

**SOUTHERN WINDSOR COUNTY REGIONAL  
PLANNING COMMISSION**

**AUDIT REPORT AND REPORTS ON  
COMPLIANCE AND INTERNAL CONTROL**

**JUNE 30, 2020**

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 AUDIT REPORT  
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77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Fred Duplessis, CPA  
Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
[VT Lic. #92-000180](#)

## Independent Auditor's Report

Board of Commissioners  
Southern Windsor County Regional  
Planning Commission  
Ascutney, VT 05030

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

We have audited the accompanying financial statements of the Southern Windsor County Regional Planning Commission as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Southern Windsor County Regional Planning Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Southern Windsor County Regional Planning Commission as of June 30, 2020, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters – Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 8, the Schedule of Proportionate Share of the Net Pension Liability – VMERS on Schedule 1 and the Schedule of Contributions – VMERS on Schedule 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Matters - Other Information**

Our audit was conducted for the purpose of forming an opinion, on the financial statements that collectively comprise the Southern Windsor County Regional Planning Commission’s basic financial statements. The Schedule of Expenditures of Federal Awards listed as Schedule 4 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” and is also not a required part of the basic financial statements.

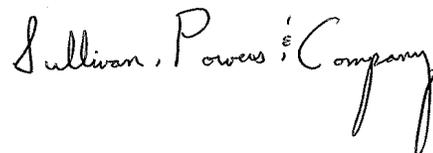
The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southern Windsor County Regional Planning Commission’s basic financial statements. The Schedule of Revenues, Expenditures and Change in Fund Balance – General Fund – Budget and Actual is presented for additional analysis and is not a required part of the basic financial statements. This schedule has not been subjected to the auditing procedures applied in the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with “Government Auditing Standards”, we have also issued our report dated October 9, 2020 on our consideration of the Southern Windsor County Regional Planning Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering Southern Windsor County Regional Planning Commission’s internal control over financial reporting and compliance.

Montpelier, Vermont  
VT Lic. #92-000180



SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

Our discussion and analysis of Southern Windsor County Regional Planning Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Commission's financial statements which begin on page 9.

***Financial Highlights***

- The Commission's net position increased by \$358,377 this year compared to an increase of \$62,715 in the prior year.
- The cost of all the Commission's programs was \$2,051,291 this year, compared to \$1,794,234 in the prior year.
- The General Fund reported a decrease in fund balance this year of \$68 while the budget anticipated no change. The prior year had an increase of \$10,562 compared to a budgeted change of \$-0-.
- The unassigned fund balance for the General Fund was \$408,725 as of June 30, 2020 compared to \$408,029 at June 30, 2019. This amount represents the amount of resources available for future budgets. The Commission also had \$16,334 of nonspendable fund balance for prepaid fiscal year 2021 expenses.

**Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Commission's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

*Reporting the Commission as a Whole*

The financial statements of the Commission as a whole begin on page 9. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and its change in net position. You can think of the Commission's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the Commission's financial health or financial position. Over time, increases or decreases in the Commission's net position is one indicator of whether its financial health is improving or deteriorating. You may need to consider other non-financial factors, however, such as changes in the Commission's program activities as may be mandated by the Federal or state government.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

*Reporting the Commission's Most Significant Funds*

The fund financial statements begin on page 11 and provide detailed information about the Commission's governmental funds.

The Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called "modified accrual accounting", which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibit D and Exhibit F in the financial statements.

**The Commission as a Whole**

The Commission's net position increased by \$358,377 from \$1,475,613 to \$1,833,990 during the year. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the Commission's governmental activities.

Table 1 – Statement of Net Position

	2020	2019	Change
Current and Other Assets	\$ 2,042,650	\$ 1,624,229	\$ 418,421
Capital Assets	265,592	31,501	234,091
Total Assets	<u>2,308,242</u>	<u>1,655,730</u>	<u>652,512</u>
 Deferred Outflows of Resources	 <u>104,102</u>	 <u>118,356</u>	 <u>(14,254)</u>
 Long-Term Liabilities	 512,572	 257,415	 255,157
Other Liabilities	59,584	37,206	22,378
Total Liabilities	<u>572,156</u>	<u>294,621</u>	<u>277,535</u>
 Deferred Inflows of Resources	 <u>6,198</u>	 <u>3,852</u>	 <u>2,346</u>
 Net Position:			
Investment in Capital Assets	66,834	31,501	35,333
Restricted	1,571,570	1,168,053	403,517
Unrestricted	<u>195,586</u>	<u>276,059</u>	<u>(80,473)</u>
Total Net Position	<u><u>\$ 1,833,990</u></u>	<u><u>\$ 1,475,613</u></u>	<u><u>\$ 358,377</u></u>

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

Table 2 – Statement of Activities

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Revenues:			
Program Revenues			
Charges for Services	\$ 336,829	\$ 354,662	\$ (17,833)
Operating Grants and Contributions	1,874,622	1,294,437	580,185
General Revenues			
Town Contracts	80,457	94,943	(14,486)
Other General Revenue	117,760	112,907	4,853
Total Revenues	<u>2,409,668</u>	<u>1,856,949</u>	<u>552,719</u>
 Program Expenses			
Governmental Activities:			
Regional Planning and Other Programs	894,404	877,938	16,466
Vtrans Cooperative	164,973	189,492	(24,519)
Environmental (Brownfields)	193,969	12,253	181,716
Water Quality	789,970	714,551	75,419
Interest on Long-Term Debt	7,975	0	7,975
Total Program Expenses	<u>2,051,291</u>	<u>1,794,234</u>	<u>257,057</u>
 Change in Net Position	 <u>\$ 358,377</u>	 <u>\$ 62,715</u>	 <u>\$ 295,662</u>

**Governmental Activities**

Revenues of \$2,409,668 for the Commission's governmental activities increased by about 30% from \$1,856,949, while total expenses increased by about 14% to \$2,051,291. The Operating Grants and Contributions increase was due largely to the statewide Water Quality Grants being managed for the State of Vermont by the Commission and large projects completed in the Brownfields programs. This increase in revenues is a direct result of the increased expenses in Water Quality and Brownfields which again result from more projects.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

Table 3 presents the cost of each of the Commission's programs as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the Commission's members by each of these functions.

Table 3 – Governmental Activities

	<u>Total Cost of Services</u> <u>2020</u>	<u>Net Cost (Benefit) of Services</u> <u>2020</u>	<u>Total Cost of Services</u> <u>2019</u>	<u>Net Cost (Benefit) of Services</u> <u>2019</u>
Governmental Activities:				
Regional Planning and Other Programs	\$ 894,404	\$ 228,635	\$ 877,938	\$ 190,134
Vtrans Cooperative	164,973	18,978	189,492	20,913
Environmental (Brownfields)	193,969	(430,115)	12,253	(68,271)
Water Quality	789,970	14,367	714,551	2,359
Interest on Long-Term Debt	<u>7,975</u>	<u>7,975</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 2,051,291</u>	<u>\$ (160,160)</u>	<u>\$ 1,794,234</u>	<u>\$ 145,135</u>

The Commission's net benefit of services from the Brownfields program was used to fund involving loans to community projects, which amounted to \$428,414 in 2020.

**The Commission's Funds**

As the Commission completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$593,769, which is above last year's total of \$543,546.

**General Fund Budgetary Variance Highlights**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Water Quality	\$ 423,598	\$ 113,421	\$ (310,177)
Expenditures:			
Consultant/Legal	\$ 357,835	\$ 76,913	\$ 280,922
Personnel Services	\$ 846,322	\$ 792,615	\$ 53,707

Water Quality Revenue was less than expected due to the amount of funding requests from other Regional Planning Commissions who are the recipients of these funds. This also explains the lower than expected Expenditures in Consultant/Legal, which is where these requests are classified. The lower expenditures can partially be attributed to Covid-19 shutdowns. Personnel Services is lower than budget due to turnover and positions being unfilled for part of the year.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**Capital Assets**

At June 30, 2020, the Commission had \$265,592 invested in facility costs, computer hardware, computer software, and other office equipment. (See Table 4 below)

Table 4  
Capital Assets at Year-End  
(net of Accumulated Depreciation)

	2020	2019	Change
Land	\$ 40,000	\$ 0	\$ 40,000
Computer and Equipment	6,572	6,081	491
Facility Deposit and Costs	219,020	25,420	193,600
	\$ 265,592	\$ 31,501	\$ 234,091

The Commission purchased its facility from the landlord in July, 2019 for \$260,000. In fiscal year 2019, deposits and other costs related to the facility in the amount of \$25,420 were paid. In 2020, the Commission purchased \$5,980 in computers and equipment.

**Economic Factors and Next Year’s Budget**

The Commission’s appointed officials considered many factors when setting the fiscal year 2021 budget. One of the factors was the funding level expected to be provided by the State of Vermont through the annual Agency of Commerce and Community Development block grant. Other significant factors were the progress on the various special contracts being performed by the Commission. Due to Covid-19 related funding uncertainties, the Commission passed a three month budget through September 30, 2020 and is in the process of completing the remainder of the year once State funding amounts are available.

The Commission’s unassigned fund balance is expected to remain the same in fiscal year 2021.

**Contacting the Commission’s Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, grantors 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 any questions about this report or need additional financial information, contact the Commission’s Office at Southern Windsor County Regional Planning Commission, Rte 5, Ascutney Professional Building, Ascutney, VT 05030-0320.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
STATEMENT OF NET POSITION  
JUNE 30, 2020

Assets:	
Cash	\$ 367,665
Investments	88,850
Receivables	162,406
Unbilled Receivables	7,534
Prepaid Expenses	16,334
Loans - Due in One Year	85,084
Loans - Due After One Year	1,314,777
Capital Assets, Net of Accumulated Depreciation	<u>265,592</u>
Total Assets	<u>2,308,242</u>
Deferred Outflows of Resources:	
Deferred Outflows of Resources Related to the Planning Commission's Participation in VMERS	<u>104,102</u>
Total Deferred Outflows of Resources	<u>104,102</u>
Liabilities:	
Accounts Payable	11,748
Accrued Payroll Withholdings	5,109
Unearned Grant Revenue	29,863
Tenant Security Deposits	2,300
Noncurrent Liabilities:	
Due within One Year	10,564
Due in More than One Year	<u>512,572</u>
Total Liabilities	<u>572,156</u>
Deferred Inflows of Resources:	
Deferred Inflows of Resources Related to the Planning Commission's Participation in VMERS	<u>6,198</u>
Total Deferred Inflows of Resources	<u>6,198</u>
Net Position:	
Invested in Capital Assets	66,834
Restricted for EPA Brownfields	1,571,570
Unrestricted	<u>195,586</u>
Total Net Position	<u>\$ 1,833,990</u>

The accompanying notes are an integral part of this financial statement.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Charge for Services	Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position
Functions/Programs:				
Governmental Activities:				
Regional Planning and Other Programs	\$ 894,404	\$ 336,829	\$ 328,940	\$ (228,635)
Vtrans Cooperative	164,973	0	145,995	(18,978)
Environment (Brownfields)	193,969	0	624,084	430,115
Water Quality	789,970	0	775,603	(14,367)
Interest on Long-term Debt	7,975	0	0	(7,975)
Total	\$ 2,051,291	\$ 336,829	\$ 1,874,622	160,160
General Revenues:				
Town Contracts				80,457
Interest Income				3,591
Other Income				114,169
Total General Revenues				198,217
Change in Net Position				358,377
Net Position - July 1, 2019				1,475,613
Net Position - June 30, 2020				\$ 1,833,990

The accompanying notes are an integral part of this financial statement.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>General Fund</u>	<u>EPA - Brownfields Revolving Loan Fund</u>	<u>Clean Water Block Grant Fund</u>	<u>Totals</u>
<b>Assets:</b>				
Cash and Investments	\$ 283,532	\$ 162,361	\$ 10,622	\$ 456,515
Receivables	157,698	4,708	0	162,406
Unbilled Receivables	7,534	0	0	7,534
Loans Receivable	0	1,399,861	0	1,399,861
Due from Other Funds	13,621	5,440	0	19,061
Prepaid Expenses	16,334	0	0	16,334
	<u>478,719</u>	<u>1,572,370</u>	<u>10,622</u>	<u>2,061,711</u>
<b>Total Assets</b>	<b>\$ 478,719</b>	<b>\$ 1,572,370</b>	<b>\$ 10,622</b>	<b>\$ 2,061,711</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 10,948	\$ 800	\$ 0	\$ 11,748
Accrued Payroll Liabilities and Withholdings	5,109	0	0	5,109
Tenant Security Deposits	2,300	0	0	2,300
Due to Other Funds	5,440	0	13,621	19,061
Unearned Grant Revenue	29,863	0	0	29,863
	<u>53,660</u>	<u>800</u>	<u>13,621</u>	<u>68,081</u>
<b>Total Liabilities</b>	<b>53,660</b>	<b>800</b>	<b>13,621</b>	<b>68,081</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Loans Receivable	<u>0</u>	<u>1,399,861</u>	<u>0</u>	<u>1,399,861</u>
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>1,399,861</b>	<b>0</b>	<b>1,399,861</b>
<b>Fund Balances:</b>				
Nonspendable	16,334	0	0	16,334
Restricted for EPA Brownfields	0	171,709	0	171,709
Unassigned/(Deficit)	408,725	0	(2,999)	405,726
	<u>425,059</u>	<u>171,709</u>	<u>(2,999)</u>	<u>593,769</u>
<b>Total Fund Balances/(Deficit)</b>	<b>425,059</b>	<b>171,709</b>	<b>(2,999)</b>	<b>593,769</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 478,719</b>	<b>\$ 1,572,370</b>	<b>\$ 10,622</b>	<b>\$ 2,061,711</b>

The accompanying notes are an integral part of this financial statement.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS  
 BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2020

Total Fund Balances - Governmental Funds	\$	593,769
Amounts Reported for Governmental Activities in the Statement of Net Position are different Because:		
The Revolving Loans are not Available to Pay for Current Expenditures so they are Deferred in the Fund Statements.		1,399,861
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported as Assets in Governmental Funds. The Cost of the Assets is \$367,011 and the Accumulated Depreciation is \$101,419		265,592
The Deferred Outflows and Inflows of Resources Related to the Planning Commission's Participation in VMERS are Applicable to Future Periods and, Therefore, are not Reported in the Governmental Funds		97,904
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.		
Long Term Liabilities at Year end Consist of		
Mortgage Payable		(198,758)
Net Pension Liability		(288,957)
Accrued Compensated Absences		(35,421)
Total Net Position - Governmental Activities	\$	<u>1,833,990</u>

The accompanying notes are an integral part of this financial statement.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	EPA - Brownfields Revolving Loan Fund	Clean Water Block Grant Fund	Totals
Revenues:				
Town Contracts	\$ 80,457	\$ 0	\$ 0	\$ 80,457
ACCD Block Grant	190,834	0	0	190,834
Brownfields - EPA Grants	0	624,084	0	624,084
VTrans Cooperative Grant	145,995	0	0	145,995
Emergency Management Grants	64,968	0	0	64,968
Water Quality Grants	113,421	0	662,182	775,603
Other Grants/Contracts	63,120	0	10,018	73,138
Interest	968	2,623	0	3,591
Management Fees and Consultation	336,828	0	0	336,828
Rent	21,576	0	0	21,576
Other Revenue	92,594	72,031	0	164,625
<b>Total Revenues</b>	<b>1,110,761</b>	<b>698,738</b>	<b>672,200</b>	<b>2,481,699</b>
Expenditures:				
Regional Planning and Other Programs	818,157	0	0	818,157
VTrans Cooperative	155,565	0	0	155,565
Environmental (Brownfields)	0	619,617	0	619,617
Water Quality	140,244	0	644,695	784,939
Capital Outlay				
Regional Planning and Other Programs	240,320	0	0	240,320
VTrans Cooperative	3,660	0	0	3,660
Debt Service:				
Principal	9,242	0	0	9,242
Interest	7,976	0	0	7,976
<b>Total Expenditures</b>	<b>1,375,164</b>	<b>619,617</b>	<b>644,695</b>	<b>2,639,476</b>
Excess/(Deficiency) of Revenues Over Expenditures	(264,403)	79,121	27,505	(157,777)
Other Financing Sources/(Uses):				
Loan Proceeds	208,000	0	0	208,000
Transfer from/(to) Other Funds	56,335	(31,988)	(24,347)	0
<b>Total Other Financing Sources/(Uses)</b>	<b>264,335</b>	<b>(31,988)</b>	<b>(24,347)</b>	<b>208,000</b>
Net Change in Fund Balance	(68)	47,133	3,158	50,223
Fund Balance/(Deficit) - July 1, 2019	425,127	124,576	(6,157)	543,546
Fund Balance/(Deficit) - June 30, 2020	\$ 425,059	\$ 171,709	\$ (2,999)	\$ 593,769

The accompanying notes are an integral part of this financial statement.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Net Change in Fund Balance - Governmental Funds	\$	50,223
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Revolving Loan Disbursements and Loan Repayments are Reported in Governmental Funds as Expenditures and Revenues. However, in the Statement of Activities, the Loan Disbursement (\$428,414) and Repayment Activity (\$72,031) is not Reported.		356,383
Capital Outlays are Reported in Governmental Funds as Expenditures: However, in the Statement of Activities, the Cost of Those Assets is Allocated over Their Estimated Useful Lives as Depreciation Expense. This is the Amount by Which Capital Outlays (\$243,980) Exceeds Depreciation Expense (\$9,889)		234,091
The issuance of long-term debt (\$208,000) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$9,242) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(198,758)
Governmental Funds Report Pension Contributions as Expenditures. However, in the Statement of Activities, the Cost of Pension Benefits Earned Net of Employee Contributions is Reported as Pension Expense.		(64,673)
In the Statement of Activities, Certain Operating Expenses, Such as Accrued Compensated Absences, are Measured by the Amounts Earned by Employees During the Year. In the Governmental Funds, however, Expenditures for These Items are Measured by the Amount of Financial Resources Used (Essentially, the Amounts Actually Paid). This Year, Compensated Absences Earned Were More than Amounts Paid by \$18,889.		<u>(18,889)</u>
Change in Net Position of Governmental Activities	\$	<u><u>358,377</u></u>

The accompanying notes are an integral part of this financial statement.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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The Southern Windsor County Regional Planning Commission (the Commission) is a governmental organization chartered under Chapter 117 of Title 24 of Vermont State Statutes to coordinate regional planning activities in ten towns in the southern Windsor County region of Vermont.

The Commission acts as an advocate for the needs of its member towns and helps to bridge the opportunities and concerns that exist between towns and the State. Services provided include local and regional planning; transportation planning; environmental planning; emergency management preparation planning; housing needs analyses; conservation and others.

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Commission conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

### **A. The Financial Reporting Entity**

This report includes all of the funds of the Commission. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Commission.

### **B. Basis of Presentation**

The accounts of the Commission are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

The basic financial statements of the Commission include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Commission as a whole and present a longer-term view of the Commission's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Commission and present a shorter-term view of how operations were financed and what remains available for future spending.

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government, the Commission. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Commission's funds.

The Commission reports on the following major governmental funds:

General Fund – This is the Commission's primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund.

EPA – Brownfields Revolving Loan Fund – This is a Special Revenue fund which accounts for the activity of the EPA – Brownfields Program.

Clean Water Block Grant Fund – This is a Special Revenue Fund used to account for clean water grants received from the State of Vermont.

### **C. Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows of resources associated with operations (whether current or noncurrent) are included on the statement of net position. Fund equity (i.e., net total position) is segregated into investment in capital assets, net of related debt, restricted net position, and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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JUNE 30, 2020

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**D. 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.

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include assessments, grants and donations. On the accrual basis, revenue from assessments is recognized in the fiscal year for which the assessments are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Commission considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Commission funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

**E. Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Budgets**

Budgets are used by the Commission as a management tool but are not legally required by the Commission's Bylaws. Therefore, no budgetary comparison is shown in the basic financial statements.

**G. Assets, Liabilities and Equity**

**1. Cash**

The Commission considers all short-term investments of ninety (90) days or less to be cash equivalents.

**2. Receivables**

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables. At June 30, 2020, management determined no allowance was necessary.

**3. Internal Balances**

Balances outstanding at the end of the fiscal year are reported as "due to/from other funds".

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**4. Prepaid Expenses**

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses.

Prepaid expenses of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

**5. Pension**

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources 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' fiduciary net position have been determined on the same basis as they are reported by VMERS. 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.

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements 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/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes 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. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

**7. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased. Contributed assets are recorded at their estimated acquisition value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized

Capital assets reported in the government-wide financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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The capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) is \$1,000. The estimated useful lives of capital assets are as follows:

Building	50 years
Computer Hardware	3-5 years
Computer Software	3-5 years
Other Equipment	5-7 years
Furniture and fixtures	10 years

Capital assets are not reported in the governmental fund type financial statements. Capital outlays in these funds are recorded as expenditures in the year they are incurred.

### **8. Compensated Absences**

It is the policy of the Commission to permit employees to accumulate earned but unused vacation benefits but only 50% of each year's unused earned vacation can be carried over to the next year. Upon termination, employees will be paid up to a maximum of 160 hours for unused vacation time. No Commission employees are entitled to a payout of sick benefits upon separation from service. The accrual for unused compensated absences, based on current pay rates, is recorded in the government-wide financial statements. The liability for unused compensated absences is not reported in the governmental fund type financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

### **9. Long-term Liabilities**

Long-term liabilities include bonds and notes payable, compensated absences and the net pension liability. Long-term liabilities are reported in the government-wide financial statements.

Governmental fund type financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current liabilities on their balance sheets.

### **10. Fund Equity**

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in government-wide financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the Board of Commissioners); assigned (reflecting the Commission's intended use of the resources); and unassigned.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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**II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS**

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, while government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report operating expenses (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as revenue, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report long-term debt proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year’s required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Commission’s proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Cash and investments are comprised of the following:

Cash:		
	Deposits with Financial Institutions	\$ 367,659
	Petty Cash	<u>6</u>
	Total Cash	<u>367,665</u>
Investments:		
	Certificates of Deposit	<u>88,850</u>
	Total Cash and Investments	<u>\$ 456,515</u>

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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The Commission has a cash account restricted to the EPA-Brownfields with a balance of \$162,361. The remainder of the Commission’s cash is unrestricted.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Commission does not have any policy to limit the exposure to custodial credit risk. The Commission’s deposits are exposed to custodial credit risk as outlined in the following deposit analysis:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 252,132	\$ 252,437
Uninsured, Collateralized-Held by the Bank's Trust Department - Repurchase Agreement Secured by U.S. Government Securities	204,377	196,558
Petty Cash	<u>6</u>	<u>N/A</u>
Total	<u>\$ 456,515</u>	<u>\$ 448,995</u>

The difference between the book balance and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the Commission’s investments are held within one security. The Commission does not have any limitations on the amount that can be invested in any one issuer. The Commission’s certificate of deposit is exempt from concentration of credit risk analysis.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Commission does not have any policy to limit the exposure to interest rate risk.

The Commission has one (1) certificate with an interest rate of 1.00%. The certificate of deposit matures during fiscal year 2022.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission's certificate of deposit is exempt from the credit risk analysis. The Commission does not have any policy to limit the exposure to credit risk.

**B. Receivables**

Receivables at June 30, 2020, as reported in the statement of net position, net of applicable allowances for uncollectible accounts (\$-0- as of June 30, 2020) are as follows:

State and Federal Grants	\$ 77,015
Contracts and Consulting	<u>85,391</u>
 Total	 \$ <u><u>162,406</u></u>

**C. Loans Receivable**

The Commission has the following loans receivable through its EPA - Brownfields Revolving Loan Fund. The source of these funds is EPA grants. Amounts due from loans receivable are as follows at June 30, 2020:

Artisan Surfaces Loan of \$23,362, Payments of \$194.68 Per Month for 120 Months Until Paid in Full, No Interest Unless in Default	\$ 18,105
Bright Street Limited Partnership, Loan of \$250,000, Payments of \$1,149.74 Per Month at 1% Interest, for 240 Months Until Paid in Full	210,881
One-Hundred River Street, LLC, Payments of \$1,500 Per Month through December 31, 2016, then \$3,000 Per Month through December 31, 2018, then \$4,000 per Month Until Paid in Full by December 31, 2033. The Loan is Non-Interest Bearing and is Secured by the Personal Guarantees of the Three Principals of the LLC	653,114
Woolson Block LP, Loan of \$175,000 in 2020. Payments Deferred for Five (5) Years, then Monthly Payments of \$583.33 Until Paid in Full by June, 2025. The Loan is Non-Interest Bearing and is Secured by a Real Estate Mortgage	175,000

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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One-Hundred River Street, LLC, Loan of \$39,478, Anticipated Payments of \$328.99 Per Month for 120 Months Until Paid in Full. The Loan is Non-Interest Bearing and is Secured by the Personal Guarantees of the Three Principals of the LLC	\$ 33,227
Windsor Improvement Corp., Loan of \$257,686, Payments of \$1,075 Per Month for 240 Months Until Paid in Full. The Loan is Non-Interest Bearing and is Secured by a Real Estate Mortgage	251,439
Precision Valley LLC, Loan of \$49,478, Payments of \$161.59 Per Month of Interest Only at 4% for 59 Months with a Balloon Payment Due May, 2025. Secured by Real Estate Mortgage	49,478
Springfield Regional Development Corporation. Payments of \$102.54 Per Month Beginning September 1, 2020 Until Paid in Full, No Interest Unless in Default	<u>8,617</u>
Total	1,399,861
Less Current Portion	<u>(85,084)</u>
Long-Term Portion	\$ <u><u>1,314,777</u></u>

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Disposals	Balance June 30, 2020
Capital Assets, Not Being Depreciated:				
Land	\$ 0	\$ 40,000	\$ 0	\$ 40,000
Total Capital Assets, Not Being Depreciated	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>
Capital Assets, Being Depreciated:				
Building	25,420	198,000	0	223,420
Computers and Equipment	87,469	5,980	10,128	83,321
Furniture and Fixtures	20,270	0	0	20,270
Totals	<u>133,159</u>	<u>203,980</u>	<u>10,128</u>	<u>327,011</u>
Less Accumulated Depreciation:				
Building	0	4,400	0	4,400
Computers and Equipment	81,388	5,489	10,128	76,749
Furniture and Fixtures	20,270	0	0	20,270
Totals	<u>101,658</u>	<u>9,889</u>	<u>10,128</u>	<u>101,419</u>
Total Capital Assets, Being Depreciated	<u>31,501</u>	<u>194,091</u>	<u>0</u>	<u>225,592</u>
Total Capital Assets, Net	\$ <u><u>31,501</u></u>	\$ <u><u>234,091</u></u>	\$ <u><u>0</u></u>	\$ <u><u>265,592</u></u>

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
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Depreciation expense of \$9,889 was charged to Regional Planning and Other Programs in the Statement of Activities.

**E. Deferred Outflows of Resources**

Deferred outflows of resources in the Governmental Activities consists of \$5,590 from changes in the Commission's proportional share of contributions, \$37,437 from difference between expected and actual experience, \$19,681 from difference between projected and actual earnings and \$9,648 from changes in assumptions related to the Commission's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$31,746 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Governmental Activities is \$104,102.

**F. Unearned Grant Revenue**

Unearned revenue of \$29,863 consists of grants received in excess of eligible expenses. These funds will be spent in fiscal year 2021 and recognized as revenue.

**G. Deferred Inflows of Resources**

Deferred inflows of resources in the Governmental Activities consists of \$2,498 from the difference between actual and expected and experience and \$3,700 from changes in the Commission's proportional share of contributions related to the Commission's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Governmental Activities is \$6,198.

Deferred inflows of resources in the EPA – Brownfields Revolving Loan Fund consists of \$1,399,861 of loans receivable.

**H. Long-term Liabilities**

Compensated Absences – It is the policy of the Commission to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements.

Net Pension Liability - The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Commission's share of the net pension liability is recorded in the government-wide financial statements.

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The Commission has a mortgage payable as follows:

Mortgage Loan, Mascoma Bank, \$208,000 with Interest at 4.25%. Monthly Principal and Interest Payments of \$1,565.24, Final Payment Due on July 17, 2034. \$ 198,758

Less: Current Portion (10,564)

Long-Term Portion \$ 188,194

Maturities as follows:

2021	\$ 10,564
2022	10,991
2023	11,468
2024	11,964
2025	12,483
2026-2030	70,243
2031-2035	<u>71,045</u>
	<u>\$198,758</u>

Changes in all long-term liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Mortgage Payable	\$ 0	\$ 208,000	\$ 9,242	\$ 198,758	\$ 10,564
Compensated Absences	16,532	18,889	0	35,421	0
Net Pension Liability	<u>240,883</u>	<u>48,074</u>	<u>0</u>	<u>288,957</u>	<u>0</u>
 Total Governmental Activities					
Long-Term Liabilities	<u>\$ 257,415</u>	<u>\$ 274,963</u>	<u>\$ 9,242</u>	<u>\$ 523,136</u>	<u>\$ 10,564</u>

**I. Fund Balances/Net Position**

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the Board of Commissioners); assigned (reflecting the Commission’s intended use of the resources); and unassigned.

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Special Revenue Funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Commission does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Commission does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Commission's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

Restricted Net Position

The net position in the governmental activities is restricted as follows:

Restricted for Brownfield Activities	\$ <u>1,571,570</u>
Total Restricted Net Position	\$ <u>1,571,570</u>

Nonspendable Fund Balances

The fund balance in the following fund is nonspendable as follows:

Nonspendable General Fund Prepaid Expenses	\$ <u>16,334</u>
Total Nonspendable Fund Balances	\$ <u>16,334</u>

Restricted Fund Balances

The fund balance in the following fund is restricted as follows:

Restricted for EPA Brownfield Activities – Special Revenue Fund	\$ <u>171,709</u>
Total Restricted Fund Balances	\$ <u>171,709</u>

The deficit of \$2,999 in the Clean Water Block Grant Fund will be eliminated by future grant revenues.

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**IV. OTHER INFORMATION**

**A. Pension Plans**

**Defined Benefit Plan**

**Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2019, the retirement system consisted of 379 participating employers.

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

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

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

As of June 30, 2019, the measurement date selected by the State of Vermont, VMERS was funded at 80.35% and had a plan fiduciary net position of \$709,465,831 and a total pension liability of \$882,957,638 resulting in a net pension liability of \$173,491,807. As of June 30, 2020, the Commission's proportionate share of this was 0.1666% resulting in a net pension liability of \$288,957. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. As of June 30, 2020, the Commission's proportion of 0.1666% was a decrease of 0.0046% from its proportion measured as of June 30, 2019.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

For the year ended June 30, 2020, the Commission recognized pension expense of \$96,418.

As of June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 37,437	\$ 2,498
Changes in Proportional Share of Contributions	5,590	3,700
Difference Between Projected and Actual Earnings on Pension Plan Investments	19,681	0
Changes in Assumptions	9,648	0
Commission's Required Employer Contributions Made Subsequent to the Measurement Date	31,746	0
	\$ 104,102	\$ 6,198

The deferred outflows of resources resulting from the Commission's required employer contributions made subsequent to the measurement date in the amount of \$31,746 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as a reduction in pension expense as follows:

Year Ending <u>June 30</u>	
2021	\$ 27,433
2022	15,440
2023	14,575
2024	8,710
Total	\$ 66,158

**Summary of System Provisions**

Membership – Full time employees of participating municipalities. The Commission elected coverage under Group B provisions.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group B – Average annual compensation during highest three (3) consecutive years.

Service Retirement Allowance:

Eligibility – Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

Amount – Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC.

Maximum benefit is 60% of AFC for Group B. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Group B.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Group B, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement – For Group B, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 3% for Group B.

Member Contributions – Group B – 5.125%.

Employer Contributions – Group B – 5.75%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

**Significant Actuarial Assumptions and Methods**

Investment Rate of Return: 7.50%, net of pension plan investment expenses, including inflation.

Salary increases: 5% per year.

**Mortality:**

Death in Active Service:

Group B – 98% of RP-2006 Mortality Tables, blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017.

Healthy Post-Retirement:

Group B – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using Scale SSA-2017.

Disabled Post-Retirement:

All Groups – RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017.

Spouse's Age: Females are assumed to be three years younger than males.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.30% per annum for Groups B members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group B who receive a disability retirement benefit). The January 1, 2020 COLA is assumed to be 0.80% for all groups.

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

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

Inflation: 2.50%.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29.00%	6.90%
US-Equity – Large Cap	4.00%	5.94%
US Equity – Small/Mid Cap	3.00%	6.72%
Non-US Equity – Large Cap	5.00%	6.81%
Non-US Equity – Small Cap	2.00%	7.31%
Emerging Markets Debt	4.00%	4.26%
Core Bond	14.00%	1.79%
Non-Core Bonds	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastructure/Farmland	2.00%	4.89%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%.

In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$473,846	\$288,957	\$135,903

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

**Additional Information**

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

**Defined Contribution Plan**

Commission employees can participate in a Internal Revenue Code Sec. 457. Deferred compensation plan sponsored by the State of Vermont. The Commission does not contribute to this plan and has no cost.

**B. 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; injuries to employees; and natural disasters. The Commission maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**C. Commitments**

The Commission leases a copier for \$263 per month through December, 2020. Total lease payments under this lease were \$3,156 for the 2020 fiscal year.

The Commission leases a postage meter for \$54 per month through 2025. Total lease payments for the 2020 fiscal year were \$648.

**D. Concentrations**

The Commission received the majority of its revenue from State and Federal grants.

**E. Contingencies**

The Commission participates in a number of Federal and State grant programs which are subject to audit by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2020 have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Plan Net Pension Liability	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Commission's Proportion of the Net Pension Liability	0.1666%	0.1712%	0.1697%	0.1505%	0.1304%	0.1259%
Commission's Proportionate Share of the Net Pension Liability	\$ 288,957	\$ 240,883	\$ 205,627	\$ 193,681	\$ 100,532	\$ 11,489
Commission's Covered-Employee Payroll	\$ 552,105	\$ 568,905	\$ 545,327	\$ 503,945	\$ 415,918	\$ 340,689
Commission's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	52.34%	42.34%	37.71%	38.43%	24.17%	3.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%
	as of	as of	as of	as of	as of	as of
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

**Notes to Schedule**

Benefit Changes: None.

Changes in Assumptions and Methods: None

Fiscal Year 2015 was the first year of implementation, therefore, only six years are shown.

See Disclaimer in Accompanying Independent Auditor's Report.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 31,746	\$ 32,001	\$ 29,993	\$ 27,717	\$ 22,873	\$ 18,312
Contributions in Relation to the Contractually Required Contribution	<u>(31,746)</u>	<u>(32,001)</u>	<u>(29,993)</u>	<u>(27,717)</u>	<u>(22,873)</u>	<u>(18,312)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>					
Commission's Covered-Employee Payroll	\$ 552,105	\$ 568,905	\$ 545,327	503,945	415,918	340,689
Contributions as a Percentage of Covered-Employee Payroll	5.750%	5.625%	5.500%	5.500%	5.499%	5.375%

**Notes to Schedule**

Valuation Date: June 30, 2019

Fiscal Year 2015 was the first year of implementation, therefore, only six years are shown.

See Disclaimer in Accompanying Independent Auditor's Report.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Town Contracts:			
Municipal Dues	\$ 30,889	\$ 30,889	\$ 0
Municipal Planning Grants	5,000	12,583	7,583
Other Transportation Grants	39,366	36,985	(2,381)
Total Town Contracts	75,255	80,457	5,202
Grant Funds:			
ACCD Contract	199,508	190,834	(8,674)
Emergency Management:			
Local Emergency Planning Committee	7,000	7,921	921
Department of Public Safety Grants	54,176	57,047	2,871
Total Emergency Management	61,176	64,968	3,792
Other Grants:			
Energy Grants	3,000	18,562	15,562
VTrans Cooperative	170,260	145,995	(24,265)
Water Quality	423,598	113,421	(310,177)
Other	0	15,178	15,178
Total Other Grants	596,858	293,156	(303,702)
Consultation and Other Income:			
Interest	936	968	32
Consultation Services	8,760	20,928	12,168
CDBG Contracts	13,900	8,674	(5,226)
Economic Development District	24,000	20,706	(3,294)
Management Fees-SWWC Solid Waste Mgt District	174,507	167,578	(6,929)
Management Fees-GUV Solid Waste Mgt District	170,000	148,322	(21,678)
Miscellaneous	100	0	(100)
Total Consultation and Other Income	392,203	367,176	(25,027)
Total Revenues	1,325,000	996,591	(328,409)

See Disclaimer in Accompanying Independent Auditor's Report.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Current:			
Personnel Services:			
Salaries/Wages	\$ 603,354	\$ 563,778	\$ 39,576
Payroll Taxes	44,534	42,684	1,850
Benefits	105,834	103,513	2,321
Insurance and HRA	36,744	28,082	8,662
Retirement	55,856	54,558	1,298
Total Personnel Services	846,322	792,615	53,707
Occupancy:			
Rent	27,036	26,928	108
Insurance	8,600	8,010	590
Total Occupancy	35,636	34,938	698
Consultants/Legal	357,835	76,913	280,922
Program Development:			
Dues and Reference Materials	7,012	7,602	(590)
Planning Projects	14,000	14,872	(872)
Workshop/Training Programs	3,500	2,310	1,190
Total Program Development	24,512	24,784	(272)
Travel:			
Travel and Auto	25,000	16,241	8,759
Meetings and Conferences	5,000	2,467	2,533
Total Travel	30,000	18,708	11,292
Non-Indirect Expenses	8,456	6,294	2,162
Office Expenses:			
Audit & Other Admin	14,398	14,329	69
Advertising	300	495	(195)
Computer Support	15,844	17,237	(1,393)
Leasing	3,746	3,806	(60)
Miscellaneous	643	193	450
Office Cleaning and Maintenance	9,068	5,280	3,788
Office and Computer Supplies	4,400	5,464	(1,064)
Postage	1,300	1,265	35
Service Contract	3,500	2,446	1,054
Small Office Equipment	4,400	299	4,101
Telephone	5,940	7,120	(1,180)
Total Office Expenses	63,539	57,934	5,605

See Disclaimer in Accompanying Independent Auditor's Report.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Direct Expenditures:			
EDD Grant Direct Expenditures	\$ <u>1,500</u>	\$ <u>750</u>	\$ <u>750</u>
Total Direct Expenditures	<u>1,500</u>	<u>750</u>	<u>750</u>
Capital Outlays:			
Office Equipment	<u>2,000</u>	<u>2,320</u>	<u>(320)</u>
Total Capital Outlays	<u>2,000</u>	<u>2,320</u>	<u>(320)</u>
Total Expenditures	<u>1,369,800</u>	<u>1,015,256</u>	<u>354,544</u>
Excess Revenues/(Expenditures)	<u>(44,800)</u>	<u>(18,665)</u>	<u>26,135</u>
Other Financing Sources/(Uses):			
Transfer from Other Funds:			
Revolving Loan Fund	14,800	31,988	(17,188)
Clean Water Block Grant Fund	<u>30,000</u>	<u>24,347</u>	<u>5,653</u>
Total Other Financing Sources/(Uses)	<u>44,800</u>	<u>56,335</u>	<u>(11,535)</u>
	<u>\$ 0</u>	37,670	<u>\$ 37,670</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Ascutney Professional Building Fund Revenue and Other Financing Sources		255,397	
Ascutney Professional Building Fund Expenditures and Other Financing Uses		<u>(293,135)</u>	
		<u>(37,738)</u>	
Net Change in Fund Balance		(68)	
Fund Balance - July 1, 2019		<u>425,127</u>	
Fund Balance - June 30, 2020		<u>\$ 425,059</u>	

The reconciling items are due to combining the Ascutney Professional Building Fund with the General Fund in order to comply with GASB Statement No. 54.

See Disclaimer in Accompanying Independent Auditor's Report.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through the Vermont Agency of Transportation				
<u>Highway Planning and Construction Cluster:</u>				
Highway Planning and Construction	20.205	GR1272	\$ 0	\$ 34,599
Highway Planning and Construction	20.205	GR1377	<u>0</u>	<u>96,797</u>
Total U.S. Department of Transportation			<u>0</u>	<u>131,396</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
Direct Programs				
Brownfields Assessment and Cleanup	66.818	BF-96180601-2	<u>595,636</u>	<u>651,463</u>
Total U.S. Environmental Protection Agency			<u>595,636</u>	<u>651,463</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through the Vermont Department of Public Safety				
Emergency Management Performance Grant	97.042	02140-31026C-009	0	5,201
Emergency Management Performance Grant	97.042	02140-31027C-009	<u>0</u>	<u>47,221</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>52,422</u>
Total Expenditures of Federal Awards			<u>\$ 595,636</u>	<u>\$ 835,281</u>

**Note A - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Southern Windsor County Regional Planning Commission under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southern Windsor County Regional Planning Commission, it is not intended to and does not present the financial position, changes in net assets or cash flows.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Southern Windsor County Regional Planning Commission has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Independent Auditor's Report.

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Fred Duplessis, CPA  
Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
VT Lic. #92-000180

**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  
Southern Windsor County Regional  
Planning Commission  
Ascutney, VT 05030

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 Southern Windsor County Regional Planning Commission as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Southern Windsor County Regional Planning Commission's basic financial statements and have issued our report thereon dated October 9, 2020.

**Internal Control Over Financial Reporting**

In planning and performing the audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures 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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

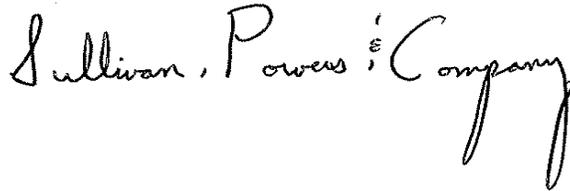
As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

However, we noted a certain other matter that we reported in a separate letter to the management of Southern Windsor County Regional Planning Commission dated October 9, 2020.

### **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 Commission's internal control or on compliance. This report is an integral part of an audit performing in accordance with "Government Auditing Standards" in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 9, 2020  
Montpelier, Vermont  
VT Lic. #92-000180



# Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

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Wendy C. Gilwee, CPA  
[VT Lic. #92-000180](#)

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Commissioners  
Southern Windsor County Regional  
Planning Commission  
Ascutney, VT 05030

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

We have audited Southern Windsor County Regional Planning Commission compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) "Compliance Supplement" that could have a direct and material effect on the Southern Windsor County Regional Planning Commission's major federal program for the year ended June 30, 2020. The Southern Windsor County Regional Planning Commission's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Deficiencies in Internal Control.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Southern Windsor County Regional Planning Commission's major federal program based on our audit of the types of compliance requirements referred to previously.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and Title 2 U.S. "Code of Federal Regulations" Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to previously that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Southern Windsor County Regional Planning Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Southern Windsor County Regional Planning Commission's compliance.

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

In our opinion, the Southern Windsor County Regional Planning Commission complied, in all material respects, with the types of compliance requirements referred to previously that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

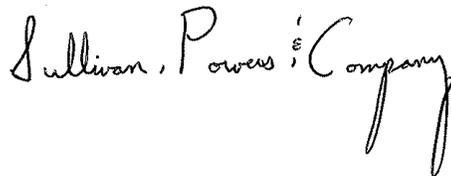
The management of the Southern Windsor County Regional Planning Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to previously. In planning and performing our audit of compliance, we considered the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

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

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

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

October 9, 2020  
Montpelier, Vermont  
VT Lic. #92-000180



SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2020

The Commission did not have a Single Audit in the prior year.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:  
Unmodified.

Internal Control Over Financial Reporting:  
Material Weaknesses identified:  
None noted.  
Significant Deficiencies identified not considered to be material weaknesses:  
None noted.

Noncompliance material to financial statements:  
None noted.

Federal Awards

Internal Control Over Major Programs:  
Material Weaknesses identified:  
None noted.  
Significant Deficiencies identified not considered to be material weaknesses:  
None noted.

Type of auditor's report issued on compliance for major programs:  
Unmodified.

There are no audit findings that are required to be reported in accordance with 2CFR 200.516(a).

Major Program:

<u>CFDA #</u>	<u>Program</u>
66.818	Brownfields Assessments and Cleanup Cooperative Agreements

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

The auditee did not qualify as a low risk auditee.