

Audited Financial Statements
and Other Financial Information

Northwest Regional Planning Commission

June 30, 2024



Proven Expertise & Integrity

NORTHWEST REGIONAL PLANNING COMMISSION

CONTENTS

JUNE 30, 2024

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 12
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	13 - 14
STATEMENT B - STATEMENT OF ACTIVITIES	15 - 16
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	17
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	18
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	19
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
NOTES TO FINANCIAL STATEMENTS	21 - 44
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	45
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	46
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	47

SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS - PENSIONS	48
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	49
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	50
SCHEDULE A - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	51
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 <i>GOVERNMENT AUDITING STANDARDS</i>	52 - 53



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Northwest Regional Planning Commission
St. Albans, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Northwest Regional Planning Commission, as of and for the year ended June 30, 2024 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Northwest Regional Planning Commission as of June 30, 2024 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 the Northwest Regional Planning Commission 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.

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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 the Northwest Regional Planning Commission'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.

Auditor's 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 the 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 the Northwest Regional Planning Commission'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 the Northwest Regional Planning Commission'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, budgetary comparison information and pension information on pages 5 through 12 and 46 through 49 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

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 Schedule of Departmental Operations - General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Departmental Operations - General Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, 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 grants 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.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
March 28, 2025

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

(UNAUDITED)

The following management's discussion and analysis of the Northwest Regional Planning Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Commission's financial statements.

Financial Statement Overview

The Northwest Regional Planning Commission's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and pension schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include notes that explain in more detail certain information and provides the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Commission's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Commission's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - This shows the Commission's assets and liabilities, and net position (the difference between them).

The Statement of Activities - This shows how the Commission's net position changed during the period. Changes are reported when the event happens, regardless of when cash flows occur.

NRPC only has one category of activities, Governmental Activities. These are mostly funded by grants and contracts from federal and state governments. They include basic services such as salaries, travel, professional fees, office supplies, and more.

Fund Financial Statements

A fund is a grouping of related accounts that is used to segregate resources for specific activities or objectives. The Northwest Regional Planning Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Northwest Regional Planning Commission can be classified as one category: governmental funds.

Governmental funds are used for the basic services provided by the Commission. These funds track short-term inflows and outflows of resources and the balance of available resources at the end of the year. This helps evaluate the Commission's ability to meet its current financial needs. Unlike government-wide financial statements, these funds use a method called the modified accrual basis of accounting. Revenues are recorded when cash is received or expected, and expenses are recorded when due. Governmental funds focus more on the short term, while government-wide financial statements provide a broader, long-term view.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information to understand the long-term impact of the government's near-term financing decisions. To help compare these, the statements for governmental funds include reconciliations to show how they relate to governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The general fund is the only fund for which the Commission legally adopted a budget. Schedule 1, (the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund) provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes schedules detailing budget comparisons, share of pension liability and associated notes.

Other Supplementary Information

Schedule A follows the required supplementary information. This schedule provides a breakdown of profit and loss by budget category within the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Commission's governmental activities. Net position in governmental accounting represents the difference between all of the entity's assets and its liabilities. The Commission's total net position increased by \$318,351 from \$1,224,052 to \$1,542,403 as shown in Statements A and B. The increase can be attributed primarily due to an increase in miscellaneous revenue, partially offset by increased in fringe benefits.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased by \$49,897 from an unrestricted net position of \$465,793 to an unrestricted net position of \$415,896 at the end of this year.

In addition, this audit includes a \$73,936 correction/adjustment the July 1, 2024 starting Net Position (Statement B). This adjustment is explained in Note 15-Restatements. The adjustment is comprised of the following increases/(decreases):

\$39,308	Capital Assets and accumulated depreciation
1,614	Cash
59,940	Accounts Receivable
(5,193)	Prepaid Items
(243)	Dental Insurance Payable
<u>(19,871)</u>	Deferred Revenue
<u>\$73,936</u>	Total Restatement

NRPC and the auditing team have identified \$59,940 in Accounts Receivable that are included in the FY24 Accounts Receivable total of \$453,659 (Statement A) but are not included in FY24 Revenues (Statement E) due to limitations in NRPC's accounting system. NRPC and the auditing team also identified an additional \$19,871 in FY 24 Deferred Revenue. In consultation with the auditing team, \$59,940 in Accounts Receivable and \$19,871 in Deferred Revenue was included in the adjustment to ensure the financial statements fairly present NRPC's ending FY24 net position.

Table 1
Northwest Regional Planning Commission
Net Position
June 30,

	Governmental Activities	
	2024	2023 (Restated)
Assets		
Current Assets	\$ 2,138,125	\$ 2,074,308
Noncurrent Assets:		
Capital Assets	481,027	522,390
Other	700,242	272,795
Total Assets	<u>3,319,394</u>	<u>2,869,493</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pension	<u>205,802</u>	<u>257,471</u>
Total Deferred Inflows of Resources	<u>205,802</u>	<u>257,471</u>
Liabilities		
Current Liabilities	217,586	205,863
Noncurrent Liabilities	<u>628,780</u>	<u>627,292</u>
Total Liabilities	<u>846,366</u>	<u>833,155</u>
Deferred Inflows of Resources		
Deferred revenue	1,123,338	1,069,757
Deferred Inflows Related to Pension	<u>13,089</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,136,427</u>	<u>1,069,757</u>
Net Position		
Net Investment in Capital Assets	402,525	441,539
Restricted	723,982	316,720
Unrestricted	<u>415,896</u>	<u>465,793</u>
Total Net Position	<u>\$ 1,542,403</u>	<u>\$ 1,224,052</u>

Table 2
Northwest Regional Planning Commission
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities	
	2024	2023
Revenues		
General revenues:		
Intergovernmental	\$ 2,116,985	\$ 2,344,411
Miscellaneous	511,402	-
Total revenues	<u>2,628,387</u>	<u>2,344,411</u>
Expenses		
Salaries	1,137,919	1,097,820
Fringe Benefits	410,829	277,952
Travel	13,709	16,894
Consultants and Professional Fees	472,234	610,630
Shared Services Expenses	58,488	36,780
Office Supplies and Printing	27,252	33,715
Postage	1,351	1,384
Technology and Software	60,140	30,692
Telephone	19,952	12,672
Advertising	4,707	4,248
Building	14,220	27,927
Insurance	11,222	10,715
Dues and Memberships	13,895	13,473
Meetings	12,661	12,215
Unallocated depreciation	51,457	28,892
Total expenses	<u>2,310,036</u>	<u>2,216,009</u>
Change in Net Position	<u>318,351</u>	<u>128,402</u>
Net Position - July 1, as previously reported	1,150,116	1,021,714
Correct beginning net balance and capital assets	<u>73,936</u>	<u>-</u>
Net Position - July 1, as restated	<u>1,224,052</u>	<u>1,021,714</u>
Net Position - June 30	<u>\$ 1,542,403</u>	<u>\$ 1,150,116</u>

Revenues and Expenses

Revenues for the Commission's governmental activities increased by 12.11%, while total expenses increased by 4.24% between 2023 and 2024. The revenue category with the largest decrease was intergovernmental. The largest increase in expenses were from fringe benefits and technology and software, offset by decreases in consultants and professional fees.

Financial Analysis of the Commission's Fund Statements

Fund Balance represents the financial resources available to NRPC that can be spent on NRPC activities. The NRPC fund balance includes the reserves that are assigned for specific purposes by vote of the NRPC Board in accordance with the long-term reserve policy. These are detailed in Note 11. The unassigned fund balance increased very slightly this year because revenue exceeded expenses by \$3,215. However, similar to the correction to net position described above, the FY23 ending fund balance has been restated, increasing the FY23 unassigned fund balance by \$34,628. This is described further in Note 15- Restatements.

Table 3
Northwest Regional Planning Commission
Fund Balances - Governmental Funds
June 30,

	<u>2024</u>	<u>2023 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Fund:			
General Fund:			
Nonspendable	\$ 15,109	\$ -	\$ 15,109
Assigned	316,720	316,720	-
Unassigned	449,092	460,986	(11,894)
Total Major Fund	<u>\$ 780,921</u>	<u>\$ 777,706</u>	<u>\$ 3,215</u>

Budgetary Highlights

The general fund actual receipts were under budgeted amounts by \$1,086,070. All revenue categories were receipted at or under budgeted amounts with the exception of the ACCD grant.

The general fund actual expenditures were under budgeted amounts by \$935,486. All expenditure categories were under budgeted amounts with the exception of salaries, fringe benefits, technology and software, telephone and dues and memberships.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Commission decreased by \$41,363 when compared to the prior year. This decrease was due to current year additions of \$15,721, less net disposals of \$5,627 and depreciation expense of \$51,457.

Table 4
Northwest Regional Planning Commission
Capital Assets (Net of Depreciation)
June 30,

	2024	2023 (Restated)
Land improvements	\$ 22,564	\$ 24,483
Buildings and improvements	319,782	338,830
Furniture and fixtures	7,429	8,283
Machinery and equipment	84,974	97,507
Vehicles	42,262	53,287
Right of use lease asset	4,016	-
Total	<u>\$ 481,027</u>	<u>\$ 522,390</u>

Debt

At June 30, 2024, the Commission had \$78,502 in a mortgage and lease payable versus \$80,853 last year, a decrease of 2.91%. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Commission's appointed officials considered many factors when setting the fiscal year 2025 budget, including the long-term projects and programs necessary to support municipal, regional and state priorities. The FY 25 NRPC Budget reflects a 13.4% increase in overall revenue and 13.0% increase in expenses for the coming fiscal year. While some grant programs have ended, revenues that support regional projects and programs have remained steady or increased. The revenues and expenses for Healthy Roots line are zero to reflect the anticipation transition of that program to Champlain Valley Office of Economic Opportunity (CVOEO).

Contacting the Commission's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions or need additional financial information, contact Catherine Dimitruk, Executive Director, Northwest Regional Planning Commission, 75 Fairfield Street, St. Albans, VT 05478, (802) 524-5958.

STATEMENT A
NORTHWEST REGIONAL PLANNING COMMISSION

STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,473,732
Investments	112,250
Deposits in transit	59,635
Accounts receivable (net of allowance for uncollectibles)	453,659
Current portion of notes receivable (net of allowance for uncollectibles)	23,740
Prepaid items	15,109
Total current assets	<u>2,138,125</u>
Noncurrent assets:	
Noncurrent portion of notes receivable	700,242
Capital assets:	
Depreciable assets, net of accumulated depreciation	481,027
Total noncurrent assets	<u>1,181,269</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	205,802
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>205,802</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,525,196</u>

STATEMENT A (CONTINUED)
NORTHWEST REGIONAL PLANNING COMMISSION

STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 88,794
Accrued expenses	18,040
Accrued payroll	39,736
Accrued vacation	63,556
Current portion of noncurrent liabilities	<u>7,460</u>
Total current liabilities	<u>217,586</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Mortgage payable	67,827
Lease liabilities	3,215
Net pension liability	<u>557,738</u>
Total noncurrent liabilities	<u>628,780</u>
TOTAL LIABILITIES	<u>846,366</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	1,123,338
Deferred inflows related to pensions	<u>13,089</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,136,427</u>
NET POSITION	
Net investment in capital assets	402,525
Restricted	723,982
Unrestricted	<u>415,896</u>
TOTAL NET POSITION	<u>1,542,403</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 3,525,196</u>

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contracts	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Salaries	\$ 1,137,919	\$ -	\$ -	\$ -	\$ (1,137,919)
Fringe Benefits	410,829	-	-	-	(410,829)
Travel	13,709	-	-	-	(13,709)
Consultants and Professional Fees	472,234	-	-	-	(472,234)
Shared Services Expenses	58,488	-	-	-	(58,488)
Office Supplies and Printing	27,252	-	-	-	(27,252)
Postage	1,351	-	-	-	(1,351)
Technology and Software	60,140	-	-	-	(60,140)
Telephone	19,952	-	-	-	(19,952)
Advertising	4,707	-	-	-	(4,707)
Building	14,220	-	-	-	(14,220)
Insurance	11,222	-	-	-	(11,222)
Dues and Memberships	13,895	-	-	-	(13,895)
Meetings	12,661	-	-	-	(12,661)
Unallocated depreciation	51,457	-	-	-	(51,457)
Total governmental activities	<u>\$ 2,310,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,310,036)</u>

STATEMENT B (CONTINUED)
NORTHWEST REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(2,310,036)</u>
General revenue:	
Intergovernmental revenues	2,116,985
Interest and Miscellaneous Income	<u>511,402</u>
Total general revenue	<u>2,628,387</u>
Change in net position	<u>318,351</u>
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	1,150,116
CORRECT CAPITAL ASSETS AND BEGINNING NET POSITION	<u>73,936</u>
NET POSITION - JULY 1, AS RESTATED	<u>1,224,052</u>
NET POSITION - JUNE 30	<u><u>\$ 1,542,403</u></u>

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Total
ASSETS		
Cash and cash equivalents	\$ 1,585,982	\$ 1,585,982
Deposits in transit	59,635	59,635
Accounts receivable (net of allowance for uncollectibles)	453,659	453,659
Prepaid items	15,109	15,109
TOTAL ASSETS	<u>\$ 2,114,385</u>	<u>\$ 2,114,385</u>
LIABILITIES		
Accounts payable	\$ 88,794	\$ 88,794
Accrued expenses	18,040	18,040
Accrued payroll	39,736	39,736
Accrued vacation	63,556	63,556
TOTAL LIABILITIES	<u>210,126</u>	<u>210,126</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred grant revenue	1,123,338	1,123,338
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,123,338</u>	<u>1,123,338</u>
FUND BALANCES		
Nonspendable	15,109	15,109
Restricted	-	-
Committed	-	-
Assigned	316,720	316,720
Unassigned	449,092	449,092
TOTAL FUND BALANCES	<u>780,921</u>	<u>780,921</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,114,385</u>	<u>\$ 2,114,385</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT D

NORTHWEST REGIONAL PLANNING COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Governmental Funds
Total Fund Balances	\$ 780,921
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	481,027
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred notes receivable	723,982
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	205,802
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Mortgage payable	(74,486)
Leases payable	(4,016)
Net pension liability	(557,738)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	
Pension	(13,089)
Net position of governmental activities	<u>\$ 1,542,403</u>

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Total
REVENUES		
ACCD Grant	\$ 559,506	\$ 559,506
VAOT Grant	269,061	269,061
Clean Water Service Provider	180,107	180,107
Shared Services and Healthy Roots	393,682	393,682
Municipal Contracts	116,058	116,058
Municipal Assessments	66,397	66,397
Interest and Miscellaneous Income	87,564	87,564
Other Grants	532,174	532,174
TOTAL REVENUES	<u>2,204,549</u>	<u>2,204,549</u>
EXPENDITURES		
Current:		
Salaries	1,137,919	1,137,919
Fringe Benefits	341,139	341,139
Travel	13,709	13,709
Consultants and Professional Fees	472,234	472,234
Shared Services Expenses	58,488	58,488
Office Supplies and Printing	27,252	27,252
Postage	1,552	1,552
Technology and Software	60,140	60,140
Telephone	19,952	19,952
Advertising	4,707	4,707
Building	26,464	26,464
Insurance	11,222	11,222
Dues and Memberships	13,895	13,895
Meetings	12,661	12,661
TOTAL EXPENDITURES	<u>2,201,334</u>	<u>2,201,334</u>
NET CHANGE IN FUND BALANCE	<u>3,215</u>	<u>3,215</u>
FUND BALANCE - JULY 1, AS PREVIOUSLY REPORTED	743,078	743,078
FUND BALANCE CORRECTIONS	<u>34,628</u>	<u>34,628</u>
FUND BALANCE - JULY 1, AS RESTATED	<u>777,706</u>	<u>777,706</u>
FUND BALANCE - JUNE 30	<u>\$ 780,921</u>	<u>\$ 780,921</u>

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 3,215</u>
--	-----------------

Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:

Capital asset acquisitions	15,721
Capital asset disposals	(5,627)
Depreciation expense	<u>(51,457)</u>
	<u>(41,363)</u>

Long-term note receivable activity was reported as revenues and/or expenditures in the governmental funds but are reported as a decrease and/or increase in long-term notes receivable in the Statement of Net Position.	<u>423,838</u>
--	----------------

Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(51,669)</u>
--	-----------------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	<u>(4,217)</u>
--	----------------

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>6,568</u>
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Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(13,089)</u>
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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:

Net pension liability	<u>(4,932)</u>
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Change in net position of governmental activities (Statement B)	<u>\$ 318,351</u>
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See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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.

Membership in the Commission is open to all of the cities, towns and gores within Franklin and Grand Isle Counties in Vermont. Municipalities within the region who elect by an act of their voters or their legislative body become members of the Commission. The Commission is governed by a Board of Commissioners comprised of representatives from each member municipality, other at-large representatives are appointed by the Board of Commissioners. Each member has one vote.

The Commission's combined financial statements include all accounts and all operations of the Commission. We have determined that the Commission has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is material to the financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. The Commission categorizes all activities of the Commission as governmental.

In the government-wide Statement of Net Position, the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Commission first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Commission's functions (regional planning and other programs, transportation and regional development, etc.) except for fiduciary activities. The functions are also supported by general government revenues (certain intergovernmental revenues, charges for services, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (certain intergovernmental revenues and charges for services, etc.).

The Commission allocates indirect costs. Certain administrative costs are charged indirectly to the corresponding project using the established and approved annual indirect cost rate.

The government-wide focus is more on the sustainability of the Commission as an entity and the change in the Commission's net assets resulting from the current year's activities.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Commission are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Commission:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

Major Fund:

- a. The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Commission's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Commission prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Commission was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Commission.

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 three months or less from the date of acquisition.

It is the Commission's policy to value investments at fair value. None of the Commission's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Commission is authorized by State Statutes to invest all excess funds in the following:

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Northwest Regional Planning Commission has no formal investment policy but instead follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were \$453,659 for the year ended June 30, 2024. The allowance for uncollectible accounts for notes receivable is estimated to be \$0 as of June 30, 2024. Notes receivable netted with allowances for uncollectible accounts were \$723,982 for the year ended June 30, 2024.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more depending on the asset type 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.

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized on a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Buildings and improvements	10-50 years
Machinery, furniture and vehicles	5-20 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist of a mortgage payable, lease liability, accrued compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) Plan and additions to/deductions from the VMERS Plan's fiduciary net position have been determined on the same basis as they are reported by the VMERS Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

legislations adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission currently has one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two types of this item, deferred revenue and deferred notes receivable, which arise only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, these items are reported in the governmental funds balance sheet. Deferred inflows related to pensions also qualifies for reporting in this category. This item is reported in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Commission is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Commission. The inhabitants of the Commission through Commission meetings are the highest level of decision-making authority of the Commission. Commitments may be established, modified or rescinded only through a Commission meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by the Commission's highest level of decision-making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Commission meeting vote has provided otherwise in its commitment or assignment actions.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Commission does not utilize encumbrance accounting for its general fund.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

During the preparation of the Commission'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.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Commission's investment policies, which follow state statutes, authorize the Commission to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Commission funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Commission will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

At June 30, 2024, the Commission's cash balances of \$1,473,732 were comprised of bank deposits amounting to \$1,506,459. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Commission's cash balance. Of these bank deposits, \$1,320,359 were insured by federal depository insurance and consequently were not exposed to custodial credit risk. \$186,100 were uncollateralized and consequently were exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 623,077
Money market accounts	11,087
ICS accounts	872,295
	<u>\$ 1,506,459</u>

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Commission does not have a policy for custodial credit risk for investments.

Interest rate risk - The risk that changes in interest rates will adversely affect the fair value of an investment. The Commission does not have a policy related to interest rate risk as the investments that the Commission uses are not subject to interest rate risk. Certificates of deposit held with local financial institutions for \$112,250 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2024, the Commission's investment of \$112,250 in certificates of deposit were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Credit risk - The Commission's investment policies authorize to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Commission does not have an investment policy on credit risk. Generally, the Commission invests excess funds in various insured certificates of deposit.

NOTE 3 - LOANS RECEIVABLE

Loans receivables consist of loans disbursed through the Brownfields Revolving Loan Program of the Environmental Protection Agency. The following is a summary of changes in loans receivable for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deductions	Balance, 6/30/24	Current Portion
<u>Governmental activities:</u>					
Notes receivable	\$ 300,144	\$ 450,205	\$ (26,367)	\$ 723,982	\$ 23,740

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - LOANS RECEIVABLE (CONTINUED)

The following is a summary of loans receivable outstanding as of June 30, 2024:

\$62,500 NRPC BCRLF loan receivable from Town of Rockingham at 0% interest, monthly payments of \$437.50, ending December 2029.	\$ 23,188
\$298,000 NRPC BCRLF loan receivable from City of St. Albans at 0% interest, monthly payments of \$1,241.67, ending December 2041.	250,813
\$19,565 NRPC BCRLF loan receivable from Village Center Apartments, LP at a fixed interest rate of 1%, monthly principal and interest payments of \$89.98 beginning May 21, 2024.	19,341
\$162,000 NRPC BCRLF loan receivable from Town of St. Johnsbury at 0% interest, monthly payments of \$900.00, beginning April 4, 2025.	162,000
\$268,640 NRPC BCRLF loan receivable from Goldenjunk, LLC at a fixed interest rate of 1%, to be repaid by a \$253,712.70 ACCD grant and monthly payments to be started by January 21, 2026 and the balance will be paid by January 21, 2031.	<u>268,640</u>
	<u>\$ 723,982</u>

The following is a schedule of the loan's receivable principal and interest maturities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,740	\$ 190	\$ 23,930
2026	287,021	253	287,274
2027	34,799	293	35,092
2028	37,025	255	37,280
2029	89,246	216	89,462
2030-2034	138,367	145	138,512
2035-2039	101,508	64	101,572
2040-2044	12,276	37	12,313
	<u>\$ 723,982</u>	<u>\$ 1,453</u>	<u>\$ 725,435</u>

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Disposals/ Adjustments	Balance, 6/30/24
<u>Governmental activities</u>				
Depreciated assets:				
Land improvements	\$ 27,410	\$ -	\$ -	\$ 27,410
Buildings and improvements	494,860	-	-	494,860
Furniture and fixtures	43,388	-	(3,100)	40,288
Machinery and equipment	603,741	11,504	(457,293)	157,952
Vehicles	55,124	-	-	55,124
Right of use lease asset	-	4,217	-	4,217
	<u>1,224,523</u>	<u>15,721</u>	<u>(460,393)</u>	<u>779,851</u>
Less: accumulated depreciation:				
Land improvements	(2,927)	(1,919)	-	(4,846)
Buildings and improvements	(156,030)	(19,048)	-	(175,078)
Furniture and fixtures	(35,105)	(854)	3,100	(32,859)
Machinery and equipment	(506,234)	(18,410)	451,666	(72,978)
Vehicles	(1,837)	(11,025)	-	(12,862)
Right of use lease asset	-	(201)	-	(201)
	<u>(702,133)</u>	<u>(51,457)</u>	<u>454,766</u>	<u>(298,824)</u>
Net capital assets	<u>\$ 522,390</u>	<u>\$ (35,736)</u>	<u>\$ (5,627)</u>	<u>\$ 481,027</u>
Depreciation expense:				
Buildings and improvements				\$ 19,323
Office furniture and equipment				14,139
Office furniture and equipment - other				17,568
Public safety equipment				427
Total depreciation expense				<u>\$ 51,457</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deductions	Balance, 6/30/24	Current Portion
Mortgage payable	\$ 80,853	\$ -	\$ (6,367)	\$ 74,486	\$ 6,659
Lease liability	-	4,217	(201)	4,016	801
	<u>\$ 80,853</u>	<u>\$ 4,217</u>	<u>\$ (6,568)</u>	<u>\$ 78,502</u>	<u>\$ 7,460</u>

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the mortgage payable and lease liability outstanding as of June 30, 2024:

Mortgage payable:

Franklin County Industrial Development Corp, with a fixed interest rate of 4.5%. Monthly payments of \$823 for 180 months and the remaining balance due September 26, 2028.

\$ 74,486

Lease liability:

March 2024 postage meter lease with Northeast Mailing Systems for 63 months at \$67 per month.

4,016

\$ 78,502

The annual principal requirements to amortize the mortgage payable and lease liability are as follows:

	Mortgage Payable		Lease Liability		Total
	Principal	Interest	Principal	Interest	Debt Service
2025	\$ 6,659	\$ 3,216	\$ 801	\$ -	\$ 10,676
2026	6,965	2,910	801	-	10,676
2027	7,285	2,590	801	-	10,676
2028	7,620	2,255	801	-	10,676
2029	45,957	510	812	-	47,279
	<u>\$ 74,486</u>	<u>\$ 11,481</u>	<u>\$ 4,016</u>	<u>\$ -</u>	<u>\$ 89,983</u>

The right of use lease assets associated with this lease liability (including amortization/depreciation applicable to the same) are presented as a separate category of capital assets and are grouped accordingly in the Statement of Net Position.

All mortgage and lease liabilities are direct obligations of the Commission, for which its full faith and credit are pledged. The Commission is not obligated for any special assessment debt.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deductions	Balance, 6/30/24	Current Portion
Net pension liability	\$ 552,806	\$ 136,938	\$ (132,006)	\$ 557,738	\$ -

Please see Notes 7 and 12 for detailed information on the other long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Commission's has combined sick and vacation time that is referred to as Personal Accrued Time (PAT). As of June 30, 2024, the Commission's liability for compensated absences is \$63,556.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Commission at June 30, 2024:

Invested in capital assets	\$ 779,851
Accumulated depreciation	(298,824)
Outstanding capital related debt	(78,502)
	<u>\$ 402,525</u>

NOTE 9 - RESTRICTED NET POSITION

At June 30, 2024, the Commission had the following restricted net position:

Brownfields Revolving Loan Program:	
Loans receivable	<u>\$ 723,982</u>

NOTE 10 - NONSPENDABLE FUND BALANCE

At June 30, 2024, the nonspendable fund balance was made up of the following:

General fund:	
Prepaid items	<u>\$ 15,109</u>

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 - ASSIGNED FUND BALANCE

At June 30, 2024, the assigned fund balance was made up of the following:

Long-term reserves	\$ 213,720
Equipment reserves	20,000
Building reserves	61,000
PAT Reserves	22,000
	\$ 316,720

NOTE 12 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2022 (the most recent data available), the retirement system consisted of 17,253 participating members.

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.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

The Commission participates in Group B. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Benefit formula - Normal Service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

** A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2023 are as follows:

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.750% of gross salary	6.125% of gross salary	11.250% of gross salary	12.600% of gross salary
Employer Contributions	5.250% of gross salary	6.750% of gross salary	8.500% of gross salary	11.100% of gross salary

Employee contributions are withheld pre-income tax by the Commission and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2024 totaled \$40,868. The Commission contributed \$67,248 for the year ended June 30, 2024. The Commission's total payroll for the year ended June 30, 2024 for all employees covered under this plan was \$821,652.

Pension Liabilities

At June 30, 2024, the Commission reported a liability of \$557,738 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2022. The Commission's proportion of the net pension liabilities were based on a projection of the Commission's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2023, the Commission's proportion was 0.17413% for VMERS, which was an increase of 0.00809% from its proportion measured as of June 30, 2022 for VMERS.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the Commission recognized pension expense of \$69,690 for the VMERS plan. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,978	\$ -
Changes of assumptions	18,179	-
Net difference between projected and actual earnings on pension plan investments	63,454	-
Changes in proportion and differences between contributions and proportionate share of contributions	21,943	13,089
Contributions subsequent to the measurement date	67,248	-
Total	\$ 205,802	\$ 13,089

\$67,248 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VMERS Plan
Plan year ended June 30:	
2024	\$ 49,787
2025	21,791
2026	55,201
2027	(1,313)
2028	-
Thereafter	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2023 measurement date was determined by rolling forward the total pension liability as of June 30, 2022 to June 30, 2023. The total pension liability was calculated using the following actuarial assumptions:

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Inflation: 2.30%

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.

Deaths After Retirement: Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B/C - 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021.
- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Retirees:

- Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2021.
- Group D - PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2021.

Healthy Post-Retirement - Beneficiaries:

- Groups A/B/C - 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.
- Group D - Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.

Disabled Post-Retirement:

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2021.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: 85% of male members and 50% of female members are assumed to be married.

Spouse's Age: Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024, COLA is expected to be 1.10% for Groups A, B, C and D. The January 1, 2023 COLA is 2.00% for Group A members and 3.00% for Group B, C and D members.

Actuarial Cost Method: The Projected Benefit Cost Method is used. Normal contribution rates for each Group are equal to rates from the prior year, adjusted for increases or decreases in rates due to assumption changes or plan provision changes.

Amortization Method: Amortization payments calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The amortization of unfunded actuarial accrued liability (UAAL) within the actuarially determined contribution rate calculation is based on the level percentage of pay required to amortize the UAAL over the 30-year closed period that began on July 1, 2008. As of July 1, 2022, the remaining amortization period is 16 years.

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The *long-term expected rate of return* on 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 investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	44.00%	5.35%
Private Equity	10.00%	7.50%
Emerging Markets Debt	2.00%	5.00%
Private and Alternative Credit	10.00%	5.50%
Non-Core Real Estate	4.00%	5.50%
Core Fixed Income	19.00%	1.50%
Core Real Estate	4.00%	3.25%
US TIPS	2.00%	1.50%
Infrastructure/Farmland	5.00%	4.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VMERS plan, as well as what

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Commission's proportionate share of the net pension liability	\$ 839,482	\$ 557,738	\$ 326,156

Pension Plan Fiduciary Net Position

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 VMERS or their 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. The Annual Report can be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](https://www.vermont.gov/annual-comprehensive-financial-report).

NOTE 13 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions and natural disasters for which the Commission carries commercial insurance covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission.

Based on the coverage provided by the insurance purchased, the Commission feels it is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2024. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 14 - CONTINGENCIES AND COMMITMENTS

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Commission's financial position.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 14 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

The Commission participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Commission's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 15 - RESTATEMENTS

During fiscal year 2024, the Commission determined net position corrections were required for capital assets and accumulated depreciation for a net increase of \$39,308, additionally certain corrections were required which increased the beginning general fund balance by \$34,628. This resulted in a total beginning net position increase of \$73,936. The beginning general fund balance changes includes the following increases/(decreases): cash \$1,614, accounts receivable \$59,940, prepaid items (\$5,193), accounts payable (\$1,619), dental insurance payable (\$243) and deferred revenue (\$19,871). These changes resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	6/30/2023 As Previously Reported	Correction (Current Assets)	Correction (Current Liabilities)	Correction (Deferred Revenues)	Correction (Capital Assets)	6/30/2023 As Restated
Government-Wide						
Governmental Activities	\$ 1,150,116	\$ 56,361	\$ (1,862)	\$ (19,871)	\$ 39,308	\$ 1,224,052
Governmental Funds						
Major Fund:						
General Fund	\$ 743,078	\$ 56,361	\$ (1,862)	\$ (19,871)	\$ -	\$ 777,706

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Notes to Required Supplementary Information

SCHEDULE 1

NORTHWEST REGIONAL PLANNING COMMISSION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 777,706	\$ 777,706	\$ 777,706	\$ -
Resources (Inflows):				
ACCD Grant	488,165	488,165	559,506	71,341
VAOT Grant	283,785	364,805	269,061	(95,744)
Clean Water Service Provider	710,000	710,000	180,107	(529,893)
Shared Services and Healthy Roots	337,245	331,353	393,682	62,329
Municipal Contracts	133,750	151,389	116,058	(35,331)
Municipal Assessments	66,397	66,397	66,397	-
Interest and Miscellaneous Income	48,500	94,126	87,564	(6,562)
Other Grants	858,991	1,084,384	532,174	(552,210)
Carryforward	25,000	-	-	-
Total Resources (Inflows)	2,951,833	3,290,619	2,204,549	(1,086,070)
Amounts Available for Appropriation	3,729,539	4,068,325	2,982,255	(1,086,070)
Charges to Appropriations (Outflows):				
Current:				
Salaries	1,100,000	1,128,604	1,137,919	(9,315)
Fringe Benefits	304,713	331,916	341,139	(9,223)
Grants in Aid	123,260	123,260	-	
Travel	18,000	18,000	13,709	4,291
Consultants and Professional Fees	1,112,450	1,363,060	472,234	890,826
Shared Services Expenses	62,200	62,200	58,488	3,712
Office Supplies and Printing	72,000	72,000	27,252	44,748
Postage	2,500	2,500	1,552	948
Technology and Software	49,165	49,165	60,140	(10,975)
Telephone	10,000	15,000	19,952	(4,952)
Advertising	5,000	5,000	4,707	293
Building	31,375	36,375	26,464	9,911
Insurance	12,000	12,000	11,222	778
Dues and Memberships	10,000	10,000	13,895	(3,895)
Meetings	16,000	16,000	12,661	3,339
Reserves	15,000	15,000	-	15,000
Total Charges to Appropriations	2,943,663	3,260,080	2,201,334	935,486
Current Year Budget Surplus	8,170	30,539	3,215	27,324
Budgetary Fund Balance, June 30	\$ 785,876	\$ 808,245	\$ 780,921	\$ (27,324)

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019
<u>VMERS:</u>						
Proportion of the net pension liability	0.17%	0.18%	0.18%	0.16%	0.15%	0.07%
Proportionate share of the net pension liability	\$ 557,738	\$ 552,806	\$ 262,943	\$ 367,695	\$ 252,209	\$ 101,646
Covered payroll	\$ 763,594	\$ 729,452	\$ 661,990	\$ 661,990	\$ 596,546	\$ -
Proportionate share of the net pension liability as a percentage of its covered payroll	73.04%	75.78%	39.72%	55.54%	42.28%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019
<u>VMERS:</u>						
Contractually required contribution	\$ 67,248	\$ 45,591	\$ 39,720	\$ 32,582	\$ 27,931	\$ 12,656
Contributions in relation to the contractually required contribution	<u>(67,248)</u>	<u>(45,591)</u>	<u>(39,720)</u>	<u>(32,582)</u>	<u>(27,931)</u>	<u>(12,656)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 821,652	\$ 763,594	\$ 729,452	\$ 661,990	\$ 661,990	\$ 596,546
Contributions as a percentage of covered payroll	8.18%	5.97%	5.45%	4.92%	4.22%	2.12%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

NORTHWEST REGIONAL PLANNING COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

Changes of Assumptions

VMERS Pension Plan:

- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- Assumed active retirement rates for all groups were adjusted based on plan experience.
- Assumed termination rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.
- Assumed disability rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund

NORTHWEST REGIONAL PLANNING COMMISSION

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	VAOT Core Grant	ACCD Grant Core Funding	Clean Water Services Provider Grant	Shared Services	Grants Assessments and Contracts	Admin.	Total
OPERATING REVENUES							
Grants	\$ 269,060	\$ 559,506	\$ 180,107	\$ 393,682	\$ 532,176	\$ -	\$ 1,934,531
Contracts	-	-	-	-	116,058	-	116,058
Municipal Assessments	-	-	-	-	66,397	-	66,397
Interest and Misc. Income	-	-	3,042	-	84,021	500	87,563
TOTAL REVENUES	<u>269,060</u>	<u>559,506</u>	<u>183,149</u>	<u>393,682</u>	<u>798,652</u>	<u>500</u>	<u>2,204,549</u>
EXPENDITURES							
Salary and Fringe	93,785	221,434	50,764	208,495	197,975	706,605	1,479,058
Travel	1,070	4,871	542	2,746	3,037	1,443	13,709
Postage, Printing and Supplies	1,472	14,615	782	69,184	14,880	108,936	209,869
Consultants & Professional Fees	65,534	16,856	65,457	100	296,969	27,318	472,234
Other	-	-	-	-	-	26,464	26,464
Admin. Allocation	<u>125,254</u>	<u>258,858</u>	<u>83,503</u>	<u>39,368</u>	<u>367,412</u>	<u>(874,395)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>287,115</u>	<u>516,634</u>	<u>201,048</u>	<u>319,893</u>	<u>880,273</u>	<u>(3,629)</u>	<u>2,201,334</u>
NET CHANGE IN FUND BALANCE	<u>\$ (18,055)</u>	<u>\$ 42,872</u>	<u>\$ (17,899)</u>	<u>\$ 73,789</u>	<u>\$ (81,621)</u>	<u>\$ 4,129</u>	<u>\$ 3,215</u>

See accompanying independent auditor's report and notes to financial statements.



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
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 and each major fund of the Northwest Regional Planning Commission, as of and for the year ended June 30, 2024 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 March 28, 2025.

Report on 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) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northwest Regional Planning Commission'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 financial statements. 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 organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
March 28, 2025