

**CHITTENDEN COUNTY REGIONAL
PLANNING COMMISSION**

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

JUNE 30, 2017

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 AUDIT REPORT
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AUDIT REPORT
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Independent Auditor's Report

Board of Directors
Chittenden County Regional
Planning Commission
Winooski, Vermont 05404

Report on the Financial Statements

We have audited the accompanying financial statements of the Chittenden County Regional Planning Commission as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Chittenden 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 Chittenden 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 Chittenden 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 Chittenden County Regional Planning Commission as of June 30, 2017, 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 9, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1 and the Schedule of Contributions 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

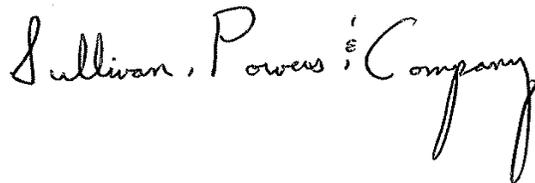
Our audit was conducted for the purpose of forming an opinion, on the financial statements that collectively comprise the Chittenden County Regional Planning Commission's basic financial statements. The accompanying financial information listed as Schedules 3 through 7 in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards listed as Schedule 8 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.

Schedules 3 through 7 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 3 through 7 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated November 9, 2017 on our consideration of the Chittenden 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 Chittenden County Regional Planning Commission's internal control over financial reporting and compliance.

November 9, 2017
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Company".

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The Financial Statements

This section explains the general financial condition and results of operations of the Chittenden County Regional Planning Commission (CCRPC) for the fiscal year ended June 30, 2017 (FY 2017). Please read it in conjunction with the Commission's financial statements, which begin on page 10.

Chittenden County Regional Planning Commission

The mission of the Chittenden County Regional Planning Commission is to act as the principal forum for planning, policy and community development in the region. We will do this by providing planning and technical assistance that meets the needs of our member municipalities and the public, while remaining consistent with our federal and state requirements. Our work will result in the development and implementation of plans that support sustainable development and improve the region's quality of life and environment.

The legal basis and powers for CCRPC serving as the region's regional planning commission stem from and are as stipulated in 24 V.S.A. § 4301 et seq., as amended, 24 V.S.A. § 4345 et seq. and such other laws as may be enacted by the General Assembly of the State of Vermont. The CCRPC was chartered by the municipalities of Chittenden County on May 2, 1966 with amendments to the original charter dated May 26, 1997 and September 28, 1998 and is funded in part through the State of Vermont property transfer tax as outlined in 24 V.S.A. § 4306(a). To the extent a conflict exists with a provision in Vermont statutes governing regional planning commissions, the Vermont statutes will control.

The CCRPC conducts Metropolitan Transportation Planning pursuant to 23 U.S.C. 134 and was designated by the Governor of Vermont on June 10, 1983 pursuant to Federal Highway Act of 1962, as amended (23 U.S.C. 101 et. seq.); the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et. seq.); and by agreements dated April 20, 1983 and January 28, 1998 to serve as the metropolitan planning organization (MPO).

Using These Financial Statements

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position (starting on page 10) provides information about the activities of the Commission as a whole. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of CCRPC using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2017**

Budget

The CCRPC builds its annual budget on diverse sources of funding. Transportation funding is primarily federal (80%), including both Federal Highway Administration and Federal Transit Administration funds, so it is dependent on the Federal Transportation Bill for appropriations of planning funds. CCRPC receives 10% of matching funds for the majority of the federal funds transportation from the state, so it is dependent on actions of the Vermont legislature. The Commission receives dues from its member municipalities that in FY 2017 totaled \$244,770 as unrestricted revenue used to match projects and support basic operations. Locally specific projects are matched by the community (typically 20% matches); local match is generated by the local property tax.

The State of Vermont provides regional planning funding through an annual performance-based contract. These contract funds were \$385,778 in FY 2017. With these funds, the CCRPC carries out statutory duties as specified in an annual work program approved by CCRPC.

CCRPC also funds its operations through special purpose grants and service contracts for technical assistance, and there is some variability in these grant programs from year to year. These programs included the following in FY 2017: Lake Champlain Scenic Byways Projects funded by the federal Department of Transportation through the Vermont Agency of Transportation, Brownfield grants funded by EPA, water quality projects funded by Vermont Agency of Natural Resources, community health efforts funded by the Vermont Department of Health, and Emergency Management Performance Grants funded by Vermont Emergency Management and Homeland Security.

Pension Liability Note

The Governmental Accounting Standards Board (GASB), which sets rules for Public Accounting, now requires that institutions like the CCRPC who participate in retirement plans like the Vermont Municipal Employee's Retirement System (VMERS) Defined Benefit plan (pension), carry potential liabilities within the retirement system on their books. FY 2015 was the first year CCRPC was required to show these figures on the balance sheet and report on these positions in the audit report. Note 11, Pension Plans, in the body of the audit report discusses this rule and its impact in some detail. It is important to understand that the actuarial assumptions detailed in the Note are from VMERS, not CCRPC or the auditors. Furthermore, CCRPC has no management control over potential future liabilities or assets resulting from actions by the VMERS Board.

The net of these asset and liability accounts, along with how the CCRPC contributes to their employees' retirement plans, produces an additional expense of \$94,041 of Other Expense, shown in Exhibit II, Changes in Net Position. This expense is not considered Operating as CCRPC has no control over the changes in this expense. It should be noted that the expense may increase or decrease, even dramatically, due to changes in actuarial assumptions in coming years. This additional expense of \$94,041 was not actually paid out by CCRPC in FY 2017, but rather, is an estimate of our share of potential future costs to the VMERS pension system. This is why it is important to recognize these additions to CCRPC books, but not consider the figures part of our financial performance year over year. In addition, based on our current adopted policy, actual increases in our VMERS contributions will be the responsibility of the participating employees and therefore, may never be actual additional expense to CCRPC.

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2017**

Operating Results

The CCRPC finished FY 2017 with an Operating gain of \$85,989. These results are shown on the statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2017 and 2016 on page 11.

The income is primarily the result of indirect expenses being lower than the estimate the FY 2017 Indirect Rate approval was based on. Each year the upcoming Indirect Rate is estimated and negotiated based on the most recent audited expenses, which are always two fiscal years previous. There will always be some variance between the estimates and actual experience. A rate that is higher than it should be will tend to produce revenues in excess of expenses, while a lower rate will reduce revenues. The variance between estimates and actuals in indirect rates are accounted for by a “carry-forward” adjustment each year. The carry-forward adjustment adds or subtracts to the calculation in a manner that will reduce the rate in out years to make up for an inflated rate or increase a rate if indirect costs were under collected in a previous year.

Please refer to Schedule 4 for a detail of the Indirect Rate calculation for FY2017. The actual audited costs were from FY 2015. Note the carry forward adjustment to the indirect costs to account for an over collection of indirect cost recovery in FY 2015. Schedules 5 and 6 present indirect cost recovery and a breakout of direct and indirect costs for FY 2017. The FY 2019 Indirect Rate calculation and negotiation will be based off the FY 2017 figures.

The net income in previous fiscal years has allowed the CCRPC to build up Reserve funds. CCRPC considers cash in the Money Market bank account and Certificates of Deposit to be cash in Reserve. Please refer to the changes in Net position for June 30, 2017 and 2016 table on the next page for an illustration. The change in the Reserve balance from the end of FY 2016 to the end of FY 2017 was an increase of \$60,462 due to transferring income gains in the previous fiscal year out of the Operating account and into the Money Market account. The Reserve balance was \$234,104 on June 30, 2017.

Management has a goal of maintaining a Reserve balance that will cover at least three months of expenses. Non-project monthly expenses in FY 2017 were just under \$190,719 on average, which translates to about \$572,000 as a reserve goal. CCRPC will continue to build on the Reserve balance, but doesn't expect the funds to accumulate very quickly. CCRPC operates on a mostly reimbursement model and therefore, our budget is not designed to generate excess incomes.

The \$78,684 reduction in Local Dues/Match Fund Balance is the result of increased usage of these funds in FY17 to match transportation projects and subsidize underfunded land use projects. It is currently anticipated that less of these funds will be needed in FY 2018.

Condensed Financial Information

Net position for the years ending June 30, 2016 through 2017, and changes, are displayed on the following page. The assets, deferred outflows of resources, liabilities and deferred inflows of resources related to participation in VMERS are discussed in more detail in the body of the Audit Report.

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>Change</u>
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 535,227	\$ 456,786	78,441
Investments – Certificates of Deposit	62,066	61,839	227
Receivables	922,470	1,000,420	(77,950)
Prepaid Expenses	<u>24,688</u>	<u>76,306</u>	<u>(51,618)</u>
TOTAL CURRENT ASSETS	<u>1,544,451</u>	<u>1,595,351</u>	<u>(50,900)</u>
NONCURRENT ASSETS			
Property, Plant and Equipment	15,705	3,133	12,572
Security Deposit	<u>8,075</u>	<u>8,075</u>	<u>-</u>
TOTAL NONCURRENT ASSETS	<u>23,780</u>	<u>11,208</u>	<u>12,572</u>
TOTAL ASSETS	<u>1,568,231</u>	<u>1,606,559</u>	<u>(38,328)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Participation in VMERS	<u>429,963</u>	<u>314,415</u>	<u>115,548</u>
CURRENT LIABILITIES			
Accounts Payable	516,639	698,607	(181,968)
Accrued Payroll Liabilities	121,699	149,059	(27,360)
Unearned Grant Revenue	249,429	205,249	44,180
Funds Held for Others	<u>40,604</u>	<u>0</u>	<u>40,604</u>
TOTAL CURRENT LIABILITIES	<u>928,371</u>	<u>1,052,915</u>	<u>(124,544)</u>
LONG TERM LIABILITIES			
Net Pension Liability Related to Participation in VMERS	<u>579,583</u>	<u>387,332</u>	<u>192,251</u>
TOTAL LONG TERM LIABILITIES	<u>579,583</u>	<u>387,332</u>	<u>192,251</u>
TOTAL LIABILITIES	<u>1,507,954</u>	<u>1,440,247</u>	<u>67,707</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Participation in VMERS	<u>17,338</u>	<u>0</u>	<u>17,338</u>
Net investment in property, plant & Equipment	<u>15,705</u>	<u>3,133</u>	<u>12,572</u>
Unrestricted			
Local Dues/Match Fund Balance	1,550	80,234	(78,684)
Reserve Fund Balance	234,104	173,642	60,462
Other Unrestricted	<u>221,543</u>	<u>223,718</u>	<u>(2,175)</u>
Total Unrestricted	<u>457,197</u>	<u>477,594</u>	<u>(20,397)</u>
TOTAL NET POSITION	<u>\$ 472,902</u>	<u>\$ 480,727</u>	<u>\$ (7,825)</u>

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2017**

Explanation of changes in Net Position for years ending 2016 and 2017:

1. Change in Cash and Cash Equivalents: This increase is due to positive income generation in FY17.
2. Change in Accounts Receivable: The decrease in accounts receivable at the end of FY 2017 was due to regular changes in how quickly our customers pay invoices.
3. Change in Property, Plant & Equipment (capital assets): The addition to this asset represents our new server purchased in the fall of 2016.
4. Change in Accounts Payable: The decrease can be attributed to fluctuations in consultant billings from one time period to another.
5. The Current Liabilities of *Unearned Grant Revenue* and *Funds Held for Others* are Chittenden County Opioid Alliance (CCOA) and Regional Dispatch funds, respectively. CCRPC collects CCOA funds and distributes them, including to ourselves to cover the staff and administrative costs of the program.

The member municipalities have designated the CCRPC as the fiscal agent for the Regional effort devoted to exploring and implementing regional dispatch services. CCRPC collects the dues and pays for the expenses incurred for this regional effort.

6. The Deferred Outflows of Resources, Long Term Liability related to participation in VMERS, and the Deferred Inflow of Resources accounts were new in FY 2015, and are shown again here in FY 2017. Stating these positions on the CCRPC balance sheet is the result of changes in GASB accounting rules. The positions are not calculated, influenced, or managed by the CCRPC. The assets and liabilities are not material in the sense that they could be collected, nor do they represent monies due. As is discussed in more detail in this letter and in the auditor's report, the amounts are calculations of possible changes in the future based on assumptions and calculations about the future.
7. Change in Unrestricted: The CCRPC used nearly \$80,000 more of Local Dues/Match Fund balance over the course of the fiscal year to match regional project expenses. However, we were also able move almost \$60,500 out of Operating and into the Reserve pool in FY 2017.

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2017**

A summary of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Operating Revenues	\$ 5,103,831	\$ 4,365,197	738,634
Operating Expenses	<u>(5,017,842)</u>	<u>(4,323,252)</u>	<u>(694,590)</u>
Operating Income	85,989	41,945	44,044
Other Revenue/Expense			
Pension Expense Related to Participation in	(94,041)	(64,513)	(29,528)
Nonoperating Revenues			
Interest Income	<u>227</u>	<u>293</u>	<u>(66)</u>
Changes in Net Position	(7,825)	(22,275)	14,450
Beginning Net Position	<u>480,727</u>	<u>503,002</u>	<u>(22,275)</u>
Ending Net Position	<u><u>472,902</u></u>	<u><u>480,727</u></u>	<u><u>(7,825)</u></u>

The change in Total Net Position from FY 2016 to FY 2017 was (\$7,825). While we produced an Operating surplus of \$85,989 this fiscal year, the additional expense of \$94,041 related to the pension plan must be subtracted from our Net Position.

Approved FY 2018 Budget

Total revenues	\$6,162,138
Total expenses	<u>6,261,082</u>
Net Surplus/(Deficit)	\$ <u>(98,944)</u>

Contacting CCRPC's Financial Management

This financial report is designed to provide our served municipal and state officials with a general overview of CCRPC's finances and to show CCRPC's accountability for the money it receives. If you have any questions about this report or need additional information, contact Charles Baker, CCRPC's Executive Director at 110 West Canal Street, Suite 202, Winooski, VT 05404, by phone at (802) 846-4490 *23, or by email at cbaker@ccrpcvt.org.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 535,227
Investments - Certificates of Deposit	62,066
Receivables	922,470
Prepaid Expenses	<u>24,688</u>
 TOTAL CURRENT ASSETS	 <u>1,544,451</u>

NONCURRENT ASSETS

Property and Equipment (Net of Accumulated Depreciation)	15,705
Security Deposit	<u>8,075</u>
 TOTAL NONCURRENT ASSETS	 <u>23,780</u>

TOTAL ASSETS

1,568,231

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Participation in VMERS	<u>429,963</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>429,963</u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	516,639
Accrued Payroll Liabilities	121,699
Funds Held for Others	40,604
Unearned Grant Revenue	<u>249,429</u>
 TOTAL CURRENT LIABILITIES	 <u>928,371</u>

LONG TERM LIABILITIES

Net Pension Liability Related to Participation in VMERS	<u>579,583</u>
 TOTAL LONG TERM LIABILITIES	 <u>579,583</u>

TOTAL LIABILITIES

1,507,954

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Participation in VMERS	<u>17,338</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>17,338</u>

NET POSITION

Net Investment in Property and Equipment Unrestricted	<u>457,197</u>
 TOTAL NET POSITION	 <u>\$ 472,902</u>

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

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

OPERATING REVENUES	
Grants	\$ 4,586,733
Local communities - annual assessments	244,770
Project match contributions	153,281
Other income	<u>119,047</u>
 TOTAL OPERATING REVENUES	 <u>5,103,831</u>
OPERATING EXPENSES	
Salaries and wages	1,436,228
Payroll taxes and employee benefits	536,356
Consultants and contract services	2,728,372
Rent	128,437
Other operating expenses	183,196
Depreciation expense	<u>5,253</u>
 TOTAL OPERATING EXPENSES	 <u>5,017,842</u>
OPERATING INCOME	85,989
OTHER REVENUE/(EXPENSES)	
Pension Expense Related to Participation in VMERS	(94,041)
NONOPERATING REVENUES	
Interest - Certificates of Deposit	<u>227</u>
CHANGE IN NET POSITION	(7,825)
BEGINNING NET POSITION	<u>480,727</u>
ENDING NET POSITION	<u>\$ 472,902</u>

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

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from grants, contracts and services	\$ 4,891,653
Cash received from local communities	44,936
Cash received from local match contributions	288,872
Cash paid for goods and services	(3,129,251)
Cash paid for personnel	<u>(1,999,944)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>96,266</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Equipment	<u>(17,825)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(17,825)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>0</u>
INCREASE IN CASH AND CASH EQUIVALENTS	78,441
BEGINNING CASH AND CASH EQUIVALENTS	<u>456,786</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 535,227</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Adjustments to reconcile operating loss to net cash used by operating activities:	
Operating Income	\$ 85,989
Depreciation	5,253
Pension Expense Related to Participation in VMERS	(94,041)
Decrease in Receivables	77,950
Increase in Deferred Outflows of Resources - Pension Plan	(115,548)
Decrease in Prepaid Expenses	51,618
Decrease in Accounts Payable	(181,968)
Decrease in Accrued Payroll Liabilities	(27,360)
Increase in Funds Held for Others	40,604
Increase in Unearned Grant Revenue	44,180
Increase in Net Pension Liability	192,251
Increase in Deferred Inflows of Resources-Pension Plan	<u>17,338</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 96,266</u>

Noncash Supplemental Information:

Interest of \$227 was earned on certificates of deposit in 2017 and reinvested.

During fiscal year 2017, the Organization disposed of equipment with a cost and accumulated depreciation of \$16,256.

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

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

The Chittenden County Regional Planning Commission (CCRPC) is one of 11 regional planning commissions in Vermont and also serves the region as the sole Metropolitan Planning Organization (MPO) operating within Vermont. CCRPC was organized under Title 24 Vermont Statutes Annotated (V.S.A.), Chapter 117 in 1966 to promote the mutual cooperation of its 19 member municipalities and to facilitate the appropriate development and preservation of the physical and human resources in Chittenden County. Effective July 1, 2011, CCRPC merged with the Chittenden County Metropolitan Planning Organization (CCMPO) into a single planning organization combining the functions of land use and transportation planning. CCMPO was the only such “metropolitan planning organization” in the State of Vermont, as defined by Federal rules regarding what constitutes a metropolitan area.

CCRPC is governed by 19 municipal commissioners, five at-large commissioners (representing Agriculture, Conservation/Environment, Socio-Economic/Housing, Industrial/Business and Railroads) and a commissioner from the Vermont Agency of Transportation, the Chittenden County Transportation Authority, the Burlington International Airport, the Federal Highway Administration and the Federal Transit Administration. The legislative body of each of Chittenden County’s municipalities selects its own commissioner and alternate commissioner. The full Commission selects the five at-large representatives. Each municipal commissioner and the Vermont Agency of Transportation have voting power.

The mission of the Chittenden County Regional Planning Commission is to act as the principal forum for planning, policy and community development in the region. CCRPC will do this by providing planning and technical assistance that meets the needs of the member municipalities and the public, while remaining consistent with federal and state requirements. CCRPC’s work will result in the development and implementation of plans that support sustainable development and improve the region’s quality of life and environment.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

This report includes all of the funds of CCRPC. The financial 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 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 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 of 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 CCRPC.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Basis of Presentation

CCRPC reports itself as a business-type activity as defined in GASB 34.

Operating revenues include grant revenue, project and community match revenues, and consulting revenues and result from transactions associated with the principal activities of the organization. Nonoperating revenues, such as investment earnings result from nonexchange transactions or ancillary activities.

Measurement Focus

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

Basis of Accounting

Business type activities are accounted for on the economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned, including unbilled services which are accrued. Expenses are recorded at the time liabilities are incurred.

Under the terms of grant agreements, CCRPC 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 CCRPC's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditures driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Donated Services

Chittenden County Regional Planning Commission receives noncash contributions in the form of member communities and other organizations performing various planning tasks to assist the Organization. These in-kind contributions are used as match for grants at an estimated hourly rate or the actual billing rate, if available. These contributions are not recorded in the financial statements of the Organization.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, CCRPC considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Capital Assets

Capital assets are reported at actual cost. Major outlays for capital assets and improvements are capitalized as purchased. 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. Chittenden County Regional Planning Commission does not own major general infrastructure assets.

Capital assets are depreciated in order that the cost of these assets will be charged to expenses over their estimated services lives of three to ten years, using the straight-line method of calculating depreciation.

CCRPC capitalizes any item with an original cost of \$5,000 or more and with a useful life of greater than one year.

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.

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. CCRPC has one item that qualifies for reporting in this category: deferred outflows related to their participation in the Vermont Municipal Employees' Retirement System. 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. CCRPC has one item that qualifies for reporting in this category: deferred inflows related to their participation in the Vermont Municipal Employees' Retirement System. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

2) CASH AND INVESTMENTS

Cash and Investments are as follows:

Deposits with Financial Institutions		\$534,774
Petty Cash		<u>453</u>
Total Cash		535,227
 Investments-Certificates of Deposit		 <u>62,066</u>
Total Cash and Investments		 <u>\$597,293</u>

CCRPC had two certificates of deposit in the amount of \$25,835 and \$36,231 at June 30, 2017, respectively, which mature at six (6) month intervals. Interest rates were .499%.

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 Organization's deposits and investments are exposed to custodial credit risk as follows:

	<u>Book</u>	<u>Bank</u>
FDIC Insured	\$ 501,050	\$ 562,118
Uninsured, Collateralized by U.S. Government Securities Held by the Bank Trust Department with a Security Interest Granted to CCRPC	 <u>95,790</u>	 <u>341,574</u>
Total	 <u><u>\$ 596,840</u></u>	 <u><u>\$ 903,692</u></u>

The difference between the book and bank balances are reconciling items, primarily outstanding checks.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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. CCRPC does not have any policy to limit its exposure to interest rate risk. CCRPC's certificates of deposit are exempt from interest rate risk disclosure.

Credit Risk

Generally, credit risk that is the risk 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. CCRPC's certificates of deposit are exempt from the credit risk analysis.

Concentration of Credit Risk

CCRPC does not have any limitations on the amount that can be invested in any one issuer. All CCRPC's investments are in two separate certificates of deposit with one bank.

3) RECEIVABLES

Receivables consist of amounts due from grants, contracts and other items. Chittenden County Regional Planning Commission uses the allowance method for uncollectible receivables. Management has reviewed the accounts and determined that an allowance for doubtful accounts of \$2,000 is appropriate at June 30, 2017.

Receivables are comprised of the following:

Grants and Contracts	\$ 668,666
Municipal Services and Other	255,804
Less Allowance for Doubtful Accounts	<u>(2,000)</u>
Total	<u>\$ 922,470</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

4) PROPERTY AND EQUIPMENT

Property and Equipment balances were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	\$ 40,459	\$ 17,825	\$ (16,256)	\$ 42,028
Less Accumulated Depreciation	(37,326)	(5,253)	16,256	(26,323)
Capital Assets, Net at June 30, 2017	\$ 3,133	\$ 12,572	\$ 0	\$ 15,705

5) LINE OF CREDIT

CCRPC has an operating line of credit with a local bank for a maximum of \$60,000. The line of credit is secured by contract receivables, matures in December, 2017 and bears interest at the Wall Street Journal prime rate plus 2% (5.50% at June 30, 2017). The amount outstanding at June 30, 2017 was \$-0-.

6) DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources consists of \$11,906 from the difference between the expected and actual experience, \$93,079 from changes in assumptions, \$187,929 from the difference between the projected and actual investment earnings and \$54,907 from changes in Chittenden County Regional Planning Commission's proportional share of contributions related to Chittenden County Regional Planning Commission's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$82,142 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources is \$429,963.

7) DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the governmental activities consists of \$17,338 from changes Chittenden County Regional Planning Commission's proportional share of contributions related to Chittenden County Regional Planning Commission's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources is \$17,338.

8) UNEARNED GRANT REVENUE

For the year ended June 30, 2017, CCPRC had received funds from grantors that had not yet been spent for their intended purpose. These funds will be spent in fiscal year 2018 and recognized as revenue:

Chittenden County Opiate Alliance	\$ <u>249,429</u>
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CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

9) NET POSITION

The Board of Directors has designated a portion of the Unrestricted Net Position as follows:

Designated for Reserves	\$234,104
Designated for Local Communities Match	1,550
Undesignated	<u>221,543</u>
Total Unrestricted Net Position	<u>\$457,197</u>

10) GRANTS

Grants consist of the following:

Direct Federal Grants:

EPA - Brownfields	\$ <u>113,646</u>
	<u>113,646</u>

Federal Grants Passed Through State and State Grants:

Public Safety	66,975
Water Quality	357,752
Forestry	404
VT Department of Health	125,617
AOT - Transportation	3,214,488
AOT - Byways	5,777
ACCD	<u>387,869</u>
	<u>4,158,882</u>

Other:

Act 174 Training	18,065
Town SWMP	26,191
Byways Council	17,173
Stream Team	4,829
Chittenden County Opiate Alliance	215,947
New England Water Pollution Control Commission	2,000
Regional Energy Plan	<u>30,000</u>
	<u>314,205</u>

Total	<u>\$ 4,586,733</u>
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CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

11) 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 districts 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, 2015, the retirement system consisted of 437 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, 2016, the measurement date selected by the State of Vermont, VMERS was funded at 80.95% and had a plan fiduciary net position of \$547,015,114 and a total pension liability of \$675,711,2811 resulting in a net pension liability of \$128,696,167. As of June 30, 2017, CCRPC's proportionate share of this was .4504% resulting in a liability of \$579,583. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Chittenden County Regional Planning Commission's proportion of the net pension liability was based on a projection of Chittenden County Regional Planning Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2016, Chittenden County Regional Planning Commission's proportion of .4504% was a decrease of .0520% from its proportion measured as of June 30, 2015.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

For the year ended June 30, 2017, CCRPC recognized pension expense of \$207,341 which was comprised of \$176,183 determined by the State of Vermont's actuary and \$31,158 of employer contributions made by CCRPC in excess of the amount required. The total employer contribution made by CCRPC was \$113,300. CCRPC funded the employer contribution at 10% for the year ended June 30, 2017 resulting in a lower contribution for members (6.75%).

As of June 30, 2017, Chittenden County Regional Planning Commission reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 11,906	\$ 0
Changes in Assumptions	93,079	0
Difference Between Projected and Actual Investment Earnings on Pension Plan Assets	187,929	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share Of Contributions	54,907	17,338
Required Employer Contributions Made Subsequent to the Measurement Date	<u>82,142</u>	<u>0</u>
Total	<u>\$ 429,963</u>	<u>\$ 17,338</u>

The deferred outflows of resources resulting from Chittenden County Regional Planning Commission's required employer contributions made subsequent to the measurement date in the amount of \$82,142 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2018	\$ 97,340
2019	97,340
2020	103,378
2021	<u>32,425</u>
Total	<u>\$330,483</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Summary of System Provisions

Membership – Full time employees of participating municipalities. The Chittenden County Regional Planning Commission elected coverage under Group C provisions.

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

Maximum benefit is 50% of AFC for Group C. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance - N/A.

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 C, 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 C, 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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 C.

Member Contributions - Group C – 10.00%.

Employer Contributions:

Group C – 7.25%.

Chittenden County Regional Planning Commission funded the employer contribution at 10% for the year ended June 30, 2017 resulting in a lower contribution for members (7.25%).

The 10% funding is per a CCRPC adopted policy to provide a level retirement contribution for their employees. The participants pay the balance of the overall contribution minus the 10%. This currently provides an additional benefit for employees as their funding percentage is reduced. Under the current policy, contribution increases will be borne by the employee.

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

Significant Actuarial Assumptions and Methods

Interest Rate - 7.95% per annum.

Salary increases - 5% per year.

Deaths: Group C – RP-2000 Tables for Employees and Health Annuitants projected ten (10) years from the valuation date with Scale BB with a 60% Blue Collar and 40% White Collar adjustment. The post-retirement mortality assumption was chosen to recognize improved longevity experience after the valuation date.

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

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants - Assumed to occur at the rate of 1.8% per annum for Group C members.

Actuarial Cost Method – Projected benefit cost method. The unfunded accrued liability is amortized in installments increasing by 5% per year.

Asset Valuation Method - Invested assets are reported at fair value.

Note – For funding purposes – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

Inflation - The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% per year.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

Long-term Expected Rate of Return

The long-term expected rate of return on System investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	8.54%
Fixed Income	2.36%
Alternatives	8.35%
Multi-strategy	4.90%

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

Discount Rate - The discount rate used to measure the total pension liability was 7.95%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Chittenden County Regional Planning Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Chittenden County Regional Planning Commission's proportionate share of the net pension liability calculated using the discount rate of 7.95 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%):

<u>1% Decrease (6.95%)</u>	<u>Discount Rate (7.95%)</u>	<u>1% Increase (8.95%)</u>
\$962,166	\$579,583	\$259,249

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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

Defined Contribution Plans

CCRPC also participates in VMERS Group DC, a defined contribution plan. Employees in Group DC did not contribute and CCRPC contributed 10.00%. The premise of Plan DC is to allow employees to have a choice in investing their retirement assets. Each employee will receive the value of their account upon retirement. CCRPC's total payroll was \$1,436,228 while its covered payroll for Group DC was \$278,140. Pension expense for this plan for the year ended June 30, 2017 was \$27,814.

CCRPC also offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation funds are not available to employees until termination, retirement, death, or unforeseeable emergency.

12) OPERATING LEASES

CCRPC has an operating lease for office space in Winooski that was effective May 1, 2009. Each year, the annual base rent will increase by three percent (3%) or by CPI, whichever is greater. There is also a base amount of common area maintenance (CAM) paid monthly which is adjusted each year. The lease was renewed for five (5) years effective May 1, 2014 and expires April 30, 2019. Rent expense, including CAM, was \$128,437 for the year ended June 30, 2017.

CCRPC has two operating leases for copiers. The first copier lease expires in January, 2019 and the second lease expires in April, 2021. Total equipment lease expense was \$14,464 for the year ended June 30, 2017.

CCRPC has leases for two electric vehicles beginning in September, 2013. The leases expire in October, 2017 and October, 2018. The lease expiring in October, 2017 will not be renewed. Total lease expense was \$2,703 for the year ended June 30, 2017.

Future lease commitments are as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Building	\$ 97,675	\$ 83,921	\$ 0	\$ 0	\$ 181,596
Copiers	9,555	6,730	2,775	2,313	21,373
Vehicles	<u>1,608</u>	<u>396</u>	<u>0</u>	<u>0</u>	<u>2,004</u>
Total	<u>\$ 108,838</u>	<u>\$ 91,047</u>	<u>\$ 2,775</u>	<u>\$ 2,313</u>	<u>\$ 204,973</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

13) RISK MANAGEMENT

CCRPC 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. CCRPC maintains insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to CCRPC. Settled claims have not exceeded this coverage in any of the past three fiscal years.

14) COMMITMENTS AND CONTINGENCIES

Grants and contracts require the fulfillment of certain conditions set forth in the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although that is a possibility, management deems the contingency remote, since by accepting the awards and their terms, it has accommodated the objectives of CCRPC to the provisions of the grants.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 JUNE 30, 2017

	2017	2016	2015
Total Plan Net Pension Liability	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
CCRPC's Proportion of the Net Pension Liability	0.4504%	0.5024%	0.4863%
CCRPC's Proportionate Share of the Net Pension Liability	\$ 579,583	\$ 387,332	\$ 44,379
CCRPC's Covered Employee Payroll	\$ 1,132,994	\$ 952,906	\$ 1,012,795
CCRPC's Proportionate Share of the Net Pension Liability as a Percentage of CCRPC's Covered Employee Payroll	51.1550%	40.6475%	4.3818%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.95% as of June 30, 2016	87.42% as of June 30, 2015	98.32% as of June 30, 2014

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The actuarial assumptions regarding the incidence of mortality, terminations, retirements, and disabilities were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2014.

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

See Disclaimer in Accompanying Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 82,142	\$ 68,446	\$ 70,228
Contributions in Relation to the Actuarially Determined Contributions	<u>82,142</u>	<u>68,446</u>	<u>70,228</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 1,132,994	\$ 952,906	\$ 1,012,795
Contributions as a Percentage of Town's Covered Employee Payroll	7.2500%	7.1829%	6.9341%

Notes to Schedule

Valuation Date: June 30, 2016 June 30, 2015 June 30, 2014

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

See Disclaimer in Accompanying Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF OPERATIONS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
State of Vermont - Agency of Commerce and Community			
Development (ACCD)	\$ 385,778	\$ 387,869	\$ 2,091
Project Income-Grants	5,502,433	4,198,864	(1,303,569)
Project Match Contributions	227,097	353,115	126,018
Local Communities - Annual Assessments	33,519	44,936	11,417
Other Income	22,000	119,047	97,047
TOTAL OPERATING REVENUES	6,170,827	5,103,831	(1,066,996)
OPERATING EXPENSES			
Salaries and Wages	1,419,325	1,436,228	(16,903)
Payroll Taxes and Employee Benefits	541,710	536,356	5,354
Consultants and Contract Services	3,753,737	2,728,372	1,025,365
Rent	131,560	128,437	3,123
Internal Consultants	8,000	2,700	5,300
Legal, Audit and Accounting	27,200	23,340	3,860
Equipment and Software Maintenance	30,000	19,958	10,042
Depreciation Expense	5,300	5,253	47
Supplies	6,000	4,720	1,280
Copier	20,000	14,464	5,536
Auto and Mileage	11,000	3,178	7,822
Dues and Publications	16,400	12,092	4,308
Equipment and Software Purchase	19,000	21,676	(2,676)
Telephone and Internet	10,000	13,367	(3,367)
Postage	2,000	1,597	403
Conference and Training	25,000	5,990	19,010
Utilities	6,500	4,177	2,323
Program Workshops and Meetings	15,000	7,860	7,140
Insurance	12,000	10,027	1,973
Janitor	4,400	4,331	69
Payroll Processing	3,000	2,896	104
Travel	7,500	9,242	(1,742)
Communications and PR	20,000	11,656	8,344
Recruitment	1,040	1,400	(360)
Worker's Comp Insurance	4,000	381	3,619
Bad Debt Expense	0	2,905	(2,905)
Other	71,155	5,239	65,916
TOTAL OPERATING EXPENSES	6,170,827	5,017,842	1,152,985
OPERATING INCOME	\$ 0	\$ 85,989	\$ 85,989

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF FISCAL YEAR 2017 INDIRECT COST RATE CALCULATION
 FOR THE YEAR ENDED JUNE 30, 2017

INDIRECT COSTS	
Allowable Indirect Costs - 2015 Fiscal Year	\$ 904,480
Less: Carryforward Adjustment - 2015	<u>(2,218)</u>
	<u>902,262</u>
DIRECT COSTS	
Direct Salaries and Wages - 2015 Fiscal Year	799,494
Direct Payroll Taxes and Employee Benefits - 2015 Fiscal Year	<u>293,465</u>
	<u>1,092,959</u>
INDIRECT RATE (Indirect Costs / Direct Costs)	<u><u>82.55%</u></u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF DIRECT AND INDIRECT COSTS RECOVERED
 FOR THE YEAR ENDED JUNE 30, 2017

<u>Grant/Agency</u>	<u>Direct Staff Costs</u>	<u>Indirect Costs at 82.55%</u>
Regional Planning Grant (Vermont Agency of Commerce and Community Development)	\$ 205,572	\$ 169,700
Transportation Grants (U.S. Department of Transportation and Vermont Agency of Transportation)	772,973	638,089
Emergency Management Performance Grants (U.S. Department of Homeland Security and Vermont Department of Public Safety)	42,845	35,369
Other	<u>24,099</u>	<u>19,894</u>
Total Recovered	<u>\$ 1,045,489</u>	<u>\$ 863,052</u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT AND INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2017

	Total	Direct Costs	CCOA Direct Costs (a)	Unallowable Costs (b)	Allowable Indirect Costs
Salaries and Wages	\$ 1,436,228	\$ 900,166	\$ 128,532	\$ 0	\$ 407,530
Payroll Taxes and Employee Benefits	536,356	342,359	39,002	0	154,995
Payroll Processing	2,896	0	0	0	2,896
Consultants and Contract Services	2,728,372	2,698,639	29,733	0	0
Internal Consultant	2,700	0	0	0	2,700
Rent	128,437	0	0	0	128,437
Equipment and Software Maintenance	19,958	0	0	0	19,958
Janitor	4,331	0	0	0	4,331
Auto and Mileage	3,178	0	0	0	3,178
Travel	9,242	0	0	0	9,242
Conference and Training	5,990	0	0	0	5,990
Program Workshops and Meetings	7,860	0	0	598	7,262
Supplies	4,720	0	0	0	4,720
Equipment and Software Purchase	21,676	0	0	0	21,676
Legal, Audit and Accounting	23,340	0	0	0	23,340
Dues and Publications	12,092	0	0	710	11,382
Depreciation Expense	5,253	0	0	0	5,253
Telephone and Internet	13,367	0	0	0	13,367
Utilities	4,177	0	0	0	4,177
Other	5,239	0	0	5,239	0
Copier	14,464	0	0	0	14,464
Communication and PR	11,656	0	0	0	11,656
Insurance	10,027	0	0	0	10,027
Workers Comp Insurance	381	0	0	0	381
Postage	1,597	0	0	0	1,597
Bad Debt Expense	2,905	2,437	0	468	0
Recruitment	1,400	0	0	0	1,400
TOTAL EXPENSES	\$ 5,017,842	\$ 3,943,601	\$ 197,267	\$ 7,015	\$ 869,959

(a) Chittenden County Opioid Alliance (CCOA) direct costs are not included in the direct cost base or the indirect cost pool. CCOA staff do not reside at CCRPC offices and do not use any other indirectly funded CCRPC resources or facilities.

(b) Costs Not Allowed under 2 CFR Part 200 Subpart E - Cost Principles.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

Task #	Task Description	Staff	Indirect at 82.55%	Other Direct	Total
1	Regional Planning	\$ 17,768	\$ 14,668	\$ 3,406	\$ 35,842
2	Municipal Plan/Technical Assistance	10,556	8,714	389	19,659
3	Municipal Training and Education	2,844	2,348	142	5,334
4	Regional and State Issues	4,209	3,475	7	7,691
5	Core Functions	111,834	92,319	6,041	210,194
	Match	<u>58,361</u>	<u>48,176</u>	<u>521</u>	<u>107,058</u>
	Total	<u>\$ 205,572</u>	<u>\$ 169,700</u>	<u>\$ 10,506</u>	<u>\$ 385,778</u>
	Grant Revenue for 2017				<u>\$ 385,778</u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Vermont Agency of Transportation				
Highway Planning and Construction	20.205	GR0983	\$ 516,752	\$ 2,624,818
Highway Planning and Construction	20.205	GR0244	0	39,245
Highway Planning and Construction	20.205	GR0167	0	8,074
Highway Planning and Construction	20.205	08126-CA0202	0	5,777
Passed through the Lake Champlain Byway Council				
Highway Planning and Construction	20.205	#CA0242	0	16,870
Highway Planning and Construction	20.205	#CA0310	0	218
Highway Planning and Construction	20.205	#CA0311	0	85
			516,752	2,695,087
Passed through the Vermont Agency of Transportation				
Highway Research and Development Program	20.200	GR0744	0	192,341
Total U.S. Department of Transportation			516,752	2,887,428
U.S. DEPARTMENT OF AGRICULTURE				
Passed through the University of Vermont				
Cooperative Extension Service	10.500	29689SUB51885	0	404
Total U.S. Department of Agriculture			0	404
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs				
Brownfields Assessment and Cleanup	66.818	BF-00A00214	0	113,646
Passed through the Addison County Regional Planning Commission				
Water Quality Management Planning	66.454	WQ2016-604B-01	0	1,818
Total U.S. Environmental Protection Agency			0	115,464
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the Vermont Department of Public Safety				
Emergency Management Performance Grant	97.042	02140-31024C-004	0	24,032
Emergency Management Performance Grant	97.042	02140-31023C-007	0	9,905
Emergency Management Performance Grant	97.042	02140-31022C-037	0	2,674
Hazard Mitigation Grant	97.039	02140-34000-106B	0	15,984
Hazard Mitigation Grant	97.039	2016-HMGP-001	0	13,387
			0	29,371
Total U.S. Department of Homeland Security			0	65,982

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Vermont Department of Health Substance Abuse and Mental Health Services Administration	93.242	03420-A17026S	\$ 99,911	\$ 125,585
Passed through Vermont Department of Health Access ACA-State Innovation Models	93.624	31697	<u>0</u>	<u>91,823</u>
Total U.S. Department of Health and Human Services			<u>99,911</u>	<u>217,408</u>
Total Expenditures of Federal Awards			<u>\$ 616,663</u>	<u>\$ 3,286,686</u>

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Chittenden County Regional Planning Commission under programs of the federal government for the year ended June 30, 2017. 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 Chittenden 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. Chittenden 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.

Sullivan,Powers & Co.,P.C.

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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 Directors
Chittenden County Regional
Planning Commission
Winooski, Vermont 05404

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 Chittenden County Regional Planning Commission as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Chittenden County Regional Planning Commission's basic financial statements and have issued our report thereon dated November 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Chittenden County Regional Planning Commission's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chittenden County Regional Planning Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chittenden County Regional Planning 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Chittenden County Regional Planning 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 the attention of those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses. 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

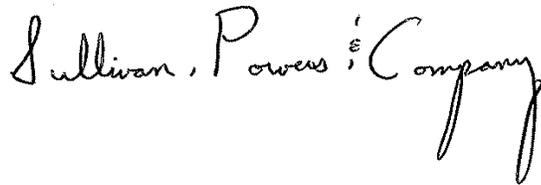
Compliance and Other Matters

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

Purpose of this Report

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

Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

Sullivan, Powers & Co., P.C.

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

Board of Directors
Chittenden County Regional
Planning Commission
Winooski, Vermont 05404

Report on Compliance for Each Major Federal Program

We have audited Chittenden 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 Chittenden County Regional Planning Commission's major federal program for the year ended June 30, 2017. The Chittenden 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 Chittenden 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 Chittenden 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 Chittenden County Regional Planning Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Chittenden 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, 2017.

Report on Internal Control Over Compliance

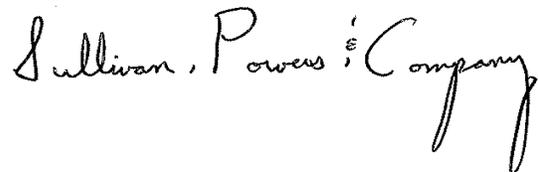
The management of the Chittenden County Regional Planning Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to previously. In planning and performing our audit of compliance, we considered the Chittenden 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 Chittenden 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.

November 9, 2017
Montpelier, Vermont
VT Lic. #92-000180



CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017

There were no prior year findings.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2017

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>
20.205	U.S. Department of Transportation Highway Planning and Construction

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

The auditee did qualify as a low risk auditee.