

**CHITTENDEN COUNTY REGIONAL
PLANNING COMMISSION**

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

JUNE 30, 2020

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION DRAFT
 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, 2020 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, 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 10, 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 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 (DATE) 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.

(DATE)
Montpelier, Vermont
VT Lic. #92-000180

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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, 2020 (FY 2020). Please read it in conjunction with the Commission's financial statements, which begin on page 11.

No narrative of this fiscal year would be complete without a quick note about COVID-19. CCRPC decided to go fully remote on March 17, shortly before this was required by the State of Vermont. Management and the rest of the staff moved quickly to implement public health protocols and updated policies and procedures to work remotely. CCRPC's offices were still closed to the public on June 30, 2020, but some staff had begun using the offices on a limited basis.

CCRPC has been fortunate to manage through the pandemic, at least through FY20, without serious negative consequences. However, some project work in the region was suppressed or deferred out of necessity. This did have some impact on CCRPC's balance sheet, and this is discussed in more detail later in the analysis.

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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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 11) provides information about the activities of the Commission as a whole. These statements include all assets and liabilities 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.

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 and Annual Budget for appropriations of planning funds. CCRPC receives 10% of matching funds for the majority of the federal transportation funds from the State, so it is also dependent on actions of the Vermont legislature. The Commission receives dues from its member municipalities that in FY 2020 totaled \$250,399 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 agreement. These contract funds were \$381,458 in FY 2020. With these funds, the CCRPC carries out statutory duties as specified in the agreement and in the 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 2020: Brownfield grants funded by EPA, multiple 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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Pension Liability Note

The Governmental Accounting Standards Board (GASB), which sets rules for Public Accounting, 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. Note 10, 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 \$116,983 of Other Expense, shown in Exhibit II, Statement of Revenues, Expenses, and 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 \$116,983 was not actually paid out by CCRPC in FY 2020, 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.

Operating Results

The CCRPC finished FY 2020 with an Operating surplus of \$33,801. These results are shown on the summary Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020 and 2019 on page 9. This result is a slight improvement over the budgeted surplus for FY20, which was \$8,548.

The surplus is primarily the result of indirect expenses being a little lower than what was estimated in our approved FY 2020 Indirect Rate. 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 is 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. We know that CCRPC operated in a way that generated less indirect expenses from mid-March through June 2020 due to COVID-19.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Our approved Indirect Rate for FY20 was 80%. The actual indirect costs for FY20 were around 77%. This difference can account for the roughly \$34,000 of surplus. It should be noted that small differences, those within a few percentage points, are somewhat expected and can be managed. The larger discrepancies, such as those around 10 percentage points, result in “swinging” from surpluses to deficits year to year. Management has sought to reduce such swings.

Please refer to Schedule 4 for a detail of the Indirect Rate calculation for FY2020. The actual audited costs were from FY 2018. Schedules 5 and 6 present indirect cost recovery and a breakout of direct and indirect costs for FY 2020. The FY 2022 Indirect Rate calculation and negotiation will be based off the FY 2020 figures.

Net income in previous fiscal years has allowed the CCRPC to build up Reserve funds. CCRPC considers cash in the Money Market bank account to be cash in Reserve. The Money Market balance on June 30, 2020 was \$202,574.

Management has a goal of maintaining a Reserve balance that will cover at least three months of expenses. Non-project monthly expenses in FY 2020 were just under \$178,000 on average, which translates to about \$533,400 as a reserve goal. CCRPC will continue to build on the Reserve balance but we don't expect the funds to accumulate quickly. CCRPC operates on a predominantly reimbursement model, and therefore our budget is not designed to generate excess income.

Condensed Financial Information

Net position for the years ending June 30, 2019 through 2020, and changes, are displayed on the following page. The assets, liabilities and deferred inflows and outflows 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
JUNE 30, 2020

A summary of the Statement of Net Position at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 294,983	\$ 214,481	\$ 80,502
Investments – Certificates of Deposit	0	63,245	(63,245)
Receivables	1,012,337	1,112,004	(99,667)
Prepaid Expenses	25,204	16,845	8,359
TOTAL CURRENT ASSETS	<u>1,332,524</u>	<u>1,406,575</u>	<u>(74,051)</u>
NONCURRENT ASSETS			
Property, Plant and Equipment	13,693	8,022	5,671
Security Deposit	8,075	8,075	0
TOTAL NONCURRENT ASSETS	<u>21,768</u>	<u>16,097</u>	<u>5,671</u>
TOTAL ASSETS	<u>1,354,292</u>	<u>1,422,672</u>	<u>(68,380)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Participation in VMERS	243,077	286,129	(43,052)
CURRENT LIABILITIES			
Accounts Payable	623,589	738,259	(114,670)
Accrued Payroll Liabilities	115,303	100,895	14,408
Unearned Grant Revenue	13,210	15,441	(2,231)
TOTAL CURRENT LIABILITIES	<u>752,102</u>	<u>854,595</u>	<u>(102,493)</u>
LONG TERM LIABILITIES			
Net Pension Liability Related to Participation in VMERS	664,314	610,069	54,245
TOTAL LONG TERM LIABILITIES	<u>664,314</u>	<u>610,069</u>	<u>54,245</u>
TOTAL LIABILITIES	<u>1,416,416</u>	<u>1,464,664</u>	<u>(48,248)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Participation in VMERS	77,834	58,148	19,686
NET POSITION			
Net Investment in Property, Plant & Unrestricted	13,693	8,022	5,671
	89,426	177,967	(88,541)
TOTAL NET POSITION	<u>\$ 103,119</u>	<u>\$ 185,989</u>	<u>\$ (82,870)</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Explanation of changes in Net Position for 2019 and 2020:

1. Change in Cash and Cash Equivalents: The increase of around \$17,250 is the result of generating revenues in excess of expenses.
2. Change in Accounts Receivable: The decrease in accounts receivable is due to decreased project consultant billing in the last quarter of FY20. This is likely due to work interruptions resulting from the COVID-19 pandemic. Note the corresponding decrease in Accounts Payable.
3. Change in Property, Plant & Equipment (capital assets): The addition of property assets is the result of CCRPC acquiring office furniture in FY20.
4. Change in Accounts Payable: The decrease is likely due to the fall off in project consultant billing in the 4th quarter of FY20. This was the result of work interruptions caused by the COVID-19 pandemic.
5. The Unearned Grant Revenue balance is made up of several small grant programs. The grants pay on a deliverables basis instead of a reimbursement model. The revenue may have been earned but must remain on the balance sheet until the deliverables are complete.
6. The Deferred Outflows of Resources, Long Term Liability related to participation in VMERS, and the Deferred Inflow of Resources accounts are shown here in compliance with 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: Currently, the distinction between CCRPC's Restricted and Unrestricted funds are those that are invested in Equipment.

A summary of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Operating Revenues	\$ 4,433,763	\$ 5,025,620	\$ (591,857)
Operating Expenses	<u>(4,399,962)</u>	<u>(5,078,325)</u>	<u>678,363</u>
Operating Income/Loss	33,801	(52,705)	86,506
Other Revenue/Expense			
Pension Expense Related to Participation in VMERS	(116,983)	(114,808)	(2,175)
Nonoperating Revenues			
Interest Income	<u>312</u>	<u>857</u>	<u>(545)</u>
Change in Net Position	(82,870)	(166,656)	83,786
Beginning Net Position	<u>185,989</u>	<u>352,645</u>	<u>(166,656)</u>
Ending Net Position	<u>\$ 103,119</u>	<u>\$ 185,989</u>	<u>\$ (82,870)</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The change in Total Net Position from FY 2019 to FY 2020 was (\$82,870). The reduction was the result of \$116,983 in Pension-related book expense. CCRPC produced an Operating surplus of \$33,801 for the fiscal year, which offset the reduction in Net Position. Based on the budget, shown below, it is expected that CCRPC will generate enough revenue during FY21 to exceed operating expenses

Approved FY 2021 Budget

Total revenues	\$5,257,845
Total expenses	<u>5,233,027</u>
Net Surplus/(Deficit)	\$ <u>24,818</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, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 294,983
Receivables	1,012,337
Prepaid Expenses	25,204

TOTAL CURRENT ASSETS 1,332,524

NONCURRENT ASSETS

Property and Equipment (Net of Accumulated Depreciation)	13,693
Security Deposit	8,075

TOTAL NONCURRENT ASSETS 21,768

TOTAL ASSETS 1,354,292

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Participation in VMERS	243,077
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TOTAL DEFERRED OUTFLOWS OF RESOURCES 243,077

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	623,589
Accrued Payroll Liabilities	115,303
Unearned Grant Revenue	13,210

TOTAL CURRENT LIABILITIES 752,102

LONG TERM LIABILITIES

Net Pension Liability Related to Participation in VMERS	664,314
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TOTAL LONG TERM LIABILITIES 664,314

TOTAL LIABILITIES 1,416,416

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Participation in VMERS	77,834
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TOTAL DEFERRED INFLOWS OF RESOURCES 77,834

NET POSITION

Net Investment in Property and Equipment	13,693
Unrestricted:	
Related to Participation in VMERS/(Deficit)	(499,071)
Other	588,497

Total Unrestricted Net Position 89,426

TOTAL NET POSITION \$ 103,119

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, 2020

OPERATING REVENUES	
Grants	\$ 4,020,893
Local communities - annual assessments	250,399
Project match contributions	104,581
Other income	<u>57,890</u>
 TOTAL OPERATING REVENUES	 <u>4,433,763</u>
OPERATING EXPENSES	
Salaries and wages	1,274,061
Payroll taxes and employee benefits	518,587
Consultants and contract services	2,265,000
Rent	144,206
Other operating expenses	192,345
Depreciation expense	<u>5,763</u>
 TOTAL OPERATING EXPENSES	 <u>4,399,962</u>
OPERATING INCOME	33,801
OTHER REVENUE/(EXPENSES)	
Pension Expense Related to Participation in VMERS	(116,983)
NONOPERATING REVENUES	
Interest - Certificates of Deposit	<u>312</u>
CHANGE IN NET POSITION	(82,870)
BEGINNING NET POSITION	<u>185,989</u>
ENDING NET POSITION	<u>\$ 103,119</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from grants, contracts and services	\$ 4,063,587
Cash received from local communities	77,162
Cash received from local match contributions and other	390,449
Cash paid for goods and services	(2,724,578)
Cash paid for personnel	<u>(1,778,240)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>28,380</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Equipment Purchased	<u>(11,434)</u>
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	<u>(11,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Certificate of Deposit Matured	<u>63,556</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>63,556</u>
INCREASE IN CASH AND CASH EQUIVALENTS	80,502
BEGINNING CASH AND CASH EQUIVALENTS	<u>214,481</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 294,983</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Adjustments to reconcile operating income to net cash provided by operating activities:	
Operating Income	\$ 33,801
Depreciation	5,763
Pension Expense Related to Participation in VMERS	(116,983)
Decrease in Receivables	99,667
Decrease in Deferred Outflows of Resources - Pension Plan	43,052
Increase in Prepaid Expenses	(8,358)
Decrease in Accounts Payable	(114,670)
Increase in Accrued Payroll Liabilities	14,408
Decrease in Unearned Grant Revenue	(2,231)
Increase in Net Pension Liability	54,245
Increase in Deferred Inflows of Resources-Pension Plan	<u>19,686</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 28,380</u>

Noncash Supplemental Information:

Interest of \$312 was earned on certificates of deposit in 2020 and reinvested.

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

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.

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 highly-liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

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. 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.

2) CASH AND INVESTMENTS

Cash and Investments are as follows:

Deposits with Financial Institutions	\$294,733
Petty Cash	<u>250</u>
Total Cash	<u>\$294,983</u>

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:

	Book	Bank
NCUA Insured	\$ <u>294,733</u>	\$ <u>307,142</u>
Total	\$ <u><u>294,733</u></u>	\$ <u><u>307,142</u></u>

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

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.

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.

Concentration of Credit Risk

CCRPC does not have any limitations on the amount that can be invested in any one issuer.

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, 2020.

Receivables are comprised of the following:

Grants and Contracts	\$	957,098
Municipal Services and Other		57,239
Less Allowance for Doubtful Accounts		<u>(2,000)</u>
 Total	 \$	 <u><u>1,012,337</u></u>

4) PROPERTY AND EQUIPMENT

Property and Equipment balances were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	\$ 31,002	\$ 11,434	\$ 0	\$ 42,436
Less Accumulated Depreciation	<u>(22,980)</u>	<u>(5,763)</u>	<u>0</u>	<u>(28,743)</u>
Capital Assets, Net at June 30, 2020	<u><u>\$ 8,022</u></u>	<u><u>\$ 5,671</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 13,693</u></u>

5) DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources consists of \$86,068 from the difference between the expected and actual experience, \$22,180 from changes in assumptions, \$45,247 from the difference between the projected and actual investment earnings and \$13,403 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 \$76,179 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources is \$243,077.

6) DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consists of \$5,742 from the difference between the expected and actual experience and \$72,092 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). Total deferred inflows of resources is \$77,834.

7) UNEARNED GRANT REVENUE

For the year ended June 30, 2020, CCPRC had Brownfield funds refunded by a consultant and had received matching funds from municipalities participating in projects that haven’t finished. These funds will be spent in fiscal year 2021 and recognized as revenue:

EPA – Brownfields	\$ 5,897
Vermont Clean Streets	6,959
Transportation Specific	<u>354</u>
Total Unearned Grant Revenue	<u>\$13,210</u>

8) NET POSITION

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

Designated for Reserves	\$202,574
Amount Designated in Excess of Available Net Position	<u>(113,148)</u>
Total Unrestricted Net Position	<u>\$ 89,426</u>

9) GRANTS

Grants consist of the following:

Direct Federal Grants:

EPA - Brownfields	\$ 154,636
	154,636

Federal Grants Passed Through State and State Grants:

Public Safety	124,109
Water Quality	382,337
VT Department of Health	136,068
AOT - Transportation	2,778,839
ACCD	381,458
	3,802,811

Other:

Stormwater Projects	10,074
604B	4,017
Bolton CDBG	12,922
3 Plus Acre Parcel Scoping	2,712
Winooski DIGB	12,748
Energy Plan Implementation	20,973
	63,446

Total	\$ 4,020,893
	4,020,893

10) 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, 2019, the measurement date selected by the State of Vermont, 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, CCRPC's proportionate share of this was .3829% resulting in a liability of \$664,314. 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. 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. Chittenden County Regional Planning Commission's proportion of .3829% was a decrease of .0508% from its proportion measured as of the prior year.

For the year ended June 30, 2020, CCRPC recognized pension expense of \$218,555 which was comprised of \$193,163 determined by the State of Vermont's actuary and \$25,392 of employer contributions made by CCRPC in excess of the amount required. The total employer contribution made by CCRPC was \$101,572. CCRPC funded the employer contribution at 10% for the year ended June 30, 2020 resulting in a lower contribution for members (7.75%).

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION DRAFT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

As of June 30, 2020, Chittenden County Regional Planning 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	\$ 86,068	\$ 5,742
Changes in Assumptions	22,180	0
Difference Between Projected and Actual Investment Earnings on Pension Plan Assets	45,247	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share Of Contributions	13,403	72,092
Required Employer Contributions Made Subsequent to the Measurement Date	76,179	0
Total	\$ 243,077	\$ 77,834

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 \$76,179 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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>	
2021	\$45,049
2022	17,481
2023	14,416
2024	<u>12,118</u>
Total	<u>\$89,064</u>

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.

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 – 10.25%.

Employer Contributions:

Group C – 7.50%.

Chittenden County Regional Planning Commission funded the employer contribution at 10% for the year ended June 30, 2020 resulting in a lower contribution for members (7.75%).

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 - 7.50%, net of pension plan investment expenses, including inflation.

Salary increases - 5% per year.

Mortality:

Death in Active Service:

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

Healthy Post-Retirement:

Group C – 98% of RP-2006 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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION DRAFT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Spouse’s Age – Females three (3) 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% for Group C members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, and at age 55 for member of Group C who receive a disability retirement). The January 1, 2020 COLA is assumed to be 0.80%.

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

Inflation – 2.50%.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected further real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 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%

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION DRAFT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB68, 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 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 7.50%, 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>
\$1,089,375	\$664,314	\$312,442

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 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 \$1,274,061 while its covered payroll for Group DC was \$221,369. Pension expense for this plan for the year ended June 30, 2020 was \$22,137.

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.

11) 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 two percent (2%). There is also a base amount of common area maintenance (CAM) paid monthly which is adjusted each year. The lease was renewed for ten (10) years effective May 1, 2019 and expires April 30, 2029. Rent expense, including CAM, was \$144,206 for the year ended June 30, 2020.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION DRAFT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

CCRPC has two operating leases for copiers. The first copier lease expires in January, 2024 and the second lease expires in April, 2021. Total equipment lease expense was \$6,661 for the year ended June 30, 2020.

CCRPC leased an electric vehicle beginning in May, 2018. \$2,000 was paid and this covers the lease payment through April, 2021. The upfront lease payment was recorded in prepaid expenses and is being amortized over the 36 month period. There are no further commitments under the lease. At June 30, 2020, the unamortized balance was \$555. In May, 2018, CCRPC entered into a lease for a hybrid plug-in car. The lease is for \$297 per month and expires in May, 2021. Total lease expense for leased vehicles was \$4,236 for the year ended June 30, 2020.

Future lease commitments are as follows:

	<u>Building</u>	<u>Copiers</u>	<u>Vehicles</u>	<u>Total</u>
2021	\$ 104,496	\$ 4,125	\$ 3,270	\$ 111,891
2022	106,586	1,812	0	108,398
2023	108,718	1,812	0	110,530
2024	110,892	901	0	111,793
2025	113,100	0	0	113,100
Thereafter	<u>454,775</u>	<u>0</u>	<u>0</u>	<u>454,775</u>
Total	<u>\$ 998,567</u>	<u>\$ 8,650</u>	<u>\$ 3,270</u>	<u>\$ 1,010,487</u>

12) 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.

13) 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 - VMERS
 JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
CCRPC's Proportion of the Net Pension Liability	0.3829%	0.4337%	0.5030%	0.4504%	0.5024%	0.4869%
CCRPC's Proportionate Share of the Net Pension Liability	\$ 664,314	\$ 610,069	\$ 609,395	\$ 579,583	\$ 387,332	\$ 44,379
CCRPC's Covered Employee Payroll	\$ 1,005,722	\$ 997,558	\$ 1,047,730	\$ 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	66.0534%	61.1562%	58.1634%	51.1550%	40.6475%	4.3818%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.35% as of June 30, 2019	82.60% as of June 30, 2018	83.64% as of June 30, 2017	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 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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - VMERS
 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 Contribution (Actuarially Determined)	\$ 76,179	\$ 73,570	\$ 75,960	\$ 82,142	\$ 68,446	\$ 70,228
Contributions in Relation to the Actuarially Determined Contributions	<u>76,179</u>	<u>73,570</u>	<u>75,960</u>	<u>82,142</u>	<u>68,446</u>	<u>70,228</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
CCRPC's Covered Employee Payroll	\$ 1,005,722	\$ 997,558	\$ 1,047,730	\$ 1,132,994	\$ 952,906	\$ 1,012,795
Contributions as a Percentage of Commission's Covered Employee Payroll	7.5000%	7.3750%	7.2500%	7.2500%	7.1829%	6.9341%

Notes to Schedule

Valuation Date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
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Fiscal year 2015 was the first year of implementation, therefore, only six 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, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
State of Vermont - Agency of Commerce and Community			
Development (ACCD)	\$ 380,359	\$ 381,458	\$ 1,099
Project Income-Grants	4,593,049	3,639,435	(953,614)
Project Match Contributions	216,109	277,818	61,709
Local Communities - Annual Assessments	34,291	77,162	42,871
Other Income	60,670	57,890	(2,780)
TOTAL OPERATING REVENUES	5,284,478	4,433,763	(850,715)
OPERATING EXPENSES			
Salaries and Wages	1,263,047	1,274,061	(11,014)
Payroll Taxes and Employee Benefits	538,065	518,587	19,478
Consultants and Contract Services	3,072,772	2,265,000	807,772
Rent	146,390	144,206	2,184
Internal Consultants	10,000	7,600	2,400
Legal, Audit and Accounting	29,000	26,122	2,878
Equipment and Software Maintenance	30,000	26,602	3,398
Depreciation Expense	5,856	5,763	93
Supplies	6,000	4,251	1,749
Copier	15,000	6,661	8,339
Auto and Mileage	4,000	3,386	614
Dues and Publications	14,500	9,586	4,914
Equipment and Software Purchase	19,000	19,564	(564)
Telephone and Internet	16,800	15,633	1,167
Postage	1,500	1,075	425
Conference and Training	20,000	14,909	5,091
Utilities	6,000	4,871	1,129
Program Workshops and Meetings	12,000	5,690	6,310
Insurance	13,000	9,486	3,514
Janitor	5,000	4,127	873
Payroll Processing	3,000	2,438	562
Travel	11,000	2,409	8,591
Communications and PR	20,000	14,340	5,660
Recruitment	2,000	744	1,256
Worker's Comp Insurance	4,000	2,960	1,040
Other	8,000	9,891	(1,891)
TOTAL OPERATING EXPENSES	5,275,930	4,399,962	875,968
OPERATING INCOME	\$ 8,548	\$ 33,801	\$ 25,253

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF FISCAL YEAR 2020 INDIRECT COST RATE CALCULATION
FOR THE YEAR ENDED JUNE 30, 2020

INDIRECT COSTS	
Allowable Indirect Costs - Estimated	\$ 997,280
Less: Carryforward Adjustment - 2018	<u>46,806</u>
	<u>1,044,086</u>
DIRECT COSTS	
Direct Salaries and Wages - Estimated	773,690
Direct Payroll Taxes and Employee Benefits - Estimated	<u>454,389</u>
	<u>1,228,079</u>
CALCULATED INDIRECT RATE (Indirect Costs / Direct Costs)	<u>85.02%</u>
NEGOTIATED INDIRECT RATE FOR FISCAL YEAR 2020	<u>80.00%</u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF DIRECT AND INDIRECT COSTS RECOVERED
 FOR THE YEAR ENDED JUNE 30, 2020

<u>Grant/Agency</u>	<u>Direct Staff Costs</u>	<u>Indirect Costs at 80.00%</u>
Regional Planning Grant (Vermont Agency of Commerce and Community Development)	\$ 207,418	\$ 165,935
Transportation Grants (U.S. Department of Transportation and Vermont Agency of Transportation)	735,976	588,780
Emergency Management Performance Grants (U.S. Department of Homeland Security and Vermont Department of Public Safety)	41,708	33,366
Water Quality (Vermont Agency of Natural Resources)	15,425	12,340
Other	<u>48,735</u>	<u>38,989</u>
Total Recovered	<u>\$ 1,049,262</u>	<u>\$ 839,410</u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF DIRECT AND INDIRECT COSTS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Total</u>	<u>Direct Costs</u>	<u>Unallowable Costs (a)</u>	<u>Allowable Indirect Costs</u>
Salaries and Wages	\$ 1,274,061	\$ 850,901	\$ 0	\$ 423,160
Payroll Taxes and Employee Benefits	518,587	346,346	0	172,241
Payroll Processing	2,438	0	0	2,438
Consultants and Contract Services	2,272,600	2,265,000	0	7,600
Workers Comp	2,960	0	0	2,960
Rent	144,206	0	0	144,206
Equipment and Software Maintenance	26,602	0	0	26,602
Janitor	4,127	0	0	4,127
Travel	2,409	0	0	2,409
Conference and Training	14,909	0	0	14,909
Program Workshops and Meetings	5,690	0	0	5,690
Supplies	4,251	0	0	4,251
Equipment and Software Purchase	19,564	0	0	19,564
Legal, Audit and Accounting	26,122	0	0	26,122
Dues, Memberships, and Publications	9,586	0	1,655	7,931
Depreciation Expense	5,763	0	0	5,763
Telephone and Internet	15,633	0	0	15,633
Utilities	4,871	0	0	4,871
Other	9,891	0	9,891	0
Copier	6,661	0	0	6,661
Communication and PR	14,340	0	0	14,340
Insurance	9,486	0	0	9,486
Postage	1,075	0	0	1,075
Mileage/Car Share	3,386	0	0	3,386
Recruitment	744	0	0	744
TOTAL EXPENSES	\$ 4,399,962	\$ 3,462,247	\$ 11,546	\$ 926,169

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

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

Task #	Task Description	Staff	Indirect at 80.00%	Other Direct	Total
1	Regional Planning	\$ 9,124	\$ 7,299	\$ 0	\$ 16,423
2	Municipal Plan/Technical Assistance	47,168	37,734	2,452	87,354
3	Regional Training and Education	56	45	0	101
4	Support for Statewide Initiatives	32,179	25,743	559	58,481
5	Core Functions	118,891	95,114	5,094	219,099
		<u>207,418</u>	<u>165,935</u>	<u>8,105</u>	<u>381,458</u>
	Total	<u>\$ 207,418</u>	<u>\$ 165,935</u>	<u>\$ 8,105</u>	<u>\$ 381,458</u>
	Grant Revenue for 2020				<u>\$ 381,458</u>

See Independent Auditor's Report.

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

DRAFT Schedule 8

<u>Federal Grantor Pass-Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Vermont Agency of Transportation				
<u>Highway Planning and Construction Cluster:</u>				
Highway Planning and Construction	20.205	GR1361	\$ 453,323	\$ 2,502,982
Total Highway Planning and Construction Cluster			<u>453,323</u>	<u>2,502,982</u>
Passed through the Vermont Agency of Transportation				
Highway Research and Development Program	20.200	GR0744	<u>0</u>	<u>18,151</u>
Total U.S. Department of Transportation			<u>453,323</u>	<u>2,521,133</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs				
Brownfields Assessment and Cleanup	66.818	BF-00A00214	<u>0</u>	<u>21,116</u>
Brownfields Assessment and Cleanup	66.818	BF-00A00483	<u>0</u>	<u>133,521</u>
			<u>0</u>	<u>154,637</u>
Passed through the Two Rivers-Ottawaquechee Regional Commission				
Water Quality Management Planning	66.454	WQ2018-604B-01	<u>0</u>	<u>3,636</u>
Total U.S. Environmental Protection Agency			<u>0</u>	<u>158,273</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the Vermont Department of Public Safety				
Emergency Management Performance Grant	97.042	02140-31026C-003	<u>0</u>	<u>22,881</u>
Emergency Management Performance Grant	97.042	02140-31027C-003	<u>0</u>	<u>52,635</u>
			<u>0</u>	<u>75,516</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>75,516</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Vermont Department of Health				
Substance Abuse and Mental Health Services Administration	93.243	03420-08002	<u>114,074</u>	<u>136,067</u>
Total U.S. Department of Health and Human Services			<u>114,074</u>	<u>136,067</u>
Total Expenditures of Federal Awards			<u>\$ 567,397</u>	<u>\$ 2,890,989</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, 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 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.

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, 2020 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 (DATE).

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.

(DATE)
Montpelier, Vermont
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 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, 2020. 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, 2020.

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.

(DATE)
Montpelier, Vermont
VT Lic. #92-000180

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION **DRAFT**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020

There were no prior year findings.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION DRAFT
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:

Highway Planning & Construction Cluster:

<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.