>\$ (83,988)</b>
<b><u>OPERATING EXPENSES</u></b>			
<b><u>BUILDING/OCCUPANCY COSTS</u></b>			
Rent	\$ 45,000	\$ 44,400	\$ (600)
Insurance - Fire/Liability	1,000	41	(959)
Rubbish Removal	1,300	274	(1,026)
Repairs, Misc. Building Expense	500	0	(500)
Janitorial Expense	2,100	1,575	(525)
<b>TOTAL BUILDING/OCCUPANCY EXPENSES</b>	<b>49,900</b>	<b>46,290</b>	<b>(3,610)</b>
<b><u>GENERAL OFFICE/PROGRAM</u></b>			
Accounting	7,000	6,456	(544)
Advertising	1,000	1,930	930
Auto and Charging Station	3,000	2,255	(745)
Data Expense	1,000	0	(1,000)
Dues Government Relations	4,000	0	(4,000)
Dues/ Subscriptions/VSA/Library/Data	5,000	6,000	1,000
Insurance - Public Officials	7,000	3,233	(3,767)
Legal Expense	500	0	(500)
Miscellaneous	500	631	131
Meeting Expense	4,000	155	(3,845)
Postage	2,000	334	(1,666)
Copy Machine Expense	6,000	2,919	(3,081)
Printing/ Publications	2,500	4,016	1,516
Office Supplies Expense	2,200	1,853	(347)
Software Upgrader/ Supplies	5,500	5,162	(338)
Telephone & Internet	6,500	6,579	79
Training/Travel & Conferences	4,000	0	(4,000)
Website Maintenance	14,000	19,066	5,066
Equipment Maintenance	500	0	(500)
<b>TOTAL GENERAL OFFICE/PROGRAM EXPENSES</b>	<b>\$ 76,200</b>	<b>\$ 60,589</b>	<b>\$ (15,611)</b>

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, 2021**

	Budgeted	Actual	Variance
	Amount	Amount	Over
			(Under)
<b><u>GRANT EXPENSES</u></b>			
MPG TA Contracts (TP/ZB/SDR) Regional Energy Management	\$ 500	\$ 0	\$ (500)
Zoning for Great Neighborhoods	0	0	0
VTrans TPI	6,000	3,557	(2,443)
Walk -Bike Summit	500	0	(500)
Ferrisburg - Cat A	700	38	(662)
Goshen- Cat A	700	38	(662)
Ripton - Cat A	700	440	(260)
Bristol - Cat A	0	38	38
Orwell - Cat A	0	38	38
Municipal Agreement - FC App	1,000	3,871	2,871
ACCUD- Broadband	200	0	(200)
Chittenden County RPC-WQ-FY20	500	0	(500)
NR - WQ - 604B	100	0	(100)
BCRPC Regional Energy	200	0	(200)
Grants In-Aid Project	400	254	(146)
EM - EMPG	3,000	0	(3,000)
EM-Local Liason	100	0	(100)
<b>TOTAL GRANT EXPENSES</b>	<b>14,600</b>	<b>8,274</b>	<b>(6,326)</b>
 Capital Budget Totals	 3,500	 0	 (3,500)
<b><u>STAFF COSTS</u></b>			
Vacation wage adjustment	0	10,988	10,988
Salaries	400,000	423,574	23,574
Taxes - FICA/MED	30,400	33,607	3,207
Unemployment Compensation	1,400	140	(1,260)
Employee Life/ Disability Insurance	3,400	3,107	(293)
Health Insurance/HRA	52,000	58,861	6,861
Insurance - Delta Dental and Vision	3,600	4,315	715
Insurance - Workers Comp	1,300	669	(631)
Retirement	28,000	28,064	64
<b>TOTAL STAFF EXPENSES</b>	<b>520,100</b>	<b>563,325</b>	<b>43,225</b>
<b><u>CONSULTANTS</u></b>			
Broadband Innovation Project	55,000	30,000	(25,000)
AMERICORP HOST	6,750	9,233	2,483
VTrans TPI	40,000	29,009	(10,991)
<b>TOTAL CONSULTANT EXPENSES</b>	<b>101,750</b>	<b>68,242</b>	<b>(33,508)</b>
<b><u>OTHER (INCOME) EXPENSES</u></b>			
Contingency	0	0	0
Interest Income	1,500	(333)	1,167
Depreciation	0	1,964	1,964
<b>TOTALS</b>	<b>1,500</b>	<b>1,631</b>	<b>3,131</b>
 <b>TOTALS</b>	 <b>\$ 767,550</b>	 <b>\$ 748,351</b>	 <b>\$ (16,199)</b>

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) #GR1378**

**FOR THE YEAR ENDED JUNE 30, 2021**

REVENUES

TPI STP-SPR PL- 1 (56) #GR1378	\$ <u>51,823</u>
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EXPENSES

Regular Salaries and Wages	23,431
Overhead/Fringe (64% )	17,400
Consultants	18,640
Training/Travel/Conference	302
Equipment/Supplies	3,125
Fulcrum App	<u>342</u>

TOTAL EXPENSES	<u>63,240</u>
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EXCESS OF EXPENSES OVER REVENUES PROVIDED OUT OF LOCAL MATCH / CORE PROGRAM	\$ <u><u>(11,417)</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 1491**  
**FOR THE YEAR ENDED JUNE 30, 2021**

REVENUES

TPI STP-SPR PL- 1 (55) #GR 1491	\$ <u>112,722</u>
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EXPENSES

Regular Salaries and Wages	59,542
Overhead/Fringe (64% )	44,215
Consultants	10,369
Training/Travel/Conference	487
Meetings/Supplies/Equipment	698
Fulcrum App	<u>912</u>

TOTAL EXPENSES	<u>116,223</u>
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EXCESS OF EXPENSES OVER REVENUES PROVIDED OUT OF LOCAL MATCH / CORE PROGRAM	\$ <u><u>(3,501)</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, 2021 AND 2020**

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

	<u>2021</u>	<u>2020</u>
1- Total Direct Salary and Direct Fringe benefits	\$ <u>371,125</u>	\$ <u>377,687</u>
2 - Overhead:		
Indirect salary expense	163,959	131,716
Fringe benefits: Vacation, payroll taxes, BCBS, Life & Disability Insurance, Dental, Workers Compensation and Retirement		
Other Indirect Costs		
Building	\$ 46,290	\$ 48,480
Office Operations	64,679	58,834
Depreciation	<u>1,964</u>	<u>1,279</u>
	<u>112,933</u>	<u>108,593</u>
Total Indirect Costs	<u>276,892</u>	<u>240,309</u>
3 - Indirect Rate		
Total Indirect Costs	\$ <u>276,892</u>	\$ <u>240,309</u>
Total Direct Salary	\$ <u>371,125</u>	\$ <u>377,687</u>
Indirect Rate	<u>75%</u>	<u>64%</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, 2021**

<u>Federal Grantor/ Pass-through Program Title</u>	<u>Pass-through Grantors Number</u>	<u>Federal CFDA Number</u>	<u>Start Date</u>	<u>Federal Award Amount</u>	<u>FY 2021 Expenditures Federal Funds</u>
Public Safety	02140-31027C-001 (EMPG19)	97.042	10/1/2019	52,511	8,294
Public Safety	02140-31028C-001 (EMPG20)	97.042	10/1/2020	53,288	32,986
Public Safety	02140-31029C-001 (EMPG S-20)	97.042	7/1/2020	8,930	7,779
Public Safety	02140-34000-106K	97.039	9/23/2016	216,000	1,831
Agency of Transportation	08100-GR1378	20.205	10/1/2017	162,404	51,823
Agency of Transportation	08100-GR1491	20.205	10/1/2020	168,817	112,720
Public Service Department	BIG Grant 2019-3 (GR02240-FY20-015)		10/1/2020	60,000	30,000
Sub Contract Towns	Category "A"				
Town of Goshen		20.205	7/1/2019	8,000	2,667
Town of Whiting		20.205	7/1/2019	6,666	4,444
Town of Ripton		20.205		8,000	8,000
	<b><u>Sub Contract Towns</u></b>				
City of Vergennes	Main Street Sidewalk Project STP BP 19(6)	20.205	1/13/2020	17,724	3,851
Town of Lincoln	Sidewalk Scoping Study		11/1/2019	4,000	384
Town of Middlebury	Exchange Street Sidewalk STP BP (13) 11	20.205	1/30/2014	Hourly Billing Rate	9,314
Town of Bridport	Middle Road Scoping Study (VTrans project # STP MM21(4))		6/9/2021	Hourly Billing Rate	217
CVT RPC/ACRPC	Transportation Resilience Planning Tool-Phase 3 (VT State Agreement # GR1494)	20.205	2/9/2021	3,074	<u>2,128</u>
	Total Federal Expenditures				<u><u>276,438</u></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

181 West College Street  
Oberlin, OH 44074

### 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, 2021 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 8, 2021.

#### 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 8, 2021  
Certified Public Accountant  
VT Professional License # 624

**Vance P. DeBouter, CPA, PC**

5621 Saint James Ct  
Richmond, VA 23225

181 West College Street  
Oberlin, OH 44074

December 8, 2021

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, 2021, 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, 2021 annual independent audit of Addison County Regional Planning Commission and have issued my report dated December 8, 2021.
- 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