

**CHITTENDEN COUNTY REGIONAL
PLANNING COMMISSION**

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

JUNE 30, 2022

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 AUDIT REPORT
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Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

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

Independent Auditor's Report

The Board
Chittenden County Regional
Planning Commission
Winooski, Vermont 05404

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Chittenden County Regional Planning Commission as of and for the year ended June 30, 2022 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.

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, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards 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. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Chittenden County Regional Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

As discussed in Note 1 to the financial statements, the Chittenden County Regional Planning Commission implemented the provisions of Governmental Accounting Standards Board Statement No. 87 "Leases". Our opinion is not modified with respect to this matter.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chittenden County Regional Planning Commission’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and “Government Auditing Standards” will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and “Government Auditing Standards”, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chittenden County Regional Planning Commission’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chittenden County Regional Planning Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 12, 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.

Supplementary Information

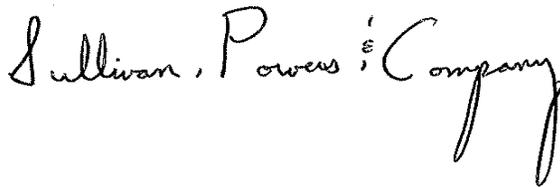
Our audit was conducted for the purpose of forming an opinion, on the financial statements that collectively comprise the Chittenden County Regional Planning Commission's basic financial statements. The accompanying financial information listed as Schedules 3 through 7 in the table of contents is presented 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 the purpose 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 3, 2022 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 the effectiveness of the Chittenden County Regional Planning Commission’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering Chittenden County Regional Planning Commission’s internal control over financial reporting and compliance.

November 3, 2022
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in cursive script that reads "Sullivan, Powers & Company". The signature is written in black ink and is positioned to the right of the date and location information.

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, 2022 (FY22). Please read it in conjunction with the Commission's financial statements, which begin on page 13.

COVID-19 continued to have an impact on us during the 2022 fiscal year. CCRPC had gone fully remote in FY20, on March 17, 2020. At that time, management and the rest of the staff moved quickly to implement public health protocols and updated policies and procedures to work remotely. Remote operations continued through most of FY22. By the summer of 2022 about half the staff have started coming into the office on a regular basis. The CCRPC continues to operate on a hybrid work schedule, with some in-person and some remote time.

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 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 results 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. 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.

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 13) 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 and deferred outflows of resources and 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 Federal 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 FY22 totaled \$250,400 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 with the Agency of Commerce and Community Development (ACCD). The regular contract funds were \$378,463 in FY22. With these funds, CCRPC carries out statutory duties as specified in the agreement and in the annual work program approved by CCRPC. In FY22 there was also an additional \$129,415 of special state funds for energy related work as well as \$75,000 for pandemic response efforts granted through the ACCD agreement.

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 FY22: 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. A direct federal grant from the US Economic Development Authority to conduct a Comprehensive Economic Development Strategy for West Central Vermont continued through FY22.

Pension Liability Note

The Governmental Accounting Standards Board (GASB), which sets rules for governmental 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 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, deferred outflows of resources, liability, and deferred inflows of resources accounts, along with how the CCRPC contributes to their employees' retirement plans, produces an additional expense of \$13,145 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 \$13,145 was not actually paid out by CCRPC in FY22, 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.

New Accounting Standard – Leases

On July 1, 2021, the beginning of FY22, GASB implemented a new Statement No. 87 “Leases”. The new standard is discussed in Notes to the Financial Statements as part of Note 1 on page 19. Notes 5 and 12 further explain the impact of GASB 87 to CCRPC’s financial statements. Essentially the new methodology requires CCRPC to consider our office space lease arrangement to be accounted for like a financed asset. The cost of the entire lease is amortized, and an interest cost is calculated. Over the life of the lease the amortization and interest costs will equal the “actual” lease costs. Early in the process the combined amortization and interest costs are higher than the “old” methodology would have calculated. In FY22, for example, the combined lease amortization, \$93,333, and interest costs, \$36,114, were \$129,447. The rental expense that these components replaced was \$106,586, resulting in an additional \$22,861 of expense for FY22. CAM, or Common Area Maintenance, generally considered a component of overall rent expense, is not included in the new methodology.

Operating Results

The CCRPC finished FY22 with surplus revenue over expenses of \$73,194. These results are shown on the statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2022, on page 14. This result is significantly greater than the budgeted result for FY22, which was (\$22,508) due to our conservative budgeting process.

A portion of the improved financial performance against the budget is explained by recognizing more than \$30,000 of un-budgeted revenue for a deliverables-based grant that the CCRPC was able to complete much more efficiently than anticipated. Another major factor contributing to the surplus was the ability to retain municipal dues revenue because we had increased ACCD revenue to meet expenses in FY22.

The rest of the non-budgeted surplus at the end of FY22 is explained by indirect expenses being a little lower than what was estimated in our approved FY22 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 actuals 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 negotiated each year with the Vermont Agency of Transportation Audit Department. 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.

Our approved Indirect Rate for FY22 was 79.83%. The actual indirect costs for FY22 were 78.75%. This relatively small difference accounts for about \$13,000 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 FY22. The actual audited costs were from FY20. Schedules 5 and 6 present indirect cost recovery and a breakout of direct and indirect costs for FY22. The FY 2024 Indirect Rate calculation and negotiation with VTrans will be based off the FY22 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, 2022, was \$307,069.

Management has a goal of maintaining a Reserve balance that will cover at least three months of operating expenses. Non-project monthly expenses over recent fiscal years are about \$175,000 on average, which translates to about \$525,000 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, 2021, and 2022, and changes, are displayed as follows: 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. The notes in the following table correspond to those in the *Explanation of Changes in Net Position* found on the following page.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>Change</u>	
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 460,336	\$ 168,077	292,259	1
Receivables	1,463,485	1,384,689	78,796	2
Prepaid Expenses	28,659	56,430	(27,771)	
 TOTAL CURRENT ASSETS	 <u>1,952,480</u>	 <u>1,609,196</u>	 <u>343,284</u>	
NONCURRENT ASSETS				
Property, Plant and Equipment	4,663	7,841	(3,178)	
Right to Use Leased Asset	637,777	-	637,777	3
Security Deposit	8,076	8,075	1	
 TOTAL NONCURRENT ASSETS	 <u>650,516</u>	 <u>15,916</u>	 <u>634,600</u>	
 TOTAL ASSETS	 <u><u>2,602,996</u></u>	 <u><u>1,625,112</u></u>	 <u><u>977,884</u></u>	
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Participation in VMERS	293,206	387,324	(94,118)	4
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts Payable	948,119	736,903	211,216	5
Accrued payroll liabilities	138,274	125,510	12,764	
Accrued Interest Payable	2,744	-	2,744	3
Unearned Grant Revenue	94,358	74,286	20,072	6
Lease Payable - Current Portion	75,982	-	75,982	3
 TOTAL CURRENT LIABILITIES	 <u>1,259,477</u>	 <u>936,699</u>	 <u>322,778</u>	
LONG TERM LIABILITIES				
Lease Payable	581,912	-	581,912	3
Net Pension Liability Related to Participation in VMERS 6	551,355	929,841	(378,486)	4
 TOTAL LONG TERM LIABILITIES	 <u>1,133,267</u>	 <u>929,841</u>	 <u>203,426</u>	
 TOTAL LIABILITIES	 <u><u>2,392,744</u></u>	 <u><u>1,866,540</u></u>	 <u><u>526,204</u></u>	
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Participation in VMERS	368,235	70,722	297,513	4
<u>NET POSITION</u>				
Net investment in property, plant & Equipment Restricted	4,663	7,841	(3,178)	
Unrestricted	130,560	67,333	63,227	
 TOTAL NET POSITION	 <u><u>\$ 135,223</u></u>	 <u><u>\$ 75,174</u></u>	 <u><u>\$ 60,049</u></u>	7

Explanation of changes in Net Position for years ending 2022 and 2021:

1. Change in Cash and Cash Equivalents: Part of the increase is the comparatively low cash balance as of June 30, 2021, due to a delayed payment from VTrans at that time. Furthermore, CCRPC improved its cash position of the course of FY22.
2. Change in Accounts Receivable: The increase in accounts receivable is due to the general variability in timing of grant payments.
3. The addition of the "Right to Use Leased Asset" on the balance sheet is part of complying with GASB 87 discussed previously. The rule also adds a Current Liability of Accrued Interest, and both a Current and Long-Term Liability of "Lease Payable".
4. 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.
5. Change in Accounts Payable: The increase in accounts payable is mostly due to holding payments to consultants/vendors until we had collected reimbursement from VTrans and other grantors for those expenses.
6. The Unearned Grant Revenue balance is made up of several grant programs. Some of these grants pay on a deliverable's basis instead of a reimbursement model. The revenue may have been earned but must remain on the balance sheet until the deliverables are complete. FY22 also saw an increase in advanced grant payments, such as those from ACCD.
7. Change in Total Net Position: The CCRPC improved it's net position by \$60,049 from FY21 to FY22.

Net Position without VMERS Pension

The Statement of Net Position, or Balance Sheet, for FY22 and FY21 is shown on the following page without the GAAP required adjustments related to the VMERS pension. As has been discussed at various points during this analysis, the expenses and liabilities related to the pension plan are required accounting, but do not represent cash transactions nor does CCRPC have any control over these numbers. Management feels that the required inclusion of this accounting presents a distortion of CCRPC's financial position and performance.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
JUNE 30, 2022

Statement of Net Position without VMERS pension

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 460,336	\$ 168,077	292,259
Investments – Certificates of Deposit	-	-	-
Receivables	1,463,485	1,384,689	78,796
Prepaid Expenses	28,659	56,430	(27,771)
TOTAL CURRENT ASSETS	<u>1,952,480</u>	<u>1,609,196</u>	<u>343,284</u>
NONCURRENT ASSETS			
Property, Plant and Equipment	4,663	7,841	(3,178)
Right to Use Leased Asset	637,777	-	637,777
Security Deposit	8,076	8,075	1
TOTAL NONCURRENT ASSETS	<u>650,516</u>	<u>15,916</u>	<u>634,600</u>
TOTAL ASSETS	<u>2,602,996</u>	<u>1,625,112</u>	<u>977,884</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Accounts Payable	948,119	736,903	211,216
Accrued payroll liabilities	138,274	125,510	12,764
Unearned Grant Revenue	94,358	74,286	20,072
Accrued Interest Payable	2,744	-	2,744
Lease Payable - Current Portion	75,982	-	75,982
TOTAL CURRENT LIABILITIES	<u>1,259,477</u>	<u>936,699</u>	<u>322,778</u>
LONG TERM LIABILITIES			
Lease Payable	581,912	-	581,912
TOTAL LONG TERM LIABILITIES	<u>581,912</u>	<u>-</u>	<u>581,912</u>
TOTAL LIABILITIES	<u>1,841,389</u>	<u>936,699</u>	<u>904,690</u>
<u>NET POSITION</u>			
Net investment in property, plant & Equipment	4,663	7,841	(3,178)
Restricted	-	-	-
Unrestricted	756,944	680,572	76,372
TOTAL NET POSITION	<u>\$ 761,607</u>	<u>\$ 688,413</u>	<u>\$ 73,194</u>

The *Statement of Net Position without VMERS Pension* is presented for the purposes of our own analysis. As can be observed, adjusting for the pension accounting returns more than \$600,000 of equity to our net position. The additional \$13,145 in Change of Net position is the result of removing the Pension Expense Related to Participation in VMERS.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
JUNE 30, 2022

A summary of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2022, and 2021 are as follows:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Operating Revenues	\$ 4,933,796	\$ 4,785,566	148,230
Operating Expenses	<u>(4,824,488)</u>	<u>(4,699,343)</u>	<u>125,145</u>
"Operating" Surplus/Loss	109,308	86,223	23,085
Non Operating Revenues (Expenses)			
Interest Expense related to Lease	<u>(36,114)</u>	<u>-</u>	<u>36,114</u>
Revenues in Excess of Expenses	73,194	86,223	(13,029)
Other Revenue/Expense			
Pension Expense Related to Participation in VMERS	<u>(13,145)</u>	<u>(114,168)</u>	<u>(101,023)</u>
Changes in Net Position	60,049	(27,945)	87,994
Beginning Net Position	<u>75,174</u>	<u>103,119</u>	<u>(27,945)</u>
Ending Net Position	<u><u>135,223</u></u>	<u><u>75,174</u></u>	<u><u>60,049</u></u>

CCRPC produced a surplus of revenues over expenses of \$73,194 for the fiscal year. The book change in Total Net Position from FY21 to FY22 was \$60,049. This fiscal year saw the implementation of the new GASB 87 "Leases" accounting standard. The impact in FY22 was an increase in "rent" expense of \$22,861 from the previous accounting standard, which was to book the actual cost of the current lease payments as they occurred.

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) 735-3500, or by email at cbaker@ccrpcvt.org.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 460,336	
Receivables	1,463,485	
Prepaid Expenses	28,659	
TOTAL CURRENT ASSETS		1,952,480

NONCURRENT ASSETS

Property and Equipment (Net of Accumulated Depreciation)		4,663
Right to Use Leased Asset (Net of Accumulated Amortization)		637,777
Security Deposit		8,076
TOTAL NONCURRENT ASSETS		650,516
TOTAL ASSETS		2,602,996

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Participation in VMERS		293,206
TOTAL DEFERRED OUTFLOWS OF RESOURCES		293,206

LIABILITIES

CURRENT LIABILITIES

Accounts Payable		948,119
Accrued Payroll Liabilities		138,274
Accrued Interest Payable		2,744
Unearned Grant Revenue		94,358
Lease Payable - Current Portion		75,982
TOTAL CURRENT LIABILITIES		1,259,477

LONG TERM LIABILITIES

Lease Payable		581,912
Net Pension Liability Related to Participation in VMERS		551,355
TOTAL LONG TERM LIABILITIES		1,133,267
TOTAL LIABILITIES		2,392,744

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Participation in VMERS		368,235
TOTAL DEFERRED INFLOWS OF RESOURCES		368,235

NET POSITION

Net Investment in Property and Equipment		4,663
Unrestricted:		
Related to Participation in VMERS/(Deficit)		(626,384)
Other		756,944
Total Unrestricted Net Position		130,560
TOTAL NET POSITION		\$ 135,223

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, 2022

OPERATING REVENUES	
Grants	\$ 4,536,800
Local communities - annual assessments	250,400
Project match contributions	82,333
Other income	<u>64,263</u>
TOTAL OPERATING REVENUES	<u>4,933,796</u>
OPERATING EXPENSES	
Salaries and wages	1,385,880
Payroll taxes and employee benefits	579,855
Consultants and contract services	2,505,571
Other operating expenses	256,670
Depreciation and amortization expense	<u>96,512</u>
TOTAL OPERATING EXPENSES	<u>4,824,488</u>
OPERATING INCOME	109,308
NONOPERATING REVENUES (EXPENSES)	
Interest Expense	<u>(36,114)</u>
CHANGE IN NET POSITION BEFORE OTHER REVENUE (EXPENSES)	73,194
OTHER REVENUE/(EXPENSES)	
Pension Expense Related to Participation in VMERS	<u>(13,145)</u>
CHANGE IN NET POSITION	60,049
BEGINNING NET POSITION	<u>75,174</u>
ENDING NET POSITION	<u><u>\$ 135,223</u></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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from grants, contracts and services	\$ 4,443,760
Cash received from local communities	55,273
Cash received from local match contributions and other	376,039
Cash paid for goods and services	(2,510,109)
Cash paid for personnel	<u>(1,966,116)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>398,847</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Lease Interest Paid	(33,372)
Lease Principal Payments	<u>(73,216)</u>
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(106,588)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>0</u>
INCREASE IN CASH AND CASH EQUIVALENTS	292,259
BEGINNING CASH AND CASH EQUIVALENTS	<u>168,077</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 460,336</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	\$ 109,308
Depreciation and Amortization	96,512
Pension Expense Related to Participation in VMERS	(13,145)
Increase in Receivables	(78,796)
Decrease in Deferred Outflows of Resources - Pension Plan	94,118
Decrease in Prepaid Expenses	27,771
Increase in Accounts Payable	211,216
Increase in Accrued Payroll Liabilities	12,764
Increase in Unearned Grant Revenue	20,072
Decrease in Net Pension Liability	(378,486)
Increase in Deferred Inflows of Resources-Pension Plan	<u>297,513</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 398,847</u>

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

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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 net investment in property and equipment, restricted net position 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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Right to Use Leased Assets

CCRPC has recorded the right to use leased assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease in service. The right to use assets are amortized over the life of the related lease. CCRPC records the right to use leased assets and the related liability for any noncancellable leases with terms exceeding 12 months which management deems material.

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.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

Long Term Liabilities

Long Term Liabilities include CCRPC’s share of the VMERS net pension liability and the liability for future minimum lease payments measured at the net present value of the payments using its incremental borrowing rate.

New Accounting Standard - Leases

Governmental Accounting Standards Board (GASB) Statement No. 87 “Leases” was implemented by CCRPC effective July 1, 2021. This Statement replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. GASB 87 requires CCRPC to record assets and liabilities for most leasing arrangements with terms exceeding 12 months. The leased asset is amortized over the lease term and the lease payments include interest expense and reduce the liability. Implementation of this new standard did not affect net position as of July 1, 2021.

2) CASH AND INVESTMENTS

Cash and Investments are as follows:

Deposits with Financial Institutions		\$460,086
Petty Cash		<u>250</u>
Total Cash		<u>\$460,336</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:

	<u>Book</u>	<u>Bank</u>
NCUA Insured	\$ 403,012	\$ 425,120
Uninsured, Collateralized	<u>57,074</u>	<u>57,074</u>
Total	<u>\$ 460,086</u>	<u>\$ 482,194</u>

CCRPC’s deposits are insured by the National Credit Union Administration (NCUA) up to \$250,000. Amounts in excess of that are collateralized by a \$550,000 Stand-by Letter of Credit issued by the Federal Home Loan Bank of Boston.

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, 2022

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 does not have any investments subject 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. CCRPC does not have any investments subject to credit risk.

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, 2022.

Receivables are comprised of the following:

Grants and Contracts	\$ 1,388,888
Municipal Services and Other	76,597
Less Allowance for Doubtful Accounts	<u>(2,000)</u>
 Total	 <u><u>\$ 1,463,485</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	\$ 42,436	\$ 0	\$ 0	\$ 42,436
Less Accumulated Depreciation	<u>(34,595)</u>	<u>(3,178)</u>	<u>0</u>	<u>(37,773)</u>
Capital Assets, Net at June 30, 2022	<u><u>\$ 7,841</u></u>	<u><u>\$ (3,178)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,663</u></u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

5) RIGHT TO USE LEASED ASSETS

CCPRC has one Right to Use Leased Asset for its office in Winooski, Vermont. See Note 12 for details of the related lease liability. The right to use the leased asset is amortized on a straight-line basis over 94 months, the remaining life of the lease at July 1, 2021.

The Right to Use Leased Asset has activity as follows for the year ended June 30, 2022:

Implementation of GASB 87, July 1, 2021	\$731,110
Less: Amortization	<u>(93,333)</u>
Balance, June 30	<u>\$637,777</u>

6) DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources consists of \$102,763 from the difference between the expected and actual experience, \$87,150 from changes in assumptions, and \$9,732 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 \$93,561 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources is \$293,206.

7) DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consists of \$325,095 from the difference between projected and actual investment earnings and \$43,140 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 \$368,235.

8) UNEARNED GRANT REVENUE

For the year ended June 30, 2022, CCPRC had received Pandemic Response and Energy Planning funds from the State of Vermont, Brownfield funds from the Mt. Ascutney Regional Commission and other funds that have not yet been spent for the intended purpose. These funds will be spent in fiscal year 2023 and recognized as revenue:

ACCD – Pandemic Response and Energy	\$58,925
Brownfield – Mt. Ascutney Regional Commission	30,316
Economic Development	5,000
Other	<u>117</u>
Total Unearned Grant Revenue	<u>\$94,358</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

9) NET POSITION

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

Designated for Reserves	\$ 307,069
Amount Designated in Excess of Available Net Position	<u>(176,509)</u>
Total Unrestricted Net Position	<u>\$ 130,560</u>

10) GRANTS

Grants consist of the following:

Direct Federal Grants:	
EPA - Brownfields	\$ 29,273
Economic Development	122,304
	<u>151,577</u>
Federal Grants Passed Through State and State Grants:	
Public Safety	69,667
Water Quality	444,369
VT Department of Health	270,455
AOT - Transportation	3,048,575
ACCD	523,952
	<u>4,357,018</u>
Other:	
Municipal ARPA Assistance	9,889
Grant in Aid Pilot	10,462
Bolton CDBG	2,544
United Way RPP	5,310
	<u>28,205</u>
Total	<u>\$ 4,536,800</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

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

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, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net pension liability of \$147,184,198. As of June 30, 2022, CCRPC's proportionate share of this was .3746% resulting in a liability of \$551,355. The net pension liability was measured as of June 30, 2021, 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 .3746% was an increase of .0070% from its proportion measured as of the prior year.

For the year ended June 30, 2022, CCRPC recognized pension expense of \$130,096 which was comprised of \$106,706 determined by the State of Vermont's actuary and \$23,390 of employer contributions made by CCRPC in excess of the amount required. The total employer contribution made by CCRPC was \$93,561. CCRPC funded the employer contribution at 10% for the year ended June 30, 2022 resulting in a lower contribution for members (8.75%).

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

As of June 30, 2022, 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	\$ 102,763	\$ 0
Changes in Assumptions	87,150	0
Difference Between Projected and Actual Investment Earnings on Pension Plan Assets	0	325,095
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share Of Contributions	9,732	43,140
Required Employer Contributions Made Subsequent to the Measurement Date	93,561	0
Total	\$ 293,206	\$ 368,235

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 \$93,561 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ (22,512)
2024	(24,529)
2025	(36,166)
2026	<u>(85,383)</u>
Total	\$ <u>(168,590)</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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 – 10.75%.

Employer Contributions:

Group C – 8.00%.

Chittenden County Regional Planning Commission funded the employer contribution at 10% for the year ended June 30, 2022 resulting in a lower contribution for members (8.75%).

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

Investment Rate of Return: 7.0%, net of pension plan investment expenses, including inflation.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.5% (includes assumed inflation rate of 2.3%) for all subsequent years.

Mortality:

Pre-Retirement: 40% PubG-2010 General Employee below -median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

Healthy Post-Retirement Retirees: 104% of 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Healthy Post-Retirement Beneficiaries: 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Disabled Post-Retirement: All Groups – PubNS-2010 Non-Safety Disabled Mortality Table with generational projection using Scale MP-2019.

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

Cost-of-Living Adjustments: 1.2%. The January 1, 2021 and January 1, 2022 COLAs are .40% and 2.3%, respectively.

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

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

Inflation: 2.30%.

Long-term Expected Rate of Return:

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

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	4.25%

Discount Rate:

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$1,089,786	\$551,355	\$108,608

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$1,385,880 while its covered payroll for Group DC was \$213,111. Pension expense for this plan for the year ended June 30, 2022 was \$21,311.

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) LEASE PAYABLE

CCRPC has entered into an agreement to lease offices in Winooski, Vermont. This agreement was executed on May 1, 2019 and requires 120 monthly payments for each annual lease term which increase 2% over the previous year. For the lease year ending April 30, 2022, monthly lease payments were \$8,852.68 which increased to \$9,029.73 for the lease year ending April 30, 2023. The lease also provides for Common Area Maintenance to be paid each month; an amount which is adjusted annually.

The lease liability was measured at a discount rate of 5.3% at July 1, 2021, which is deemed to be CCRPC's incremental borrowing rate. As a result of the lease, CCRPC has recorded a Right to Use Leased Asset with a net book value of \$637,777, see Note 5.

The Lease Payable is as follows:

Lease Payable through April, 2029	\$657,894
Current Portion	<u>(75,982)</u>
Long Term Liability	<u>\$581,912</u>

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

The future minimum lease obligation and net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 75,982	\$ 32,736	\$ 108,718
2024	82,295	28,597	110,892
2025	88,993	24,117	113,110
2026	96,096	19,276	115,372
2027	103,629	14,051	117,680
Thereafter	<u>210,899</u>	<u>10,825</u>	<u>221,724</u>
Total	<u>\$ 657,894</u>	<u>\$ 129,602</u>	<u>\$ 787,496</u>

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 - VMERS
 JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 147,184,198	\$ 252,974,064	\$ 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	0.3746%	0.3676%	0.3829%	0.4337%	0.5030%	0.4504%	0.5024%	0.4869%
CCRPC's Proportionate Share of the Net Pension Liability	\$ 551,355	\$ 929,841	\$ 664,314	\$ 610,069	\$ 609,395	\$ 579,583	\$ 387,332	\$ 44,379
CCRPC's Covered Employee Payroll	\$ 1,169,512	\$ 1,074,669	\$ 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	47.1440%	86.5235%	66.0534%	61.1562%	58.1634%	51.1550%	40.6475%	4.3818%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.29% as of June 30, 2021	74.52% as of June 30, 2020	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 eight years are shown.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - VMERS
 FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 93,561	\$ 83,287	\$ 76,179	\$ 73,570	\$ 75,960	\$ 82,142	\$ 68,446	\$ 70,228
Contributions in Relation to the Actuarially Determined Contributions	<u>93,561</u>	<u>83,287</u>	<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>							
CCRPC's Covered Employee Payroll	\$ 1,169,512	\$ 1,074,669	\$ 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	8.0000%	7.7500%	7.5000%	7.3750%	7.2500%	7.2500%	7.1829%	6.9341%

Notes to Schedule

Valuation Date: June 30, 2021 June 30, 2020 June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014

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

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF OPERATIONS
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
State of Vermont - Agency of Commerce and Community			
Development (ACCD)	\$ 405,593	\$ 523,952	\$ 118,359
Project Income-Grants	5,295,820	4,012,847	(1,282,973)
Project Match Contributions	253,836	277,461	23,625
Local Communities - Annual Assessments	0	55,273	55,273
Other Income	66,012	64,263	(1,749)
TOTAL OPERATING REVENUES	6,021,261	4,933,796	(1,087,465)
OPERATING EXPENSES			
Salaries and Wages	1,436,292	1,385,880	50,412
Payroll Taxes and Employee Benefits	592,015	579,855	12,160
Consultants and Contract Services	3,615,804	2,505,571	1,110,233
Rent	153,798	153,018	780
Internal Consultants	5,000	0	5,000
Legal, Audit and Accounting	32,400	28,360	4,040
Equipment and Software Maintenance	41,760	43,900	(2,140)
Depreciation Expense	3,500	3,178	322
Supplies	4,000	3,521	479
Copier	4,200	4,134	66
Auto and Mileage	5,700	4,906	794
Dues and Publications	11,800	10,279	1,521
Equipment and Software Purchase	19,000	22,048	(3,048)
Telephone and Internet	19,000	17,134	1,866
Postage	1,500	1,311	189
Conference and Training	20,000	16,399	3,601
Utilities	6,000	5,309	691
Program Workshops and Meetings	13,000	5,821	7,179
Insurance	12,000	11,174	826
Janitor	6,500	6,113	387
Payroll Processing	3,000	2,756	244
Communications and PR	20,000	10,199	9,801
Recruitment	3,000	4,061	(1,061)
Worker's Comp Insurance	3,000	2,688	312
Other	11,500	10,125	1,375
TOTAL OPERATING EXPENSES - BUDGETARY BASIS	6,043,769	4,837,740	1,206,029
NET OPERATING INCOME/(LOSS) - BUDGETARY BASIS	\$ (22,508)	96,056	\$ 118,564
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Accrual Basis of Accounting:			
Amortization of Right to Use Leased Asset		(93,333)	
Base Rent Paid		106,585	
OPERATING INCOME		\$ 109,308	

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF FISCAL YEAR 2022 INDIRECT COST RATE CALCULATION
 FOR THE YEAR ENDED JUNE 30, 2022

NEGOTIATED INDIRECT RATE USED FOR FISCAL YEAR 2022:

INDIRECT COSTS	
Allowable Indirect Costs - Estimated	\$ 1,046,773
Less: Carryforward Adjustment - 2020	<u>(27,720)</u>
	<u>1,019,053</u>
DIRECT COSTS	
Direct Salaries and Wages - Estimated	745,636
Direct Payroll Taxes and Employee Benefits - Estimated	<u>530,898</u>
	<u>1,276,534</u>
CALCULATED INDIRECT RATE (Indirect Costs / Direct Costs)	<u><u>79.83%</u></u>

ACTUAL INDIRECT RATE FOR FISCAL YEAR 2022:

INDIRECT COSTS	
Allowable Indirect Costs - Actual	\$ <u>1,033,249</u>
DIRECT COSTS	
Direct Salaries and Wages - Actual	924,992
Direct Payroll Taxes and Employee Benefits - Actual	<u>387,018</u>
	<u>1,312,010</u>
ACTUAL INDIRECT RATE (Indirect Costs/Direct Costs)	<u><u>78.75%</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, 2022

<u>Grant/Agency</u>	<u>Direct Staff Costs</u>	<u>Indirect Costs</u>
Regional Planning Grant (Vermont Agency of Commerce and Community Development)	\$ 290,526	\$ 231,926
Transportation Grants (U.S. Department of Transportation and Vermont Agency of Transportation)	767,756	612,900
Emergency Management Performance Grants (U.S. Department of Homeland Security and Vermont Department of Public Safety)	32,926	26,284
Water Quality (Vermont Agency of Natural Resources)	39,575	31,593
Other	<u>53,106</u>	<u>42,395</u>
Total Recovered	<u>\$ 1,183,889</u>	<u>\$ 945,098</u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT AND INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Total</u>	<u>Direct Costs</u>	<u>Unallowable Costs (a)</u>	<u>Allowable Indirect Costs</u>
Salaries and Wages	\$ 1,385,880	\$ 924,992	\$ 0	\$ 460,888
Payroll Taxes and Employee Benefits	579,855	387,018	0	192,837
Payroll Processing	2,756	0	0	2,756
Consultants and Contract Services	2,505,571	2,505,571	0	0
Workers Comp	2,688	0	0	2,688
Recruitment	4,060	0	0	4,060
Rent-CAM	46,432	0	0	46,432
Interest - Office Lease	36,114	0	0	36,114
Equipment and Software Maintenance	43,900	0	0	43,900
Janitor	6,113	0	0	6,113
Conference and Training	16,399	0	0	16,399
Program Workshops and Meetings	5,821	0	0	5,821
Supplies	3,521	0	0	3,521
Equipment and Software Purchase	22,048	0	0	22,048
Legal, Audit and Accounting	28,360	0	0	28,360
Dues, Memberships, and Publications	10,279	0	0	10,279
Depreciation and Amortization	96,511	0	0	96,511
Telephone and Internet	17,134	0	0	17,134
Utilities	5,309	0	0	5,309
Other	10,125	0	9,771	354
Copier	4,134	0	0	4,134
Communication and PR	10,199	0	0	10,199
Insurance	11,174	0	0	11,174
Postage	1,311	0	0	1,311
Mileage/Car Share	4,907	0	0	4,907
TOTAL EXPENSES	\$ <u>4,860,601</u>	\$ <u>3,817,581</u>	\$ <u>9,771</u>	\$ <u>1,033,249</u>

(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, 2022

Task #	Task Description	Staff	Indirect	Other Direct	Total
1	Regional Planning	\$ 35,222	\$ 28,118	\$ 0	\$ 63,340
2	Municipal Plan/Technical Assistance	30,511	24,357	470	55,338
3	Regional Training and Education	980	782	0	1,762
4	Support for Statewide Initiatives	27,713	22,123	64	49,900
5	Core Functions	115,299	92,043	780	208,122
6	Pandemic Response	11,341	9,053	23	20,417
7	Energy Funding	69,460	55,450	163	125,073
	Total	<u>\$ 290,526</u>	<u>\$ 231,926</u>	<u>\$ 1,500</u>	<u>\$ 523,952</u>
	Grant Revenue for 2022				<u>\$ 523,952</u>

See Independent Auditor's Report.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

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				
<u>Highway Planning and Construction Cluster:</u>				
Highway Planning and Construction	20.205	GR1479	\$ 530,185	\$ 2,759,260
Total Highway Planning and Construction Cluster			<u>530,185</u>	<u>2,759,260</u>
Passed through the Vermont Agency of Transportation				
Highway Research and Development Program	20.200	GR0744	0	6,162
Total U.S. Department of Transportation			<u>530,185</u>	<u>2,765,422</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs				
Brownfields Assessment and Cleanup	66.818	BF-00A00483	0	29,273
Passed through the Rutland Regional Planning Commission				
Water Quality Management Planning	66.454	2020-604B-01	0	3,327
Total U.S. Environmental Protection Agency			<u>0</u>	<u>32,600</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the Vermont Department of Public Safety				
Emergency Management Performance Grant	97.042	02140-31029C-003	0	1,719
Emergency Management Performance Grant	97.042	02140-31028C-003	0	20,440
Emergency Management Performance Grant	97.042	02140-31030C-003	0	37,095
Total U.S. Department of Homeland Security			<u>0</u>	<u>59,254</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Lamoille County Planning Commission				
Activities to Support STLT Health Department Response to Public Health or Healthcare Crises	93.391	03420-9266	0	2,438
Passed through the Vermont Department of Health				
Immunization Cooperative Agreements	93.268	03420-09403	95,545	95,545
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Disease	93.323	03420-08862	171,835	172,473
Total U.S. Department of Health and Human Services			<u>267,380</u>	<u>270,456</u>
U.S. DEPARTMENT OF COMMERCE				
Direct Program				
Economic Development Support for Planning Organizations	11.302	ED20PHI3020087	68,540	122,303
Total U.S. Department of Commerce			<u>68,540</u>	<u>122,303</u>
Total Expenditures of Federal Awards			<u>\$ 866,105</u>	<u>\$ 3,250,035</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, 2022. 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.

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

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

Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with “Government Auditing Standards”

The Board
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, 2022 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 3, 2022.

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. 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 or significant deficiencies may exist that were not identified.

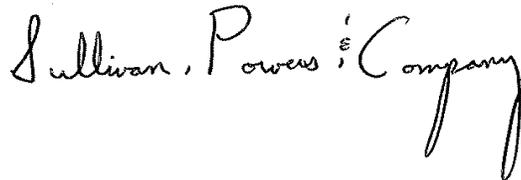
Compliance and Other Matters

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

November 3, 2022
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.

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
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Fred Duplessis, CPA
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Wendy C. Gilwee, CPA
[VT Lic. #92-000180](http://www.vt.gov)

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

The Board
Chittenden County Regional
Planning Commission
Winooski, Vermont 05404

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Chittenden County Regional Planning Commission's compliance with the types of compliance requirements identified as subject to audit in the 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, 2022. 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 questioned costs.

In our opinion, the Chittenden County Regional Planning Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. "Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Chittenden County Regional Planning Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Chittenden County Regional Planning Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Chittenden County Regional Planning Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Chittenden County Regional Planning Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, "Government Auditing Standards", and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Chittenden County Regional Planning Commission's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, "Government Auditing Standards", and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Chittenden County Regional Planning Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Chittenden County Regional Planning Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Chittenden County Regional Planning Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

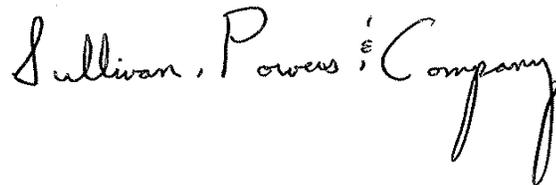
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 3, 2022
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 initial 'S' and a long, sweeping tail on the 'y'.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2022

There were no prior year findings.

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2022

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.