

Northwest Regional Planning Commission

BASIC FINANCIAL STATEMENTS

June 30, 2021

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**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Northwest Regional Planning Commission  
St. Albans, VT 05478

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities of the Northwest Regional Planning Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Northwest 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***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Northwest Regional Planning Commission, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule – General Fund on page 22, Schedule of Proportionate Share of the Net Pension Liability – VMERS on page 23, Schedule of Contributions – VMERS on page 24 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwest Regional Planning Commission's basic financial statements. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the Northwest Regional Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northwest Regional Planning Commission's 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 Northwest Regional Planning Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kittell Brangan Sargent". The signature is written in a cursive, flowing style.

St. Albans, Vermont  
December 3, 2021

**NORTHWEST REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2021**

The Northwest Regional Planning Commission offers this discussion and analysis of its financial activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021. Please read the following information in conjunction with the financial statements included in the audit.

## **ORGANIZATIONAL OVERVIEW**

The Northwest Regional Planning Commission (NRPC) is a political subdivision of the state formed by action of the municipalities of Franklin and Grand Isle Counties, under the Vermont Municipal and Regional Planning and Development Act (Title 24, Chapter 117 V.S.A). NRPC operates under this enabling legislation and its operating bylaws.

The Northwest Regional Planning Commission has the following mission, adopted in 1997:

- *To conduct regional planning programs*
- *To assist local municipalities, through education, technical assistance, grants and funding; and to aid municipalities in their planning efforts as authorized by Vermont planning laws*
- *To serve as a center of information and as a resource to support the region and its municipalities' interests, growth patterns and common goals*
- *To provide a forum for the discussion of issues which are regional in nature and/or unique to our area of the state, and to serve as a mediator to resolve conflicts as appropriate. Common sense and a spirit of compromise must be allowed to enter the discussion so that the impacts of development may be mitigated*

In fiscal year 2021, NRPC accomplished this mission through a combination of regional and local programs, including:

- consistently providing assistance to our municipalities,
- improving regional cooperation among other organizations,
- expanding education, outreach and technical assistance programs,
- continuing the regional transportation planning program (under contract with the VT Agency of Transportation), overseen by the Commission's Transportation Advisory Committee (TAC), and
- completing other projects including community development, emergency response plans, energy efficiency and conservation, water quality projects and Brownfields.

NRPC is not a regulatory or taxing authority, however it is authorized to receive and expend monies in support of its planning programs and statutory mandates from any source. Annual sources of revenue generally include, but may not be limited to 1) municipal assessments, and 2) contracts with state agencies, member municipalities and other related organizations, and 3) state, federal and private grants.

## **FISCAL YEAR 2021 FINANCIAL STATEMENTS**

The Statement of Net Assets and the Statement of Activities provide broad information about the NRPC as a whole, and present a long-term view of NRPC's finances. The Fund Financial Statements outline how services were financed in the short-term as well as what remains for future spending. Fund Financial Statements also report NRPC's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

**NORTHWEST REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2021**

**Financial Highlights**

The unassigned fund balance for NRPC was \$259,115 and assigned assets were \$276,720 as of June 30, 2021. The assigned assets represent the amount set aside by the Board of Commissioners for future budgets and/or to cover unanticipated expenditures. The funds are set aside in accordance with the Commission's long-term reserve plan, adopted annually as part of the budget. In addition to funds set aside for long-term reserves, this amount includes funds set aside by the Board for future equipment purchases, outstanding contract commitments, and to cover the liability associated with employee vacation time. As of June 30, 2021 NRPC had a building, equipment and other fixed assets with a net value of \$370,214 after depreciation.

The Commission has a three-year plan for equipment upgrade and replacement and an adopted long term reserve policy which establishes special funds for building repairs and improvements, long term reserves, PAT liabilities and equipment. These programs help cushion the impacts of fluctuating funding, and help preserve the Commission's ability to provide services. The Finance and Operations Committee, with approval from the Board of Commissioners, oversees all administrative aspects of the Commission's work.

**Financial Analysis of NRPC**

The Balance Sheet and Statement of Revenues and Expenditures provide an indication of NRPC's financial condition, which has changed compared to last year. There was an increase in the fund balance of \$115,415. NRPC makes corrections between actual indirect costs incurred and the indirect costs charged to grants and contracts.

The NRPC Fund Balance reflects the differences between assets and liabilities. An increase in fund balance over time typically indicates an improvement in financial condition. Cumulatively for FY 16-FY 21 NRPC has an increase in net assets of \$147,894. A summary of the NRPC's Governmental Funds Balance Sheet is presented below.

	<u>2021</u>	<u>2020</u>
Current Assets	\$ 1,080,007	\$ 753,045
Current Liabilities	<u>544,172</u>	<u>332,625</u>
Total Fund Balance	<u>\$ 535,835</u>	<u>\$ 420,420</u>

NRPC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to accurately track expenses and revenues related to specific grants and contracts.

The method of calculating indirect rates has left NRPC with major swings in rates from 70-130% which impacts cash flow, contract management and fund balance. NRPC has worked with auditors at VTrans to use allowed methods to level off NRPC's billable indirect rate to better reflect actual costs and reduce the swings in rates. NRPC began using an estimated rate method in FY 18 that has lessened the swings in indirect rates. However, the rate used in FY 21 may still result in corrections that will impact revenue in FY 22.



**NORTHWEST REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2021**

**Budget Highlights**

The Commission's FY 21 revenues totaled \$4,436,752 from a combination of sources: \$2,473,044 from the VT DEC Municipal Roads Grants in Aid statewide program management, \$62,377 from municipal assessments, \$258,777 in regional planning funds through the Agency of Commerce and Community Development, \$195,987 from the Vermont Agency of Transportation, and the remaining from other federal grants, including EPA Brownfields. The remaining funding came from a combination of miscellaneous projects.

In FY 21 the Commission's budget continued to be impacted by the COVID-19 pandemic. Some projects were delayed and/or cancelled, and additional work related to the pandemic has been added to the NRPC portfolio of projects. Some staff increased work hours this year to catch up on delayed projects and to address ongoing needs of pandemic recovery planning with communities. Travel and meeting expenses remain low compared to previous years.

**Fiscal Year 2022 Budget**

The FY 22 NRPC Budget anticipates an increase in revenue for the coming fiscal year. The increase is related to several factors. Spending on the Grants in Aid program was delayed from last year and carried over into FY22; this is the last year NRPC will manage this program on behalf of the state. The Working Communities Challenge is a new grant program that will begin in January 2022. And, several projects that were delayed last year will be completed this year.

**Requests for Information**

This financial report is designed to provide a general overview of Northwest Regional Planning Commission's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Northwest Regional Planning Commission, 75 Fairfield Street, St. Albans, VT 05478, (802) 524-5958.

Northwest Regional Planning Commission  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
June 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>	
CURRENT ASSETS	
Cash	\$ 269,759
Accounts receivable	804,422
Prepaid expenses	5,826
Current portion of loans receivable	<u>38,081</u>
TOTAL CURRENT ASSETS	<u>1,118,088</u>
CAPITAL ASSETS, net	<u>370,213</u>
OTHER ASSETS	
Loans receivable, net of current portion	<u>336,730</u>
DEFERRED OUTFLOWS OF RESOURCES- Pension	<u>245,234</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,070,265</u>
<u>LIABILITIES AND NET POSITION</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 339,015
Accrued liabilities	70,872
Unearned revenue	134,285
Current portion of long term debt	<u>11,000</u>
TOTAL CURRENT LIABILITIES	<u>555,172</u>
LONG-TERM LIABILITIES	
Notes payable, net of current portion	149,392
Net Pension Liability	<u>397,696</u>
TOTAL LONG-TERM LIABILITIES	<u>547,088</u>
TOTAL LIABILITIES	<u>1,102,260</u>
DEFERRED INFLOWS OF RESOURCES- Pension	<u>1,179</u>
NET POSITION	
Net investment in capital assets	209,821
Unrestricted	276,720
Restricted	<u>480,285</u>
TOTAL NET POSITION	<u>966,826</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 2,070,265</u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

Functions/Programs	Expenses		Program Revenues			Net (Expense)
	Direct	Indirect	Charges for Services	Operating Grants/ Revenues	Capital Grants and Revenues	Revenue and Changes in Net Position
Governmental activities:						
Current:						
VAOT	\$ 98,304	\$ 116,221	\$ -	\$ 214,035	\$ -	\$ (490)
Core funding	116,838	118,437	-	258,777	-	23,502
Grants, contacts and municipal assessments	3,185,844	518,057	71,688	3,938,276	-	234,375
Depreciation, unallocated	<u>-</u>	<u>27,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,485)</u>
Total governmental activities	<u>\$ 3,400,986</u>	<u>\$ 780,200</u>	<u>\$ 71,688</u>	<u>\$ 4,411,088</u>	<u>\$ -</u>	<u>229,902</u>
Change in Net Position						229,902
Net position, beginning - restated						<u>736,924</u>
Net position, ending						<u>\$ 966,826</u>

Interest expense of \$7,116 has been included in the indirect expenses.

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash-unrestricted	\$ 269,759
Accounts receivable	804,422
Prepaid expenses	<u>5,826</u>
 TOTAL CURRENT ASSETS	 <u>\$ 1,080,007</u>
<u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES	
Accounts payable	\$ 339,015
Accrued liabilities	70,872
Unearned revenue	<u>134,285</u>
 TOTAL LIABILITIES	 <u>544,172</u>
FUND BALANCE	
Assigned	276,720
Unassigned	<u>259,115</u>
 TOTAL FUND BALANCE	 <u>535,835</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,080,007</u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2021

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

<b>Total fund balances - governmental funds</b>	<b>\$ 535,835</b>
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Amounts reported for governmental activities in the statement of  
activities are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported as assets in governmental funds.

Capital Assets	1,028,655
Accumulated Depreciation	(658,441)

Other long-term assets are not available to pay for current-period  
expenditures and therefore are deferred in government funds

Loans Receivable	374,811
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Long term liabilities, including mortgages payable, are not due and payable  
in the current period and therefore are not reported as liabilities in the  
funds. Long term liabilities at year-end consist of:

Mortgages Payable	(160,392)
Net Pension Liability	(397,696)

Deferred outflows of resources represent the consumption of net assets that is  
applicable to a future reporting period and therefore not reported  
as assets in the funds.

Pension	245,233
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Deferred inflows of resources represent the acquisition of net assets  
applicable to a future reporting period and therefore not reported  
as liabilities in the funds.

(1,179)

<b>Total net position - governmental funds</b>	<b><u>\$ 966,826</u></b>
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See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

	<u>General Fund</u>
REVENUES	
ACCD grant	\$ 258,777
VAOT grant	195,987
Grants in aid	2,473,044
Other grants	1,099,732
Municipal contracts	71,688
Municipal assessments	62,377
Interest and miscellaneous income	<u>275,147</u>
 TOTAL REVENUES	 <u>4,436,752</u>
EXPENDITURES	
Salaries	772,668
Fringe benefits	226,241
Grants in aid	2,371,972
Travel	7,606
Office supplies and printing	42,569
Postage	2,185
Equipment, furniture and software	43,846
Consultants and professional fees	751,272
Telephone	9,382
Advertising	7,205
Occupancy	63,233
Insurance	8,067
Dues and subscriptions	11,155
Meetings	3,255
Miscellaneous	<u>681</u>
 TOTAL EXPENDITURES	 <u>4,321,337</u>
 NET CHANGE IN FUND BALANCE	 115,415
 FUND BALANCE - Beginning of Year	 <u>420,420</u>
 FUND BALANCE - End of Year	 <u><u>\$ 535,835</u></u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES

<b>Net change in fund balance - governmental funds</b>	<b>\$ 115,415</b>
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Amounts reported for governmental activities in the statement of  
activities are different because:

Capital outlays are reported in governmental funds as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives as depreciation expense:

Depreciation	(27,485)
Capital outlays-Building and Equipment	44,949

Government funds report loan disbursements as expenditures while governmental  
activities increase long-term assets:

Loans receivable	(25,664)
Acquisition of Note Receivable	203,239

Repayment of long-term debt is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the statement of net position:

Payments of Long-term Debt	13,379
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Some expenses reported in the statement of activities do not require the use  
of current financial resources and therefore are not reported as  
expenditures in governmental funds.

Pension Expense	<u>(93,931)</u>
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<b>Change in net position of governmental activities</b>	<b><u>\$ 229,902</u></b>
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See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northwest Regional Planning Commission ("the Commission") is a regional governmental planning agency formed by action of the municipalities of Franklin and Grand Isle Counties, under the Vermont Municipal and Regional Planning and Development Act (Title 24, Chapter 117 V.S.A.). The Regional Commission operates under this enabling legislation and its adopted bylaws. The Regional Commission is not a regulatory or taxing authority; however, it is authorized to receive and expend monies in support of its planning programs and statutory mandates from any source, including, without limitation, funds made available by participating municipalities and by the Vermont Agency of Commerce and Community Development. Annual sources of revenue generally include, but may not be limited to 1) municipal assessments, and 2) contracts with state agencies, member municipalities and other related organizations for the provision of technical and/or administrative services.

Reporting Entity

The financial statements of the Commission consist only of the funds and account groups of the Commission. The Commission has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Commission. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Government-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Commission.

The statement of activities demonstrates the degree to which the direct expense of a given program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) grant revenues and 2) municipal assessments.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

The Commission reports the following major governmental funds:

- The general fund is the Commission's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) operating grants and contributions, and 2) municipal assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Indirect costs are allocated to functions in the statement of activities based on % of payroll and fringes for each function against the total functional expenses.

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Annual operating budgets are adopted each fiscal year through the passage of an annual budget ordinance and amended as required.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year.

Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative and overall fund expenditure variances will be positive.

Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition.

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are properly owned by the Commission and consist primarily of office equipment and furniture.

General capital assets should be capitalized and recorded when all of the following criteria are met:

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the Commission's activities.
- (3) The asset has a value and useful life at the date of acquisition that meets or exceeds \$1,000 value and five years of life.

All general capital assets are recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs such as bond interest and issuance costs, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs. The straight-line depreciation method is used over the estimated useful lives of assets.

Long-term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose.

Government Wide Net Position

Government-wide Net Positions are divided into the following components:

Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consist of net assets that are restricted by the Commission's creditors, by enabling legislation, by grantors (both federal and state), and / or by contributors.

Unrestricted – all other net positions reported in this category

Governmental Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts that can be spent only for specific purposes because of laws, regulations, or externally imposed conditions by grantors or creditors.

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed – Amounts that can be used only for specific purposes determined by a formal action by the Board.

Assigned – Amounts that are designated by management for a particular purpose.

Unassigned – All amounts not included in other classifications.

Nonspendable – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact

Estimates

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

NOTE 2 LOANS RECEIVABLE

Loans receivable consists of two loans disbursed through the Brownfields Revolving Loan Fund Program of the Environmental Protection Agency.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>
Sunrise Development Corp. at 0% interest payable at \$1,494, due November 2023	\$ 58,290	\$ -	\$ (17,931)	\$ 40,359
Town of Rockingham at 0% interest payable at \$538, due December 2029	44,185	-	(5,250)	38,935
City of St. Albans at 0% interest payable at \$1,242, due December 2041	<u>-</u>	<u>298,000</u>	<u>(2,483)</u>	<u>295,517</u>
	<u>\$ 102,475</u>	<u>\$ 298,000</u>	<u>\$ (25,664)</u>	<u>\$ 374,811</u>

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 3 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Office furniture & equipment	\$ 301,441	\$ 7,493	\$ -	\$ 308,934
Public safety equipment	26,738	-	-	26,738
Office furniture & equipment - other	250,394	2,700	-	253,094
Buildings and improvements	<u>405,133</u>	<u>34,756</u>	<u>-</u>	<u>439,889</u>
	<u>983,706</u>	<u>44,949</u>	<u>-</u>	<u>1,028,655</u>
Accumulated depreciation for:				
Office furniture & equipment	(303,870)	(304)	-	(304,173)
Public safety equipment	(26,739)	-	-	(26,739)
Office furniture & equipment - other	(223,850)	(11,158)	-	(235,008)
Buildings and improvements	<u>(76,498)</u>	<u>(16,023)</u>	<u>-</u>	<u>(92,521)</u>
	<u>(630,957)</u>	<u>(27,485)</u>	<u>-</u>	<u>(658,441)</u>
Net capital assets being depreciated	<u>352,749</u>	<u>17,464</u>	<u>-</u>	<u>370,214</u>
Governmental activities capital assets, net	<u>\$ 352,749</u>	<u>\$ 17,464</u>	<u>\$ -</u>	<u>\$ 370,214</u>

NOTE 4 LONG-TERM DEBT

	<u>Balance 2020</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Balance 2021</u>
Franklin County Industrial Development Corp, with a fixed interest rate of 4.5%. Monthly payments of \$823 per month for 180 months and the remaining balance due 9/26/2028	\$ 98,324	\$ -	\$ (5,564)	\$ 92,760

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 4 LONG-TERM DEBT (continued)

	<u>Balance 2020</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Balance 2021</u>
New England Federal Credit Union, with a fixed interest rate of 4.05% and monthly payments of \$686 for 60 months then the interest rate increases to 5.75% with monthly payments of \$742 for 120 months and the remaining balance due 5/1/20:	<u>75,447</u>	<u>-</u>	<u>(7,815)</u>	<u>67,632</u>
Total	<u>\$ 173,771</u>	<u>\$ -</u>	<u>\$ (13,379)</u>	<u>\$ 160,392</u>

Anticipated maturities of Mortgage payables are as follows at:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 11,000	\$ 7,107	\$ 18,107
2023	11,537	8,614	20,151
2024	11,550	7,230	18,780
2025	15,564	6,632	22,196
2026	15,870	6,002	21,872
2027-2031	<u>94,871</u>	<u>15,657</u>	<u>110,528</u>
Total	<u>\$ 160,392</u>	<u>\$ 51,242</u>	<u>\$ 211,634</u>

NOTE 5 ASSIGNED FUND BALANCE

At June 30, 2021, fund balances were assigned for the following specific purposes:

Long-Term Reserves	\$ 183,720
Equipment Reserves	20,000
Building Reserve	61,000
PAT Reserves	<u>12,000</u>
	<u>\$ 276,720</u>

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Northwest Regional Planning Commission's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Commission's policy to use the fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS)

**Information Required Under GASB Statement No. 68**

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide you with your entities' proportional share of the overall amounts of the VMERS plan. Your portion been allocated based on your proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

**Reporting Date, Measurement Date, and Valuation Date**

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Northwest Regional Planning Commission's reporting date June 30, 2021 and for the Northwest Regional Planning Commission's reporting period (the year ended June 30, 2021). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than 30 months prior to the employer's fiscal year. For the reporting date of Northwest Regional Planning Commission, the State has chosen to use the end of the prior fiscal year (June 30, 2020) as the measurement date, and the year ended June 30, 2020 as the measurement period.

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2018, to the measurement date of June 30, 2019.

**Schedule A – Employer Allocations as June 30, 2019**

Fiscal Year Ended June 30, 2019						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.95% Disc Rate)	Net Pension Liability 1% Decrease (8.95% Disc Rate)
\$ 27,931	0.14537%	\$ 252,209	\$ 149,399	\$ 2,180	\$ 413,585	\$ 118,620

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

**Schedule B – Employers’ Allocation as of June 30, 2020**

Fiscal Year Ended June 30, 2020						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.50% Disc Rate)	Net Pension Liability 1% Decrease (8.50% Disc Rate)
\$ 32,582	0.15721%	\$ 397,695	\$205,514	\$ 1,179	\$ 607,597	\$ 224,990

**Schedule C – Employers’ Allocation of Pension Amounts as of June 30, 2020**

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
15.7210%	\$ 397,695	\$ 35,817	\$ 53,318	\$ -	\$ 38,036	\$ 78,343	\$205,514

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
\$ 1,179	\$ -	\$ -	\$ -	\$ -	\$ 1,179

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
\$ 80,382	\$ 25,556	\$ 105,938

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

**Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2020**

Fiscal Year Ending					
2021	2022	2023	2024	2025	Thereafter
\$ 64,061	\$ 65,556	\$ 49,132	\$ 25,586	\$ -	\$ -

**Schedule E – Contribution History for Fiscal Years 2016-2018**

FY 2020	FY 2019	FY 2018
\$ 32,582	\$ 27,931	\$ 12,656

The full report containing the schedules of all employers in the VMERS plan is available on the State of Vermont Treasurer’s website at:

<http://www.vermonttreasurer.gov/content/retirement/vmers/financial-reports>

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the Vermont Municipal Employees’ Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont’s Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State’s Department of Finance & Management website at:

<http://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>

**PLAN DESCRIPTION**

The Vermont Municipal Employees’ Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution’s operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2020, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.



Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

The general administration and responsibility for formulating administrative policy and procedures of the retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives –one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

**Summary of System Provisions**

Membership	Full time employees of participating municipalities. Municipality elects coverage under Groups A, B, C or D provisions.
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Creditable service	Service as a member plus purchased service.
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Average Final Compensation (AFC)	Group A – average annual compensation during highest 5 consecutive years.
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	Groups B and C – average annual compensation during highest 3 consecutive years.
--	--

	Group D – average annual compensation during highest 2 consecutive years.
--	---

**Service Retirement Allowance**

Eligibility	Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service.
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	Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service.
--	---

	Groups C and D – Age 55 with 5 years of service.
--	--

Amount	Group A – 1.4% of AFC x service
	Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC

Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance

Eligibility      Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.

Amount      Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Group A and B member, and payable without reduction to Group D members.

Vested Retirement Allowance

Eligibility      5 years of service.

Amount      Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.

Disability Retirement Allowance

Eligibility      5 years of service and disability as determined by Retirement Board.

Amount      Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

Death Benefit

Eligibility	Death after 5 years of service.
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Amount	For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.
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Optional Benefit and Death  
after Retirement

For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution

Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments

Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.

Retirement Stipend

\$25 per month payable at the option of the Board of retirees.

Member Contributions

Effective 7/1/20	For Fiscal year ended 6/30/20
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Group A	3.00%	2.75%
Group B	5.375%	5.125%
Group C	10.50%	10.25%
Group D	11.85%	11.60%

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

Employer Contributions	Effective 7/1/20	For Fiscal year ended 6/30/20
Group A	4.50%	4.25%
Group B	6.00%	5.75%
Group C	7.75%	7.50%
Group D	10.35%	10.10%

**Significant Actuarial Assumptions and Methods**

**Investment rate of return:** 7.00%, net of pension plan investment expenses including inflation

**Salary Increases:** Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years

**Mortality:**

*Pre-Retirement:*

Groups A, B, and C – 40% of PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

Group D – PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

*Healthy Post- Retirement - Retirees:*

Groups A, B, and C – 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Group D: Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

*Disabled Post-Retirement:*

All Groups- PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.

**Spouse's Age:** Females three years younger than males.

**Cost-of-Living Adjustments:** 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

**Actuarial Cost Method:** Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

**Assets:** The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from the market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.

**Inflation:** 2.30 per year%

**Long-term expected rate of return:** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bond	20.00%	0.39%
Private & Alternate Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmland	2.00%	5.44%

Northwest Regional Planning Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 6      DEFINED BENEFIT PLAN (VMERS) (continued)

**Discount rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$ 607,597	\$ 397,695	\$ 224,990

NOTE 7      SUBSEQUENT EVENTS

In accordance with accounting standards, the Commission has evaluated subsequent events through December 3, 2021 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2021, have been incorporated into these financial statements.

NOTE 8      RESTATEMENT AND PRIOR PERIOD ADJUSTMENT

In June 2021 the District determined that costs associated with a project study that should have been capitalized were recorded as an expense. To correct the error, the beginning net position of \$642,164, as originally reported, has been increased to \$736,924.

## REQUIRED SUPPLEMENTARY INFORMATION

Northwest Regional Planning Commission  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
ACCD Grant	\$ 207,000	\$ 258,777	\$ 258,777	\$ -
VAOT Grant	235,100	223,000	195,987	(27,013)
Grants in Aid	3,053,252	3,075,779	2,473,044	(602,735)
Other Grants				
Public Safety Grants	67,500	68,425	42,589	(25,836)
EDA	390,000	350,000	291,224	(58,776)
Healthy Roots	105,659	105,659	224,922	119,263
Vermont Agency of Natural Resources Grants	304,636	312,136	50,959	(261,177)
Miscellaneous State Grants	14,000	74,000	60,953	(13,047)
Miscellaneous Federal Grants	318,000	338,000	429,085	91,085
Municipal contracts	57,300	49,200	71,688	22,488
Municipal assessments	62,377	62,377	62,377	-
Interest and miscellaneous income	32,500	60,060	275,147	215,087
TOTAL REVENUES	4,847,324	4,977,413	4,436,752	(540,661)
EXPENDITURES				
Salaries	812,900	793,400	772,668	20,732
Fringe benefits	224,277	239,741	226,241	13,500
Grants in aid	2,993,872	2,993,872	2,371,972	621,900
Travel	11,900	11,900	7,606	4,294
Office supplies and printing	92,200	91,000	42,569	48,431
Postage	3,000	3,000	2,185	815
Technology and GIS	19,600	21,600	43,846	(22,246)
Consultants and professional fees	513,391	585,391	751,272	(165,881)
Telephone	10,300	10,300	9,382	918
Advertising	5,850	5,850	7,205	(1,355)
Occupancy	62,508	62,508	63,233	(725)
Insurance	8,500	8,500	8,067	433
Dues and subscriptions	14,000	14,000	11,155	2,845
Meetings	21,000	15,500	3,255	12,245
Healthy Roots	18,200	18,200	-	18,200
Miscellaneous	-	-	681	(681)
TOTAL EXPENDITURES	4,811,498	4,874,762	4,321,337	553,425
NET CHANGE IN FUND BALANCE	\$ 35,826	\$ 102,651	\$ 115,415	\$ 12,764

See Accompanying Notes to Basic Financial Statements.



Northwest Regional Planning Commission  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS  
June 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commission's proportion of the net pension liability (asset)	0.1572%	0.1454%	0.0723%
Commission's proportionate share of the net pension liability (asset)	<u>\$ 397,695</u>	<u>\$ 252,209</u>	<u>\$ 101,646</u>
Commission's covered-employee payroll	<u>\$ 661,990</u>	<u>\$ 566,639</u>	<u>\$ 496,546</u>
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	60.08%	44.51%	20.47%
Plan fiduciary net position as a percentage of the total pension liability	74.52%	80.35%	82.60%

*Significant Actuarial Assumptions and methods are described in Note 6 to the financial statements. No changes in actuarial assumptions and methods since the last measurement date.*

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS - VMERS  
June 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions (Actuarially Determined)	\$ 32,582	\$ 27,931	\$ 12,656
Contributions in Relation to the Actuarially Determined Contributions	<u>32,582</u>	<u>27,931</u>	<u>12,656</u>
Contribution Excess/(Deficiency) Covered Employee Payroll	<u>\$ 661,990</u>	<u>\$ 661,990</u>	<u>\$ 496,546</u>
Contributions as a Percentage of Covered Employee Payroll	4.92%	4.22%	2.55%

*Significant Actuarial Assumptions and methods are described in Note 6 to the financial statements. No changes in actuarial assumptions and methods since the last measurement date.*

See Accompanying Notes to Basic Financial Statements.

## OTHER SUPPLEMENTARY INFORMATION

Northwest Regional Planning Commission  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

	VAOT Core Grant	ACCD Grant Core Funding	Grants Assessments & Contracts	Admin.	Total
OPERATING REVENUES					
Grants	\$ 194,577	\$ 258,777	\$ 3,574,185	\$ -	\$ 4,027,539
Contracts	-	-	71,688	-	71,688
Municipal Assessments	-	-	62,377	-	62,377
Local Match	19,458	-	7,875	-	27,333
Interest and Misc. Income	-	-	233,773	14,042	247,815
TOTAL REVENUES	<u>214,035</u>	<u>258,777</u>	<u>3,949,898</u>	<u>14,042</u>	<u>4,436,752</u>
EXPENDITURES					
Salary and Fringe	87,968	89,645	310,392	509,310	997,315
Travel	892	45	6,602	68	7,607
Postage, Printing and Supplies	3,637	13,548	46,867	64,294	128,346
Consultants and Professional Fees	5,807	13,600	3,083,550	20,285	3,123,242
Other	-	-	-	64,827	64,827
Admin. Allocation	<u>116,221</u>	<u>118,437</u>	<u>410,084</u>	<u>(644,742)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>214,525</u>	<u>235,275</u>	<u>3,857,495</u>	<u>14,042</u>	<u>4,321,337</u>
NET CHANGE IN FUND BALANCE	<u>\$ (490)</u>	<u>\$ 23,502</u>	<u>\$ 92,403</u>	<u>\$ -</u>	<u>\$ 115,415</u>

See Accompanying Notes to Basic Financial Statements.

## SINGLE AUDIT ACT – REPORTS AND SCHEDULES

Northwest Regional Planning Commission  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Grantor Number	Federal CFDA Number	Expended
U. S. Environmental Protection Agency Brownfields Assessment Program		66.818	\$ 355,243
Passed through New England Interstate Water Pollution Control Commission			
Water Quality Management Program	LS-2019-080	66.481	37,685
Water Quality Management Program	LS-2020-056	66.481	15,373
Passed through Lamoille County Planning Commission			
Water Quality Management Program		66.454	3,635
U.S. Department of the Treasury - <b>COVID 19</b>			
Passed through Central Vermont Regional Planning Commission			
Coronavirus Relief Fund - LGER	SLT0083	21.019	4,725
U.S. Department of Health and Human Services			
Passed through State of Vermont, Department of Health			
Bioterrorism Hospital Preparedness Program	03420-6618S	93.889	3,436
U. S. Department of Homeland Security			
Passed through State of Vermont, Department of			
Public Safety			
Hazard Mitigation Grant	02140-34000MC-106E	97.039	419
Emergency Management Performance Grant	02140-31029C-006	97.042	2,685
Emergency Management Performance Grant	02140-31027C-006	97.042	8,226
Emergency Management Performance Grant	02140-31028C-006	97.042	23,098
U.S Department of Commerce Direct Programs			
Economic Development Support for Planning Organizations		11.302	291,224
U.S. Department of Interior			
Fish and Wildlife Management Assistance		15.608	44,300
U.S. Department of Transportation			
Highway Planning & Construction		20.205	535
Passed through State of Vermont, Agency			
of Transportation:			
Highway Planning & Construction	VAOT 21--GR1492	20.205	143,084
Highway Planning & Construction	VAOT 20--GR1382	20.205	51,493
			<u>\$ 985,161</u>

## NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northwest Regional Planning Commission, it is not intended to and does not present the financial position or changes in net assets of the Commission.

## NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Northwest Regional Planning Commission has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance because the Commission has an approved indirect cost rate.



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

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

To the Board of Directors  
Northwest Regional Planning Commission  
St. Albans, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Regional Planning Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Northwest Regional Planning Commission's basic financial statements, and have issued our report thereon dated December 3, 2021.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink, appearing to read "Kittell Brangan" followed by a stylized flourish.

St. Albans, Vermont  
December 3, 2021





**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

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

Board of Directors  
Northwest Regional Planning Commission  
St. Albans, Vermont 05478

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

We have audited Northwest Regional Planning Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of Northwest Regional Planning Commission's major federal programs for the year ended June 30, 2021. Northwest Regional Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Northwest Regional Planning Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northwest Regional Planning Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Northwest Regional Planning Commission's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Northwest Regional Planning Commission, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the Northwest Regional Planning Commission, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Northwest Regional Planning Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Northwest Regional Planning Commission's internal control over compliance.

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

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

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

A handwritten signature in black ink, appearing to read "Kaitlin Branga".

St. Albans, Vermont  
December 3, 2021

Northwest Regional Planning Commission  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2021

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of the Northwest Regional Planning Commission
2. There were no significant deficiencies disclosed during the audit of the financial statements of Northwest Regional Planning Commission
3. No instances of noncompliance material to the financial statements of the Northwest Regional Planning Commission were disclosed during the audit.
4. There was no significant deficiency disclosed in independent report on compliance for each major program and on internal control over compliance required by the uniform guidance.
5. The auditor's report on compliance for the major federal award programs for the Northwest Regional Planning Commission expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were:
 

	<u>CFDA #</u>
Brownfields Assessment & Cleanup	66.818
Economic Development Support	11.302
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Northwest Regional Planning Commission was not determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

There were no findings related to the financial statements audit.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

- There were no findings or questioned costs related to the major federal award programs.