

**CHITTENDEN COUNTY REGIONAL  
PLANNING COMMISSION**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

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## INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners  
Chittenden County Regional Planning Commission

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Chittenden County Regional Planning Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of June 30, 2023, and its 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 generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

### ***Auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 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 Commission's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information presented on pages 35-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Commission's basic financial statements. The accompanying supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Commission's internal control over financial reporting and compliance.

*Marcum LLP*

Providence, RI  
December 18, 2023

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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### **Overview of the Entity:**

Within this section of the Commission's annual financial report, management provides discussion and analysis of the financial activities of the Commission for the year ended June 30, 2023, as compared to the previous fiscal year ended June 30, 2022. The Commission's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

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

The Commission 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).

### **Overview of the Financial Statements:**

The financial statements include (1) the statement of net position, (2) the statement of revenues, expenses and changes in net position, (3) the statement of cash flows, and (4) notes to the financial statements. The statement of net position is designed to indicate our financial position as of a specific point in time.

The statement of revenues, expenses and changes in net position summarizes our operating results and reveals how much, if any, income was earned for the period. As discussed in more detail below, our operating income for the year was \$91,198 and decrease in net position was \$3,453.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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The statement of cash flows provides information about the cash receipts and cash payments during the accounting period. It also provides information about the investing and financing activities for the same period. A review of our cash flows indicates that the cash receipts from operating activities adequately covered operating expenses, capital additions and debt service.

### **Financial Highlights:**

#### **Budget**

The Commission 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. The Commission 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 FY23 totaled \$255,408 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 \$588,240 in fiscal year 2023. With these funds, the Commission carries out statutory duties as specified in the agreement and in the annual work program approved by the Commission.

The Commission 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 fiscal year 2023: 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 fiscal year 2023.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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### **Pension Liability Note**

The Governmental Accounting Standards Board (GASB), which sets rules for governmental accounting, requires that institutions like the Commission 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 9, 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 the Commission or the auditors. Furthermore, the Commission 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 Commission contributes to their employees' retirement plans, produces an additional expense of \$62,198 of other expense, shown the Statement of Revenues, Expenses and Changes in Net Position.

This expense is not considered Operating as the Commission 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 \$62,198 was not actually paid out by the Commission in fiscal year 2023, 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 the Commissions 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 the Commission.

### **Leases**

On July 1, 2021, the beginning of fiscal year 2022, GASB implemented a new Statement No. 87 "Leases". The standard is discussed in notes to the financial Statements as part of Notes 1, 5 and 8. The new methodology requires the Commission 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 fiscal year 2023, the combined lease amortization, \$93,333, and interest costs, \$32,453, were \$125,786. The rental expense that these components replaced was \$108,718, resulting in an additional \$17,068 of expense for fiscal year 2023. CAM, or Common Area Maintenance, generally considered a component of overall rent expense, is not included in the new methodology.



# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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### Operating Results

The Commission finished fiscal year 2023 with a deficit of revenue under expenses of \$3,453. These results are shown on the statement of revenues, expenses, and changes in net position for the years ended June 30, 2023, on page 15. The operating income was \$91,198 before the GAAP required adjustments for Pension and Interest expense related to our office lease were applied.

The Commission also presents a schedule of operations – budget and actual which is reported on the budgetary basis. The schedule below provides a reconciliation between the Commission's GAAP operating income and its budgetary results:

<b>Excess of revenues and other financing sources over expenditures and other financing uses - Budgetary Basis</b>	\$ 75,811
Budgeted rent expense for the principal payments applied to lease liability	108,720
Unbudgeted amortization of right to use leased asset	<u>(93,333)</u>
<b>Operating Income - GAAP Basis</b>	<u><u>\$ 91,198</u></u>

A portion of the Commission's financial performance in fiscal year 2023 is the result of staff hitting revenue targets, and in some cases, exceeding them. 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 fiscal year 2023.

If the increased ACCD revenue had not allowed us to allocate nearly \$86,000 of municipal dues to revenue at the end of fiscal year without corresponding expenses, our operating results would have been very close to even. This was because our approved Indirect Rate, which drives the amount we are reimbursed for each hour of staff work, was very close to our actual Indirect Rate in fiscal year 2023.

Our approved indirect rate for fiscal year 2023 was 76.83%. The actual indirect costs for fiscal year 2023 were 76.95%. This very small difference means that we operated very close to what we had estimated and were reimbursed in very close alignment to our true costs for the fiscal year.

Please refer to the supplementary information for a detail of the Indirect Rate calculation for fiscal year 2023. The actual audited costs were from fiscal year 2021. The supplementary information also presents indirect cost recovery and a breakout of direct and indirect costs for fiscal year 2023. The fiscal year 2025 Indirect Rate calculation and negotiation with VTrans will be based off the fiscal year 2023 figures.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Net income in previous fiscal years has allowed the Commission to build up reserve funds. The Commission considers cash in the money market bank account to be cash in reserve. The money market balance on June 30, 2023, was \$410,098.

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 \$211,000 on average, which translates to about \$633,000 as a reserve goal. The Commission will continue to build on the Reserve balance, but we don't expect the funds to accumulate quickly. The Commission operates on a predominantly reimbursement model, and therefore our budget is not designed to generate excess income.

### Summary of Net Position

Presented below is the Commission's condensed summary of net position at June 30, 2023, compared to June 30, 2022. The statement of net position presents the assets and deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Commission's at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Commission as of a certain point in time. It presents end of year data for assets, deferred outflows of resources, liabilities, and net position (assets and deferred outflows of resources, minus liabilities and deferred inflows of resources). The statement of net position is driven by the activities within the Statement of Revenues, Expenses and Changes in Net Position.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 1,926,452	\$ 1,952,480	\$ (26,028)	-1.3%
Noncurrent assets	554,896	650,516	(95,620)	-14.7%
Deferred outflows of resources	<u>465,143</u>	<u>293,206</u>	<u>171,937</u>	<u>58.6%</u>
Total assets and deferred outflows of resources	<u>\$ 2,946,491</u>	<u>\$ 2,896,202</u>	<u>\$ 50,289</u>	<u>1.7%</u>
Current liabilities	\$ 1,161,379	\$ 1,259,477	\$ (98,098)	-7.8%
Long-term debt, net of current portion	1,634,069	1,133,267	500,802	44.2%
Deferred inflows of resources	<u>19,273</u>	<u>368,235</u>	<u>(348,962)</u>	<u>-94.8%</u>
Total liabilities and deferred inflows of resources	<u>2,814,721</u>	<u>2,760,979</u>	<u>53,742</u>	<u>1.9%</u>
Net investment in capital assets	(35,092)	4,663	(39,755)	-852.6%
Unrestricted net position	<u>166,862</u>	<u>130,560</u>	<u>36,302</u>	<u>27.8%</u>
Total net position	<u>131,770</u>	<u>135,223</u>	<u>(3,453)</u>	<u>-2.6%</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,946,491</u>	<u>\$ 2,896,202</u>	<u>\$ 50,289</u>	<u>1.7%</u>

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2023**

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Total assets of the Commission at June 30, 2023 and 2022 were \$2,481,348 and \$2,602,996, respectively, a change of 4.7%. The significant components of current assets are cash and cash equivalents, accounts receivable and prepaid expenses. The significant components of noncurrent assets are capital assets. Capital assets include equipment and furniture as well as right of use lease assets. All capital assets are shown net of accumulated depreciation and amortization.

Total liabilities of the Commission at June 30, 2023 and 2022 were \$2,795,448 and \$2,392,492, respectively, a change of 16.8%. Current liabilities include accounts payable, accrued liabilities, unearned grant revenue and current portion of lease payable. Noncurrent liabilities are made up of the long-term portion of lease payable and the net pension liability.

Deferred outflows and inflows of resources relate to the Commission's net pension liability. In 2023, the Commission's net pension liability related deferred outflows increased by \$171,937 while deferred inflows decreased \$348,962.

Net position represents the Commission's equity, which is accounted for in three major categories. The first category, net investment in capital assets, represents the Commission's equity in land, buildings and building improvements, construction in progress, and equipment, net of related capital debt outstanding. The next net position category is restricted net position; this shows the amounts subject to external restriction. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Commission. Unrestricted net position increased by \$36,302, or 27.8%, for the fiscal year.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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### Net Position without VMERS Pension

The Statement of Net Position, or Balance Sheet, for fiscal year 2023 and 2022 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 the Commission have any control over these numbers. Management feels that the required inclusion of this accounting presents a distortion of the Commission's financial position and performance.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 1,926,452	\$ 1,952,480	\$ (26,028)	-1.3%
Noncurrent assets	<u>554,896</u>	<u>650,516</u>	<u>(95,620)</u>	-14.7%
Total assets	<u>\$ 2,481,348</u>	<u>\$ 2,602,996</u>	<u>\$ (121,648)</u>	-4.7%
Current liabilities	\$ 1,161,379	\$ 1,259,477	\$ (98,098)	-7.8%
Long-term debt, net of current portion	<u>499,617</u>	<u>581,912</u>	<u>(82,295)</u>	-14.1%
Total liabilities	<u>1,660,996</u>	<u>1,841,389</u>	<u>(180,393)</u>	-9.8%
Net investment in capital assets	(35,092)	4,663	(39,755)	-852.6%
Unrestricted net position	<u>855,444</u>	<u>756,944</u>	<u>98,500</u>	13.0%
Total net position	<u>820,352</u>	<u>761,607</u>	<u>58,745</u>	7.7%
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,481,348</u>	<u>\$ 2,602,996</u>	<u>\$ (121,648)</u>	-4.7%

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 \$688,000 of equity to our net position. The additional \$62,198 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

JUNE 30, 2023

### Summary of Revenues, Expenses and Changes in Net Position

Presented below is the condensed summary of revenues, expenses and changes in net position information for year ended June 30, 2023, compared to the year ended June 30, 2022. The information reflects the results of operations for the Commission. All revenues and expenses are accounted for on an accrual basis.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues	\$ 5,500,885	\$ 4,933,796	\$ 567,089	11.5%
Operating expenses	<u>5,409,687</u>	<u>4,824,488</u>	<u>585,199</u>	12.1%
Operating income (loss)	91,198	109,308	(18,110)	-16.6%
Nonoperating revenues net of nonoperating expenses	(32,453)	(36,114)	3,661	-10.1%
Pension expense relating to participation in VMERS	<u>(62,198)</u>	<u>(13,145)</u>	<u>(49,053)</u>	373.2%
Increase (Decrease) in Net Position	<u>\$ (3,453)</u>	<u>\$ 60,049</u>	<u>\$ (63,502)</u>	-105.8%

Operating revenues increased \$567,089, or 11.5% due primarily to an increase in grants and project activity. Operating expenses increased \$585,199, or 12.1% due to as a correlation to the increase in grant revenue and projects undertaken by the Commission. Non-operating revenue remained consistent with the prior year.

### Capital Assets

At June 30, 2023, capital assets, net of accumulated depreciation and amortization was \$546,820 which includes office furniture and equipment and right of use assets. The schedule below reflects the changes in capital assets, net of depreciation, from June 30, 2022 to June 30, 2023:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Office furniture and equipment	\$ 42,436	\$ 42,436	\$ --	0.0%
Right of use assets	731,110	731,110	--	0.0%
Accumulated depreciation / amortization	<u>(226,726)</u>	<u>(131,106)</u>	<u>(95,620)</u>	72.9%
Total	<u>\$ 546,820</u>	<u>\$ 642,440</u>	<u>\$ (95,620)</u>	-14.9%

Additional information on the Commission's capital assets can be found in Note 5 to the financial statements, which accompany this report.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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### Debt Administration

At June 30, 2023, the Commission had total long-term debt relating to leases of \$581,912, a decrease of \$75,982 compared to the prior year. Additional information on the Commission's lease liability can be found in Note 8 to financial statements.

	<u>2023</u>	<u>2022</u>	\$ Change	% Change
Leases payable	\$ 581,912	\$ 657,894	\$ (75,982)	-11.5%

### Economic Factors and Next Year's Budget

Significant economic factors affecting the Commission's budget in the next year are as follows:

- Ever increasing demand on Regional Planning Commission services by the State of Vermont and our member municipalities.
- Possible budget tightening as the funds made available at the federal level in response to the pandemic are expended completely and begin to recede.
- Inflation and pronounced increases in housing costs continue to increase personnel costs.
- The Commission's staff has increased to its largest size ever in response to the increased demand for our services and revenue streams that are currently available.
- The Commission will make some capital investments in office space infrastructure in fiscal year 2024 to accommodate the larger staff size and the evolving use of office space following the pandemic.

### Request for Information

This financial report is designed to provide our served municipal and state officials with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional information, contact Charles Baker, the Commission'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](mailto:cbaker@ccrpcvt.org).

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF NET POSITION

JUNE 30, 2023

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### Assets

#### Current Assets

Cash and cash equivalents	\$ 750,707
Accounts receivable, net	1,110,890
Prepaid expenses	<u>64,855</u>

**Total Current Assets** 1,926,452

#### Noncurrent assets

Property and equipment, net	2,376
Right of use asset, net	544,444
Security Deposit	<u>8,076</u>

**Total Noncurrent Assets** 554,896

**Total Assets** 2,481,348

#### Deferred Outflows of Resources

Pension related outflows	<u>465,143</u>
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**Total Deferred Outflows of Resources** 465,143

**Total Assets and Deferred Outflows of Resources** \$ 2,946,491

*The accompanying notes are an integral part of these financial statements.*

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

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### Liabilities

#### Current Liabilities

Accounts payable and accrued expenses	\$ 819,188
Accrued interest payable	2,461
Unearned grant revenue	257,435
Lease payable, current portion	<u>82,295</u>

**Total Current Liabilities** 1,161,379

#### Noncurrent Liabilities

Lease payable, net	499,617
Net pension liability	<u>1,134,452</u>

**Total Noncurrent Liabilities** 1,634,069

**Total Liabilities** 2,795,448

#### Deferred Inflows of Resources

Pension related inflows	<u>19,273</u>
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**Total Deferred Inflows of Resources** 19,273

#### Net Position

Net investment in capital assets	(35,092)
Unrestricted net position	<u>166,862</u>

**Total Net Position** 131,770

**Total Liabilities, Deferred Inflows and Net Position** \$ 2,946,491

*The accompanying notes are an integral part of these financial statements.*



# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

<b>Operating Revenues</b>	
Grants	\$ 4,726,006
Local communities - annual assessments	255,410
Project match contributions	379,557
Other income	<u>139,912</u>
<b>Total Operating Revenues</b>	<u>5,500,885</u>
<b>Operating Expenses</b>	
Salaries and wages	1,558,878
Payroll taxes and employee benefits	625,013
Consultants and contract services	2,882,696
Other operations expenses	247,480
Depreciation and amortization	<u>95,620</u>
<b>Total Operating Expenses</b>	<u>5,409,687</u>
<b>Operating Income</b>	<u>91,198</u>
<b>Non-Operating Revenue (Expense)</b>	
Interest expense	<u>(32,453)</u>
<b>Net Non-Operating (Expense)</b>	<u>(32,453)</u>
<b>Change in net position before other revenue (expense)</b>	<u>58,745</u>
<b>Other Revenue (Expense)</b>	
Pension related expense related to participation in VMERS	<u>(62,198)</u>
<b>Change in Net Position</b>	(3,453)
<b>Net Position - Beginning of Year</b>	<u>135,223</u>
<b>Net Position - End of Year</b>	<u>\$ 131,770</u>

*The accompanying notes are an integral part of these financial statements.*

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

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<b>Cash Flows from Operating Activities</b>	
Cash received from grants, contracts and services	\$ 5,241,678
Cash received from local communities	255,410
Cash received from local match contributions and other	519,469
Cash payments to employees	(2,183,891)
Cash payments to suppliers	<u>(3,433,577)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>399,089</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Lease interest paid	(32,736)
Lease principal payments	<u>(75,982)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(108,718)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	290,371
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>460,336</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 750,707</u>

*The accompanying notes are an integral part of these financial statements.*

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

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### Reconciliation of Operating Income to Net Cash Provided by

#### Operating Activities:

#### Cash Flows from Operating Activities:

Operating Income	\$ 91,198
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	95,620
Pension related activities	(62,198)
Changes in assets and liabilities:	
(Increase) Decrease in accounts receivable	352,595
(Increase) Decrease in prepaid items	(36,196)
Increase (Decrease) in unearned grant revenue	163,077
Increase (Decrease) in accounts payable and accrued liabilities	(267,205)
Increase (Decrease) in pension related activities	<u>62,198</u>
<b>Total Adjustments</b>	<u>307,891</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 399,089</u></u>

*The accompanying notes are an integral part of these financial statements.*

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *NATURE OF OPERATIONS*

The Chittenden County Regional Planning Commission (Commission) is one of 11 regional planning commissions in Vermont and also serves the region as the sole Metropolitan Planning Organization (MPO) operating within Vermont. The Commission 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, The Commission 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.

The Commission 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. The Commission 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. The Commission’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.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***REPORTING ENTITY***

In evaluating how to define the Commission, for financial reporting purposes, management has applied the entity definition criteria of GASB in considering all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if any one of the following conditions exists:

- a) The primary government is legally entitled to or can otherwise access the organization's resources.
- b) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c) The primary government is obligated in some manner for the debt of the organization.

Based upon the application of the criteria, it was determined that there were no component units to be reported.

#### ***BASIS OF ACCOUNTING***

The Commission presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) promulgated by the GASB. Under the accrual basis revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of cash flows. The Commission is reported as an enterprise fund. Enterprise funds function similar to private businesses where the intent is that costs are financed primarily through billings to those who benefit from the services provided.

#### ***NEW ACCOUNTING STANDARDS ADOPTED***

During 2023, the Commission adopted GASB Statement No. 96, *Subscription-Based Information Technology Agreements (SBITA)*, which enhances the information needs of financial statement users by improving accounting and financial reporting for SBITA's by governments. This new accounting standard did not impact the Commission's financial statements.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CASH AND CASH EQUIVALENTS*

The Commission considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

#### *RECEIVABLES*

Accounts receivable is comprised of grant and contract receivables as well as municipal services / other receivables. The Commission has recorded an allowance of \$2,000 at year end.

#### *LEASES (AS LESSEE)*

The Commission recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the financial statements. 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. The Commission records the right to use leased assets and the related liability for any noncancellable leases with terms exceeding 12 months which management deems material.

#### *OPERATING REVENUES AND EXPENSES*

Operating revenue includes operating grants, local community assessments and all other revenue relating to the principal forum for planning, policy and community development in the region. Operating expenses include wages and related benefits, consultants and contract services, depreciation and amortization of capital assets, and all other expenses relating to the principal forum for planning, policy and community development in the region.

#### *NON-OPERATING REVENUES AND EXPENSES*

Nonoperating expenses consist primarily of interest expenses paid on the entities right of use asset.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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.

#### *DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES*

Deferred outflows of resources are the consumption of net position by the Commission that is applicable to a future reporting period. Deferred inflows of resources are the acquisition of net position by the Commission that is applicable to a future reporting period. These consist of the deferral of the recognition of revenues and expenses until the future period to which the outflows and inflows are related. The Commission's deferred outflows and inflows of resources are related to pension.

#### *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. The 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.

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

#### *LONG-LIVED ASSETS IMPAIRMENT*

The Commission reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Factors involved in this review include the market value of the assets, business conditions, future plans for asset use, and the expected future cash flows generated from the assets. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. No impairment losses were recognized in the 2023 financial statements.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *PENSIONS*

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.

#### *USE OF ESTIMATES*

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

#### *RESTRICTED VERSUS UNRESTRICTED RESOURCES*

When both restricted and unrestricted amounts are available for use, it is the Commission's practice to use restricted resources first.

#### *SUBSEQUENT EVENTS*

The Commission has evaluated subsequent events through December 18, 2023, the date the financial statements were available to be issued. There were no events identified which require recognition or disclosure in the financial statements.

### NOTE 2 – NET POSITION

Net position is reported in three categories:

Net Investment in Capital Assets consists of all capital assets and right of use assets, reduced by accumulated depreciation, and the outstanding balances of any bonds, mortgages, notes or other borrowing or right of use lease liabilities that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2023, the net investment in capital assets was (\$35,092).



# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 2 – NET POSITION (CONTINUED)

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors, grantors, contributors, laws, regulations, etc. At June 30, 2023, the Commission had no restricted net position.

Unrestricted Net Position is designed to represent the net available assets, for the entire Commission. At June 30, 2023, the unrestricted net position was \$166,862.

### NOTE 3 – CASH AND CASH EQUIVALENTS

At times, the Commission's balances may exceed the Federal insurance limits; however, the Commission has not experienced any losses with respect to its bank balance in excess of Federal Deposit Insurance Corporation (FDIC) coverage. In addition, balances are fully collateralized through agreements with the financial institutions. Management believes that no significant risk exists with respect to cash balances as of June 30, 2023. The Commission has suffered no losses in connection with its banking activity.

#### *CUSTODIAL CREDIT RISK*

The Commission'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.

#### *INTEREST RATE RISK*

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

#### *CONCENTRATION OF CREDIT RISK*

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

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 4 – RECEIVABLES

Receivables consist of amounts due from grants, contracts and other items. The 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, 2023.

Receivables are comprised of the following:

Grants and Contracts	\$	1,045,702
Municipal services and other		67,188
Less: Allowance for doubtful accounts		<u>(2,000)</u>
Total	\$	<u>1,110,890</u>

### NOTE 5 – CAPITAL ASSETS

A summary of capital assets is presented below:

	Balances 7/1/2022	Additions	Retirements & Adjustments	Balances 6/30/2023
Depreciable Assets				
Office furniture and equipment	\$ 42,436	\$ --	\$ --	\$ 42,436
Right of use asset	<u>731,110</u>	<u>--</u>	<u>--</u>	<u>731,110</u>
Total Cost	773,546	--	--	773,546
Accumulated Depreciation	<u>(131,106)</u>	<u>(95,620)</u>	<u>--</u>	<u>(226,726)</u>
Net Capital Assets	<u>\$ 642,440</u>	<u>\$ (95,620)</u>	<u>\$ --</u>	<u>\$ 546,820</u>

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 6 – UNEARNED GRANT REVENUE

For the year ended June 30, 2023, CCPRC had received grant funds that have not yet been spent for the intended purpose. These funds will be spent in fiscal year 2024 and recognized as revenue:

ACCD - Pandemic response and energy	\$ 32,523
Mount Ascutney Regional Commission Brownfield	46,746
CCCUD - Broadband Preconstruction Grant	55,040
Municipal Energy Resilience Grant Program	120,000
Other	<u>3,126</u>
Total	<u>\$ 257,435</u>

### NOTE 7 – GRANTS

Grant revenue consist of the following:

Direct Federal Grants:	
EPA - Brownfields	\$ 6,569
Economic development	<u>66,404</u>
	<u>72,973</u>
Federal Grants Passed Through State and State Grants:	
Public safety	49,500
Water quality	311,672
VT Department of Health	351,367
AOT - Transportation	3,423,167
ACCD	<u>514,406</u>
	<u>4,650,112</u>
Other:	
Grant in aid PILOT	<u>2,921</u>
	<u>2,921</u>
Total	<u>\$ 4,726,006</u>

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 8 – LEASE LIABILITY

The Commission 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. The lease 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 the Commission's incremental borrowing rate. As a result of the lease, The Commission has recorded a Right to Use Leased Asset with a net book value of 544,444.

Lease payable through April, 2029	\$	581,912
Less: current portion		(82,295)
Long Term Liability	<u>\$</u>	<u>499,617</u>

The future minimum lease obligation and net present value of these minimum lease payments as of June 30, 2023, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028	112,301	7,932	120,233
2029	98,598	2,893	101,491
	<u>\$ 581,912</u>	<u>\$ 96,866</u>	<u>\$ 678,778</u>

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 – RETIREMENT 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.

#### *BENEFITS PROVIDED*

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.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 – RETIREMENT PLAN (CONTINUED)

#### *BENEFITS PROVIDED (CONTINUED)*

##### 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 – RETIREMENT PLAN (CONTINUED)

#### *BENEFITS PROVIDED (CONTINUED)*

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 Commission 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.

#### *CONTRIBUTIONS*

For the year ended June 30, 2023, the employer contribution made by the Commission was \$130,469. The commission funded the employer contribution at 10% for the year ended June 30, 2023 resulting in a lower contribution for members (8.75%).

#### *PENSION LIABILITY*

At June 30, 2023, the Commission reported an liability of \$1,134,452 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

#### NOTE 9 – RETIREMENT PLAN (CONTINUED)

##### *PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES*

For the year ended June 30, 2023, the Commission recognized pension expense of \$192,667. The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between expected and actual experience	\$ 85,198	\$ --
Net difference between projected and actual earnings on pension plan investments	184,179	--
Changes in assumptions	57,998	--
Changes in proportion and differences between District Contributions and proportional share of contributions	7,299	19,273
Contributions subsequent to measurement period	130,469	--
Total	\$ 465,143	\$ 19,273

These amounts will be recognized as expense, or as a reduction of expense as follows:

Year ended June 30:	
2024	\$ 221,296
2025	81,153
2026	27,885
2027	115,536
Total	\$ 445,870



# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 – RETIREMENT PLAN (CONTINUED)

#### *ACTUARIAL METHODS & ASSUMPTIONS*

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	7.00%
Discount rate	7.00%
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.
Inflation	2.30%

#### Mortality rates

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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 – RETIREMENT PLAN (CONTINUED)

#### *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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real rate of return</u>
Passive global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
Large Cap US Equities	4.00%	3.25%
Small/Mid Cap US Equities	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Private Equity	10.00%	6.50%
Emerging Market Equity	4.00%	3.50%
Private & Alternative Credit	10.00%	4.75%
Non-Core Real Estate	4.00%	6.00%
Core Fixed Income	19.00%	0.00%
Core Real Estate	4.00%	3.50%
US TIPS	3.00%	-0.50%
Infrastructure/Farmland	3.00%	4.25%

#### *DISCOUNT RATE*

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Commission will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 – RETIREMENT PLAN (CONTINUED)

#### *SENSITIVITY OF THE NET PENSION ASSET TO CHANGES IN THE DISCOUNT RATE*

The following presents the Commission's proportionate share of the net pension asset calculated using the discount rate, as well as what the Commission's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Commissions proportionate share of the net pension liability	\$ 1,699,710	\$ 1,134,452	\$ 669,241

#### *PENSION PLAN FIDUCIARY NET POSITION*

Detailed information about the pension plan's fiduciary net position is available in the separately issued VMERS financial report.

#### *PAYABLES TO THE PENSION PLAN*

As of June 30, 2023, the Commission had no outstanding payables to VMERS.

#### *DEFINED CONTRIBUTION PLANS*

The Commission also participates in VMERS Group DC, a defined contribution plan. Employees in Group DC did not contribute and the Commission contributed 10.00% of covered payroll. 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. The Commission's total payroll was \$1,385,880 while its covered payroll for Group DC was \$247,194. Pension expense for this plan for the year ended June 30, 2023 was \$25,028.

The Commission 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.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 10 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this coverage in any of the past three fiscal years.

### NOTE 11 – 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 the Commission to the provisions of the grants.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

### VERMONT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

#### LAST NINE FISCAL YEARS

Fiscal Year Ending June 30,	Measurement Period Ending June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2023	2022	0.374%	\$ 1,134,452	\$ 1,385,880	81.86%	73.60%
2022	2021	0.375%	\$ 551,355	\$ 1,169,512	47.14%	86.29%
2021	2020	0.368%	\$ 929,841	\$ 1,074,668	86.52%	74.52%
2020	2019	0.383%	\$ 664,314	\$ 1,005,722	66.05%	80.35%
2019	2018	0.434%	\$ 610,069	\$ 997,558	61.16%	82.60%
2018	2017	0.503%	\$ 609,395	\$ 1,047,730	58.16%	83.64%
2017	2016	0.450%	\$ 579,583	\$ 1,132,994	51.15%	80.95%
2016	2015	0.502%	\$ 387,332	\$ 952,906	40.65%	87.42%
2015	2014	0.487%	\$ 44,379	\$ 1,012,795	4.38%	98.32%

*The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.*

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF CONTRIBUTIONS

### VERMONT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

#### LAST NINE FISCAL YEARS

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Fiscal Year Ending June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	\$ 130,469	\$ 130,469	\$ --	\$ 1,385,880	9.41%
2022	\$ 93,561	\$ 93,561	\$ --	\$ 1,169,512	8.00%
2021	\$ 83,287	\$ 83,287	\$ --	\$ 1,074,668	7.75%
2020	\$ 76,179	\$ 76,179	\$ --	\$ 1,005,722	7.57%
2019	\$ 73,570	\$ 73,570	\$ --	\$ 997,558	7.38%
2018	\$ 75,960	\$ 75,960	\$ --	\$ 1,047,730	7.25%
2017	\$ 82,142	\$ 82,142	\$ --	\$ 1,132,994	7.25%
2016	\$ 68,446	\$ 68,446	\$ --	\$ 952,906	7.18%
2015	\$ 70,228	\$ 70,228	\$ --	\$ 1,012,795	6.93%

*The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.*

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – PENSION PLAN SCHEDULES

#### *DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION*

The Schedule of the Proportionate Share of the Net Pension Liability presents multi-year trend information on the Commission's share of the Net Pension Liability and related ratios.

The Schedule of Contributions presents multi-year trend information for the Commission's required and actual contributions relating to the pension plan.

#### *10-YEAR TREND INFORMATION*

The Schedules of the Proportionate Share of the Net Pension Liability and the Schedule of Contributions are intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

#### *CHANGES IN BENEFITS*

There were no changes in benefit terms from the prior measurement report.

#### *CHANGES IN ASSUMPTIONS*

There were no changes in assumptions from the prior measurement report.

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF OPERATIONS BUDGET AND ACTUAL – BUDGETARY BASIS

**FOR THE YEAR ENDED JUNE 30, 2023**

	Original & Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Operating Revenues:</b>			
State of Vermont Agency of Transportation (VTrans)			
Project Income	\$ 1,534,559	\$ 1,521,704	\$ (12,855)
Project income - consultants, contracts and direct	3,472,679	2,182,945	(1,289,734)
Match - annual assessment	255,408	255,413	5
Match - ACCD	100,000	100,000	--
State of Vermont Agency of Commerce and Community			
Development (ACCD)	494,918	491,703	(3,215)
ACCD - Direct	38,000	22,703	(15,297)
Grant Income	272,518	234,270	(38,248)
Grant Income - Direct	1,821,468	646,801	(1,174,667)
Municipal assistance	51,147	38,489	(12,658)
Other income	<u>3,500</u>	<u>6,855</u>	<u>3,355</u>
Total revenues	<u>8,044,197</u>	<u>5,500,883</u>	<u>(2,543,314)</u>
<b>Operating Expenses:</b>			
Salaries and wages	1,592,602	1,558,878	33,724
Payroll taxes and employee benefits	626,708	625,013	1,695
Consultants and contract services	5,332,147	2,882,696	2,449,451
Rent	158,412	152,727	5,685
Internal consultants	--	3,060	(3,060)
Legal, audit and accounting	35,000	29,034	5,966
Equipment and software maintenance	47,000	33,887	13,113
Depreciation expense	2,300	2,287	13
Supplies	4,000	6,574	(2,574)
Copier	4,200	4,602	(402)
Auto and mileage	6,500	3,477	3,023
Dues and publications	11,800	9,472	2,328
Equipment and furniture	18,000	3,629	14,371
Telephone and internet	19,000	18,720	280
Postage	1,500	1,184	316
Conference and training	30,000	15,339	14,661
Utilities	6,000	6,272	(272)
Program workshops and meetings	13,000	8,824	4,176
Insurance	12,000	11,190	810
Janitor	6,500	6,953	(453)
Payroll processing	3,000	3,163	(163)
Communications and public relations	20,000	19,104	896
Recruitment	3,000	3,788	(788)
Worker's compensation insurance	4,000	3,058	942
Other	<u>11,500</u>	<u>12,141</u>	<u>(641)</u>
Total expenditures	<u>7,968,169</u>	<u>5,425,072</u>	<u>2,543,097</u>
<b>Excess of revenues and other financing sources over expenditures and other financing uses - Budgetary Basis</b>	<u>\$ 76,028</u>	<u>\$ 75,811</u>	<u>\$ (217)</u>
		Change in pension activity	(62,198)
		Amortization of right to use leased asset	(93,333)
		Base rent paid net of related interest expense	<u>76,267</u>
<b>Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources - GAAP Basis</b>		<u>\$ (3,453)</u>	



**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION**

**SCHEDULE OF FISCAL YEAR 2023 INDIRECT COST RATE CALCULATION**

**FOR THE YEAR ENDED JUNE 30, 2023**

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NEGOTIATED INDIRECT RATE USED FOR FISCAL YEAR 2023

Indirect Costs	
Allowable indirect costs - estimated	\$ 1,191,648
Less: Carryforward adjustment - 2021	<u>(48,866)</u>
	<u>1,142,782</u>
Direct Costs	
Direct salaries and wages - estimated	1,049,206
Direct payroll taxes and employee benefits - estimated	<u>438,125</u>
	<u>1,487,331</u>
Calculated Indirect Rate (Indirect Costs / Direct Costs)	76.83%

ACTUAL INDIRECT RATE FOR FISCAL YEAR 2023

Indirect Costs	
Allowable indirect costs - actual	<u>\$ 1,108,502</u>
Direct Costs	
Direct salaries and wages - actual	1,029,638
Direct payroll taxes and employee benefits - actual	<u>410,997</u>
	<u>1,440,635</u>
Actual Indirect Rate (Indirect Costs / Direct Costs)	76.95%

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF DIRECT AND INDIRECT COSTS RECOVERED

FOR THE YEAR ENDED JUNE 30, 2023

<u>Grant / Agency</u>	<u>Direct Staff Costs</u>	<u>Indirect Costs</u>
Regional Planning Grant - Vermont Agency of Commerce and Community Development	\$ 278,113	\$ 213,590
Transportation Grants - U.S. Dept of Transportation and Vermont Agency of Transportation	865,807	664,941
Emergency Management Performance Grants - U.S. Department of Homeland Security and Vermont Department of Public Safety	42,758	32,839
Water Quality - Vermont Agency of Natural Resources	56,885	43,687
Other	<u>39,985</u>	<u>30,708</u>
Total Recovered	<u>\$ 1,283,548</u>	<u>\$ 985,765</u>

# CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF DIRECT AND INDIRECT COSTS

**FOR THE YEAR ENDED JUNE 30, 2023**

	Total	Direct Costs	Unallowable Costs (a)	Allowable Indirect Costs
<b>Operating Revenues:</b>				
Salaries and wages	\$ 1,558,878	\$ 1,029,638	\$ --	\$ 529,240
Payroll taxes and employee benefits	625,013	410,997	--	214,016
Payroll processing	3,163	--	--	3,163
Consultants and contract services	2,882,696	2,882,696	--	--
Internal consultants	3,060	--	--	3,060
Worker's compensation insurance	3,058	--	--	3,058
Recruitment	3,788	--	--	3,788
Rent - CAM	44,009	--	--	44,009
Interest - office lease	32,453	--	--	32,453
Equipment and software maintenance	33,887	--	--	33,887
Janitor	6,953	--	--	6,953
Conference and training	15,339	--	--	15,339
Program workshops and meetings	8,824	--	--	8,824
Supplies	6,574	--	--	6,574
Equipment and furniture	3,629	--	--	3,629
Legal, audit and accounting	29,034	--	--	29,034
Dues, memberships and publications	9,472	--	--	9,472
Depreciation and amortization	95,620	--	--	95,620
Telephone and internet	18,720	--	--	18,720
Utilities	6,272	--	--	6,272
Other	12,141	--	10,307	1,834
Copier	4,602	--	--	4,602
Communications and public relations	19,104	--	--	19,104
Insurance	11,190	--	--	11,190
Postage	1,184	--	--	1,184
Mileage/car share	3,477	--	--	3,477
<b>Total expenditures</b>	<b>\$ 5,442,140</b>	<b>\$ 4,323,331</b>	<b>\$ 10,307</b>	<b>\$ 1,108,502</b>

(a) Cost not allowed under 2 CFR Part 200 Subpart E - Cost Principles

**CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION**

**SCHEDULE OF DIRECT AND INDIRECT COSTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Task #</u>	<u>Task Description</u>	<u>Staff</u>	<u>Indirect</u>	<u>Other Direct</u>	<u>Total</u>
1	Regional Planning	\$ 35,182	\$ 27,019	\$ 5,250	\$ 67,451
2	Municipal Plan / Technical Assistance	39,255	30,147	23	69,425
3	Regional Training and Education	2,248	1,727	--	3,975
4	Support for Statewide Initiatives	47,002	36,097	220	83,319
5	Core Functions and Implementation Assistance	157,287	120,796	17,446	295,529
6	Pandemic Special Funds	14,800	11,366	--	26,166
	Total	<u>\$ 295,774</u>	<u>\$ 227,152</u>	<u>\$ 22,939</u>	<u>\$ 545,865</u>
	Grant Revenue for 2023				<u>\$ 545,865</u>