

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS

**Addison County Regional Planning
Commission**

June 30, 2023

ADDISON COUNTY REGIONAL PLANNING COMMISSION

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June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Addison County Regional Planning Commission (“ACRPC”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise ACRPC’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of ACRPC as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors’ Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 7 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 are presented for purposes of additional analysis and are not a required part of the financial statements.

We have applied certain limited procedures to the required supplementary information listed above in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge We 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*, we have also issued our report dated January 24, 2024, on our consideration of Addison County Regional Planning Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 the Addison County Regional Planning Commission's internal control over financial reporting and compliance.

VeroffCPA

VeroffCPA, PC

Laconia, New Hampshire

NH Registration No. 07785D

January 24, 2024

**ADDISON COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

The following management's discussion and analysis of the Addison County Regional Planning Commission ("ACRPC")'s financial performance provides an overview of ACRPC's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with ACRPC's financial statements.

Financial Statement Overview

ACRPC's basic financial statements include the following components: 1) Management's Discussion and Analysis, 2) basic financial statements and 3) other required supplementary information. The financial statements include notes which explain in detail some of the information included in the basic financial statements.

Addison County Regional Planning Commission

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- ACRPC's total net position increased by \$32,716 in fiscal year 2023 compared to an increase of \$40,914 in fiscal year 2022.

Using These Financial Statements

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position (on pages 8 and 9) provide information about ACRPC's activities as a whole. These statements include all assets, deferred outflows of resources, and liabilities of ACRPC using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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

Budget

ACRPC builds its annual budget on diverse sources of funding. Transportation funding is primarily federal (80%), from Federal Highways Administration funds, so it is dependent on the Federal Transportation Bill

**ADDISON COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

for appropriations of planning funds. The Commission receives 10% of matching fund for the majority of the federal transportation funds from the state, making it dependent on the actions of the Vermont legislature.

ACRPC receives dues from its member municipalities that in year ended June 30, 2023 totaled \$46,058 as unrestricted revenue used to locally match projects and support basic operations.

The State of Vermont provides regional planning funding through an annual performance-based contract through the Department of Housing and Community Development (DHCD). These funds were \$364,088 for year ended June 30, 2023. With these funds, ACRPC carries out statutory duties as specified in an annual work program approved by ACRPC and DHCD. These funds are used as a match for local and regional projects.

ACRPC also funds its operations through special purpose grants and service contracts for technical assistance. These funds tend to vary from year to year, but include funding through the Agency of Transportation, Emergency Management Performance Grants funded by the federal U.S. Department of Homeland Security through Vermont Emergency Management, and other granting agencies.

Operating Results

ACRPC finished the year ended June 30, 2023 with a surplus change in net position of \$32,716. These results are shown on the statement of Revenues, Expenses and Changes in Net Position on page 9.

Each year the upcoming indirect rate is estimated and negotiated based on the most recent audited expenses, which are always two fiscal years previous, and the subtraction of any previous year adjustments. There will always be some variance between the estimates and actual experience. A rate that is higher than it should will tend to produce revenues in excess of expenses, while a lower rate will reduce revenues. The variance between estimates and actual indirect rates are accounted for by a "carry-forward" adjustment each year. The carry-forward adjustment adds or subtracts to the calculation in a manner that will reduce the rate in subsequent years to make up for an inflated rate or increase a rate if indirect costs were under collected in a previous year.

Condensed Financial Information

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of ACRPC, assets exceed liabilities by \$339,636 at the close of the most recent fiscal year.

Investment in capital assets represents 1.2% of ACRPC's net position. ACRPC uses these capital assets to provide services; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net assets of \$328,615 may be used to meet ACRPC's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Commission is able to report a positive net position balance for the entity as a whole.

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

**ADDISON COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Government-wide Financial Analysis
Summary of Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Current and other assets	\$ 939,456	\$ 447,292	\$ 492,164
Non-current assets	<u>11,021</u>	<u>5,403</u>	<u>5,618</u>
Total assets	<u>950,477</u>	<u>452,695</u>	<u>497,782</u>
Current liabilities	610,841	142,042	460,799
Long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>610,841</u>	<u>142,042</u>	<u>460,799</u>
Net position			
Net investment in capital assets	11,021	5,403	5,618
Unrestricted	<u>328,615</u>	<u>305,250</u>	<u>23,365</u>
Total net position	<u>\$ 339,636</u>	<u>\$ 310,653</u>	<u>\$ 28,983</u>

Explanation of Changes in Net Position for the year ended June 30, 2023

- Change in cash and cash equivalents in current and other assets: This increase is the result of normal operational needs.
- Change in receivables in current and other assets: The increase in accounts receivable at the end of the fiscal year was due to regular changes in how quickly our grantors pay invoices.
- Change capital assets: The increase in capital assets was the result of routine depreciation and the acquisition of computer equipment.
- Change in accounts payable in current liabilities: The decrease can be attributed to fluctuations in consultant billings from one time period to another and timing of vendor payments.

A summary of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Operating revenues	\$ <u>798,996</u>	\$ <u>783,560</u>	\$ <u>15,644</u>
Operating expenses	<u>770,871</u>	<u>742,646</u>	<u>28,225</u>
Operating income (loss)	28,125	40,706	(12,581)
Nonoperating income			
Interest income	<u>4,591</u>	<u>208</u>	<u>4,383</u>
Change in net position	<u>\$ 32,716</u>	<u>\$ 40,914</u>	<u>\$ (8,198)</u>

The change in total net position from FY 2022 to FY 2023 was \$32,716. We produced operating revenues of \$798,996 this fiscal year.

**ADDISON COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Our operating expenses of \$770,871 were slightly higher than last year, but lower than operating income, and resulted in operating income of \$32,716. Operating income, plus interest income, produced the net change in position of \$32,716.

Budgeting Highlights

ACRPC's budget is prepared according to the requirements of the Commission's bylaws and policies. The operating budget included proposed expenditures and estimated revenues. Final revenues and other nonoperating sources, in the amount of \$803,587 were less than originally budgeted revenues by the amount of \$2,256,950. Operating expenditures were budgeted at \$2,368,991 while actual operating expenditures were only \$770,871, a decrease of \$1,598,120. ACRPC's final approved budget for FY2023 included federal, state and local grants awarded to the Commission for planning, transportation, natural resource and emergency management projects that had not been received as of June 30, 2023. The budget also included consulting costs for the planning, transportation, natural resource and emergency management projects planned for FY2023 that had not been incurred as of June 30, 2023 Overall the operating budget showed a favorable increase of \$691,546 while the actual results were favorable by \$32,716.

Contacting the Commission's Financial Management

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

EXHIBIT A
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
June 30, 2023

ASSETS	
Cash and cash equivalents	\$ 737,481
Receivables	195,568
Prepaid expenses	6,407
Total current assets	939,456
Noncurrent Assets	
Capital assets, net of depreciation	11,021
Total assets	950,477
 LIABILITIES	
Accounts payable	27,938
Accrued payroll and related taxes	9,487
Accrued compensated absences	55,344
Unearned revenue	518,072
Total current liabilities	610,841
 NET POSITION	
Net investment in capital assets	11,021
Unrestricted	328,615
TOTAL NET POSITION	\$ 339,636

EXHIBIT B
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

OPERATING REVENUES

Federal, state and other grants	\$	751,290
Local communities - annual assessments		46,058
Interest income		4,591
Other income		1,648
Total revenues		803,587

OPERATING EXPENSES

Salaries and wages		498,295
Payroll taxes and benefits		152,543
Consultants and contract services		13,316
Building and occupancy		45,487
General office and program costs		46,220
Grant expenses		12,042
Depreciation expense		2,968
Total expenditures		770,871

CHANGE IN NET POSITION		32,716
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NET POSITION, BEGINNING OF YEAR		306,920
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NET POSITION, END OF YEAR	\$	339,636
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EXHIBIT C
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

	Total
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from grants, contracts and services	\$ 1,204,801
Cash received from local communities	104,844
Cash paid for personnel	(546,745)
Cash paid for goods and services	(357,858)
Net cash provided by operating activities	405,042
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(8,585)
Net cash flows provided by capital and related financing activities	(8,585)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	4,591
Net cash flows from investing activities	4,591
INCREASE IN CASH AND CASH EQUIVALENTS	401,048
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	336,433
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 737,481
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Adjustments to reconcile operating income to net cash provided by operating activities:	
Operating income	\$ 28,125
Depreciation	2,968
(Increase)/decrease in receivables	(91,366)
(Increase)/decrease in prepaid expenses	3,850
Increase/(decrease) in accounts payable	(53,654)
Increase/(decrease) in accrued payroll and related taxes	(15,434)
Increase/(decrease) in compensated absences	13,213
Increase/(decrease) in unearned revenue	517,340
Net cash provided by operating activities	\$ 405,042

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

ADDISON COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - 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.

The Commission's combined financial statements include all accounts and all operations of the Commission. In accordance with Governmental Accounting Standards Board Statement No. 14 (as amended by Number 39 and 61), the Commission has evaluated all potential component units. Addison County Regional Planning Commission has no component units.

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.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Computer software	3 years
Computer hardware	5 years
Other equipment	5 - 7 years

**ADDISON COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

Income Taxes

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

Concentration of Credit Risk

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

Town Assessments

The town assessments receivable and associated unearned revenue at June 30, 2023 were based on the Vermont Department of Health's estimated population figures excluding group quarters at a rate of \$1.32 per capita in 2023. Revenue for 2023 was based on the 2019 US Census population figures, excluding institutional or group quarters' population as approved by the Commission.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 is comprised of the following:

Checking accounts	\$ 49,544
Money market account	86,754
Treasury bills	482,430
Subtotal bank accounts	<u>618,728</u>
Vanguard federal money market	118,753
Total cash and cash equivalents	<u>\$ 737,481</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.

ADDISON COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2023 are comprised of the following:

Vermont Agency of Transportation GR1754	\$ 51,684
Vermont Department of Housing and Community Development FY2023	18,204
Vermont Department of Environmental Conservation GR 2021-CWSP-WID-07/WID-04	63,768
Vermont Department of Public Safety finance office EMPG-22/GR02140-33500-010 & 011	19,718
Vermont Department of Building & General Services Act 172 Building Weatherization	8,197
City of Vergennes GR 07110-MP-2022/STP BP19(6)	4,837
Chittenden County Regional Planning Commission CCRPC-WQ FY22-23/CEDS 2020	2,100
Lamoille County Planning Commission Health Equity FY2022/Flood Bylaws Outreach	8,821
US Environmental Protection Agency EPA CWA GR 00A01067	3,043
Town contracts	<u>15,196</u>
Total receivables	<u>\$ 195,568</u>

ACRPC expects the balance in Program receivables at June 30, 2023 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance
Furniture and equipment	\$ 106,268	\$ 8,586	\$ -	\$ 114,854
Total furniture and equipment	<u>106,268</u>	<u>8,586</u>	<u>-</u>	<u>114,854</u>
Accumulated depreciation	(100,865)	(2,968)	-	(103,833)
Total accumulated depreciation	<u>\$ 5,403</u>	<u>\$ 5,618</u>	<u>\$ -</u>	<u>\$ 11,021</u>

NOTE 4 – COMPENSATED ABSENCES

It is the policy of ACRPC to accrue compensated absences based on the liability due on June 30, 2023. Vacation leave is available for full-time and regular part-time staff on a prorated basis. No vacation leave is granted for employees who work less than 19 hours per week. The vacation wage expense is the adjustment of the vacation wages payable as of June 30 of the prior year to the vacation wages payable as of June 30 of the current year as follows:

Accrued vacation current year	\$ 55,344
Accrued vacation prior year	<u>42,131</u>
Vacation wages expense	<u>\$ 13,213</u>

NOTE 5 – UNEARNED REVENUE

Unearned revenue as of June 30, 2023 consists of the following:

Donations for accessory dwelling units	\$ 31,308
Vermont Department of Environmental Conservation WID-04	366,764
Vermont Department of Buildings & General Services Act 172	<u>120,000</u>
Total	<u>\$ 518,072</u>

**ADDISON COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 - OPERATING LEASES

In June of 2020 the Commission entered into an agreement to lease its office space at 14 Seminary Street in Middlebury, Vermont. Monthly lease payments of \$3,845 are due through June 30, 2024. The lease contains an option to extend for additional periods under similar terms and conditions as set forth in the agreement. Lease expense for the year ended June 30, 2023 amounted to \$41,470.

Future minimum office lease payments are as follows:

<u>Year ending June 30,</u>	
2024	46,140
Total	\$ <u>46,140</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 \$2,660 for the year ended June 30, 2023.

Future minimum equipment lease payments are as follows:

<u>Year ending June 30,</u>	
2024	\$ 2,172
2025	2,172
2026	<u>362</u>
Total	\$ <u>6,878</u>

NOTE 7 - 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. For the fiscal year ended June 30, 2023 employer contributions amounted to \$33,082.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 24, 2024, the date that the financial statements were available to be issued.

SCHEDULE I
ADDISON COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original and Final	Actual	Variance Favorable (Unfavorable)
	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
OPERATING REVENUES			
State of Vermont - Department of Housing and Community Development (DHCD)	\$ 390,588	\$ 352,501	\$ (38,087)
Federal, state and other grants	2,621,449	398,789	(2,222,660)
Local communities - annual assessments	46,000	46,058	58
Interest income	2,000	4,591	2,591
Other income	500	1,648	1,148
Total operating revenues	<u>3,060,537</u>	<u>803,587</u>	<u>(2,256,950)</u>
OPERATING EXPENDITURES			
Salaries and wages	445,946	498,295	(52,349)
Payroll taxes and benefits	145,345	152,543	(7,198)
Consultants and contract services	1,651,500	13,316	1,638,184
Building and occupancy	50,300	45,487	4,813
General office and program costs	66,700	46,220	20,480
Grant expenses	9,200	12,042	(2,842)
Depreciation expense	-	2,968	(2,968)
Total operating expenses	<u>2,368,991</u>	<u>770,871</u>	<u>1,598,120</u>
Change in net position	<u>\$ 691,546</u>	32,716	<u>\$ (3,855,070)</u>
NET POSITION, BEGINNING OF YEAR		<u>306,920</u>	
NET POSITION, END OF YEAR		<u>\$ 339,636</u>	

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

SCHEDULE II
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES AND EXPENSES
T21 08100-GR1754
For the Year Ended June 30, 2023

REVENUES

08100-GR1754	\$ <u>104,560</u>
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EXPENSES

Regular salaries and wages	57,850
Overhead/fringe (62%)	46,349
Consultants	7,263
Training/travel/conference	1,267
Meetings/supplies/equipment	<u>751</u>
Total expenses	<u>113,480</u>

EXCESS OF EXPENSES OVER REVENUES PROVIDED BY LOCAL MATCH	\$ <u><u>(8,920)</u></u>
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SCHEDULE II
ADDISON COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES AND EXPENSES
T21 08100-GR1658
For the Year Ended June 30, 2023

REVENUES

08100-GR1658	\$ <u>67,050</u>
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EXPENSES

Regular salaries and wages	25,307
Overhead/fringe (62%)	20,276
Consultants	36,663
Training/travel/conference	1,149
Meetings/supplies/equipment	1,134
Fulcrum App	294
Total expenses	<u>84,823</u>

EXCESS OF EXPENSES OVER REVENUES PROVIDED BY LOCAL MATCH	\$ <u><u>(17,773)</u></u>
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SCHEDULE III
ADDISON COUNTY REGIONAL PLANNING COMMISSION
INDIRECT OVERHEAD AND COST RATE
For the Year Ended June 30, 2023

1 - Total direct salary and direct fringe benefits		\$ <u><u>454,966</u></u>
2 - Overhead:		
Indirect salary expense		225,269
Fringe benefits: vacation, payroll taxes, health, life, dental and disability insurance, workers compensation and retirement		
Other indirect costs		
Building	\$ 50,415	
Office operations	56,979	
Depreciation	<u>2,161</u>	
		<u>109,555</u>
Total indirect costs		\$ <u><u>334,824</u></u>
3 - Indirect Rate		
Total indirect costs	\$ <u>334,824</u>	
Total direct salary	\$ 454,966	
Indirect Rate:		<u><u>74%</u></u>

SCHEDULE IV
ADDISON COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - INCLUDING VTRANS PASSTHROUGH
For the Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Grantors Number	Start Date	End Date	Federal Award Amount	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY						
Passed through the State of Vermont Department of Public Safety:						
Emergency Management Performance Grant	97.042	02140-31030C-001 (EMPG-S-21)	10/1/2021	9/30/2022	\$ 53,285	\$ 16,983
Emergency Management Performance Grant	97.042	02140-31039C-001 (EMPG-S-22)	10/1/2022	9/30/2023	56,191	32,496
Subtotal Emergency Management Performance Grant					<u>109,476</u>	<u>49,479</u>
Passed through the State of Vermont Department of Public Safety:						
BRIC: Building Resilient Infrastructure and Communities	97.047	02140-31236MC-007	12/23/2021	12/22/2024	1,500	392
Subtotal BRIC: Building Resilient Infrastructure and Communities					<u>1,500</u>	<u>392</u>
<i>Total U.S. Department of Homeland Security</i>					<u>110,976</u>	<u>49,871</u>
U.S. DEPARTMENT OF THE TREASURY						
Passed through the State of Vermont Department of Public Safety:						
Coronavirus State and Local Fiscal Recovery Funds	21.027	02140-33500-010	8/4/2022	12/31/2024	76,650	18,860
Coronavirus State and Local Fiscal Recovery Funds	21.027	02140-33500-011	8/4/2022	12/31/2024	31,500	1,319
Subtotal Coronavirus State and Local Fiscal Recovery Funds					<u>108,150</u>	<u>20,179</u>
<i>Total U.S. Department of the Treasury</i>					<u>108,150</u>	<u>20,179</u>
U.S. DEPARTMENT OF TRANSPORTATION						
<i>Highway Planning and Construction Cluster:</i>						
Passed through the State of Vermont Agency of Transportation:						
Highway Planning and Construction	20.205	08100-GR1658	10/1/2021	9/30/2022	212,033	67,050
Highway Planning and Construction	20.205	08100-GR1754	10/1/2021	9/30/2023	256,248	104,560
Subtotal Highway Planning and Construction Cluster					<u>468,281</u>	<u>171,610</u>
<i>Total U.S. Department of Transportation</i>					<u>468,281</u>	<u>171,610</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	00A010067	9/1/2022	9/30/2026	500,000	9,944
Subtotal Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements					<u>500,000</u>	<u>9,944</u>
<i>Total U.S. Environmental Protection Agency</i>					<u>500,000</u>	<u>9,944</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through the State of Vermont Department of Health:						
Emergency Management Grant	93.070	Hot Weather EM (GR03420-09309)	5/15/2022	9/30/2022	10,055	7,232
Subtotal Emergency Management Grant					<u>10,055</u>	<u>7,232</u>
<i>Total U.S. Department of Health and Human Services</i>					<u>10,055</u>	<u>7,232</u>

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

SCHEDULE IV
ADDISON COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - INCLUDING VTRANS PASSTHROUGH
For the Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Grantors Number	Start Date	End Date	Federal Award Amount	Federal Expenditures
<u>Sub Contract Towns</u>						
City of Vergennes	20.205	Main Street Sidewalk Project STP BP 19(6)	4/10/2020	1/13/2024	17,724	2,672
Central VT RPC	20.205	ACRPC Proj. Name in QB: Transportation Resilience Planning Tool-3 Prog. Title: 1058-State Planning and Research	2/9/2021	9/30/2021	3,074	401
Total federal award expenditures					\$	<u><u>261,909</u></u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of Addison County Regional Planning Commission ("ACRPC") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise ACRPC's basic financial statements and have issued our report thereon dated January 24, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACRPC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The results of our 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 our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of ACRPC's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ACRPC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

VeroffCPA

VeroffCPA

Laconia, New Hampshire

New Hampshire Registration No. 07785D

January 24, 2024