

RUTLAND REGIONAL PLANNING COMMISSION

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

RUTLAND REGIONAL PLANNING COMMISSION
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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Rutland Regional Planning Commission
PO Box 430
Rutland, VT 05702

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission as of June 30, 2020, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 7, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1, and the Schedule of Contributions on Schedule 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters – Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rutland Regional Planning Commission's basic financial statements. The accompanying financial information listed as Schedules 3 and 4 in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Schedules 3 through 7 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 standards generally accepted in the United States of America. In our opinion, Schedules 3 through 7 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 October 24, 2020 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal 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 the Commission's internal control over financial reporting and compliance.

Batchelder Associates, PC

Batchelder Associates, PC
Barre, Vermont
VT License #945
October 24, 2020

RUTLAND REGIONAL PLANNING COMMISSION
MANAGEMENT AND DISCUSSION ANALYSIS
JUNE 30, 2020

Introduction

This section explains the general financial condition and results of operations of the Rutland Regional Planning Commission (Commission) for the fiscal year ended June 30, 2020. Please read this in conjunction with the Commission's financial statements, which begin on page 8.

Rutland Regional Planning Commission

The mission of the Rutland Regional Planning Commission is to develop and implement a regional plan, to provide assistance to municipalities with the planning process and information gathering, to be a central repository of planning information, and to administer regional programs while remaining consistent with federal and state requirements.

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. Chapter 117 § 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 Rutland County in 1968 and is funded in part through the State of Vermont property transfer tax as outlined in 24 V.S.A. § 4306 (a). Along with other regional planning commissions in Vermont, Rutland Regional Planning Commission is a non-taxing political subdivision of the State of Vermont established under state statute ([24 VSA §4341](#)). To the extent a conflict exists with a provision in Vermont statutes governing regional planning commissions, the Vermont statutes will control.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The assets of the Commission exceeded its liabilities at the close of the year ended June 30, 2020 by \$455,037 compared to \$440,872 at the close of the year ended June 30, 2019. Of the June 30, 2020 amount, \$256,166 may be used to meet the Commission's ongoing obligations to citizens, authorities and creditors and \$165,567 is restricted related solely to the Creek Path project for which the Commission is the fiscal agent, and \$33,304 is the net investment in capital assets.
- The Commission's total net assets increased by \$14,165 in 2020 compared to an increase of \$36,336 in 2019.

Using These Financial Statements

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position (on pages 8 and 9) provide information about the activities of the Commission as a whole. These statements include all assets, deferred outflows of resources and liabilities of the Commission using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The net position is the difference between assets, deferred outflows of resources and liabilities, and is one way to measure the financial health, or financial position, of the Commission. Over time, increases or decreases in the Commission's 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 Commission builds its annual budget on diverse sources of funding. Transportation funding includes both Federal Highway Administration and Federal Transit Administration funds, so the Commission is dependent on the Federal Transportation Bill for appropriations of planning funds. The Commission receives 10% of matching funds for the majority of the federal transportation funds from the State, making it also dependent on the actions of the Vermont legislature. The Commission receives dues from its member municipalities that in the year ended June 30, 2020 totaled \$26,325 as unrestricted revenue used to locally match projects and support basic operations.

RUTLAND REGIONAL PLANNING COMMISSION
MANAGEMENT AND DISCUSSION ANALYSIS
JUNE 30, 2020

Budget (continued)

The State of Vermont had provided regional planning funding through an annual performance-based contract through the Agency of Commerce and Community Development (ACCD). These contract funds were \$269,315 for year ended June 30, 2020. With these funds, the Commission carries out statutory duties as specified in an annual work plan approved by the Commission and ACCD.

The Commission also funds its operations through special purpose grants and service contracts for technical assistance. These funds tend to vary from year to year, but include funding through the Agency of Natural Resources, Emergency Management Performance Grants funded by the federal U.S Department of Homeland Security through Vermont Department of Emergency Management and Brownfields Grant funding from the U.S. Environmental Protection Agency.

Pension Liability Note

The Governmental Accounting Standards Board (GASB), which sets rules for Public Accounting, now 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 with the retirement system in their accounting records. The GASB 68 (accounting principal) which dictates this reporting method was adopted in 2015 and is discussed in Note 10, Pension Plans. It is important to understand that the actuarial assumptions detailed in the Note are from VMERS, not the Commission nor 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 the new asset and liability accounts, along with how the Commission contributes to their employees' retirement plans, produces an additional expense of \$38,017, shown in Exhibit B, Statements 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 \$38,017 was not actually paid out by the Commission in FY 2020, but rather is an estimate of its share of potential future costs to the VMERS pension system. This is why it is important to recognize these additions to the Commissions financial records, but not consider the figures part of its financial performance during the year.

Operating Results

The Commission finished the year ended June 30, 2020 with an operating income of \$11,664. These results are shown on the statement of Revenues, Expenses and Changes in Net Position on page 9, which are operating revenues of \$46,872 less 38,017 of VMERS pension expense.

Each year the indirect rate is estimated and negotiated based on the most recent audited expenses. This indirect rate is used to charge contracts two fiscal years following the current year's negotiated rate. For example, the fiscal year 2020 indirect rate will be used in charging grants and contracts during fiscal year 2022. There will always be some variance between the estimated and actual expenses which can be used to influence the indirect rate in future years, assuming the fluctuation base is known at the time of rate negotiation.

RUTLAND REGIONAL PLANNING COMMISSION
MANAGEMENT AND DISCUSSION ANALYSIS
JUNE 30, 2020

Condensed Financial Information – Net Position

	2020	2019
Current assets		
Cash and cash equivalents	\$ 491,439	\$ 403,169
Accounts receivable	133,989	137,102
Prepaid expenses	5,813	11,292
Total current assets	631,241	551,563
Noncurrent assets		
Property, plant and equipment	33,304	37,179
Total noncurrent assets	33,304	37,179
Total assets	664,545	588,742
Deferred outflows of resources	61,987	66,173
Current liabilities		
Accounts payables	13,080	12,250
Accrued payroll and compensated balances	42,790	44,350
Unearned grant revenue	25,949	1,598
Notes payable	10,000	10,000
Total current liabilities	91,819	68,198
Long term liabilities		
Net pension liability related to participation in VMERS	169,921	132,080
	261,740	200,278
Deferred inflows of resources		
Deferred inflows of resources related to the Commission's participation in VMERS:	9,755	13,765
Net Position		
Invested in capital assets, net of related debt	33,304	37,179
Restricted	165,567	163,067
Unrestricted	256,166	240,626
Total net position	\$ 455,037	\$ 440,872

As noted earlier, net assets may serve over time as a useful indicator of a government entity's financial position. In the case of the Commission, assets exceed liabilities by \$455,037 at the close of the most recent fiscal year.

Investment in capital assets represents 7.32% of the Commission's net position, less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net assets of \$256,166 may be used to meet the Commission's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Commission reports a positive net position balance for the entity as a whole.

RUTLAND REGIONAL PLANNING COMMISSION
MANAGEMENT AND DISCUSSION ANALYSIS
JUNE 30, 2020

Condensed Financial Information - Revenues, Expenses and Changes in Net Position for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Operating revenues	\$ 856,641	\$ 742,651
Operating expenses	809,769	705,802
Operating income	46,872	36,849
Other revenue/(expenses)		
Pension expense related to participation in VMERS	(38,017)	(25,119)
Nonoperating revenues/(expenses)		
Investment income	2,810	2,564
Restricted revenue	2,500	47,050
Restricted expenses	-	(25,008)
Nonoperating income/(Loss)	5,310	24,606
Change in Net Position	14,165	36,336
Net Position - July 1, 2019	440,872	404,536
Net Position - June 30, 2020	\$ 455,037	\$ 440,872

Budgeting Highlights

The Commission's budget is prepared according to the requirements of the Commission's bylaws and policies. The operating budget included proposed expenditures and estimated revenues. Final revenues and other financing sources, in the amount of \$859,451, were more than originally budgeted revenues by the amount of \$53,406.

Operating expenditures were budgeted at \$801,868 while actual operating expenditures were \$847,786.

Current Issues

1. Rutland Regional Planning Commission works with local officials to keep the annual per capita dues at a fair, but equitable level. The dues received in fiscal 2020 totaled \$26,325.

2. Regional commissions are also affected by grant funding that is either non-existent in some years or very minimal in others. In addition, many grant sources will not pay for the associated administrative costs of having these grants and as a result the Commission must use its local and state appropriations and/or its fund balance to meet these needs. It should be recognized that there is limited money available to be used as a "local" match for grants such as the transportation grant.

RUTLAND REGIONAL PLANNING COMMISSION
MANAGEMENT AND DISCUSSION ANALYSIS
JUNE 30, 2020

Contacting the Commission's Financial Management

This financial report is designed to provide citizens and creditors with a general overview of the Commission's finances, and to reflect the Commission's accountability for the monies it receives. Questions about this report or requests for additional financial information should be directed to Mary Kay Skaza or Ed Bove, Executive Director, Rutland Regional Planning Commission, PO Box 430, Rutland, Vermont 05702.

RUTLAND REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT A

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 491,439
Receivables	133,989
Prepaid expenses	5,813
Total current assets	<u>631,241</u>
Noncurrent assets:	
Property and equipment (net of accumulated depreciation)	33,304
Total noncurrent assets	<u>33,304</u>
Total assets	<u>664,545</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to participation in VMERS	61,987
Total deferred outflows of resources	<u>61,987</u>
LIABILITIES	
Current liabilities:	
Accounts payable	13,080
Unearned grant revenue	25,949
Compensated absences	42,790
Note payable	10,000
Total current liabilities	<u>91,819</u>
LONG TERM LIABILITIES	
Net pension liability related to participation in VMERS	169,921
Total noncurrent liabilities	<u>169,921</u>
Total liabilities	<u>261,740</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to the Commission's participation in VMERS	9,755
Total deferred inflows	<u>9,755</u>
NET POSITION	
Invested in capital assets, net of related debt	33,304
Restricted	165,567
Unrestricted	256,166
Total net position	<u>\$ 455,037</u>

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

RUTLAND REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B

OPERATING REVENUES	
Federal, state and other grants	\$ 826,154
Local communities - annual assessments	26,325
Other income	4,162
Total operating revenues	<u>856,641</u>
OPERATING EXPENSES	
Salaries and wages	465,344
Payroll taxes and benefits	132,193
Consultants and contract services	53,360
Rent and occupancy	43,193
Other operating expenses	111,804
Depreciation	3,875
Total operating expenditures	<u>809,769</u>
OPERATING REVENUE/(EXPENSES)	<u>46,872</u>
OTHER REVENUE/(EXPENDITURES)	
Pension expense related to participation in VMERS	<u>(38,017)</u>
NONOPERATING REVENUE (EXPENSES)	
Investment income	2,810
Restricted income	2,500
Restricted expenditures	-
Total nonoperating revenue/(expenses)	<u>5,310</u>
CHANGE IN NET POSITION	14,165
NET POSITION - JULY 1, 2019	<u>440,872</u>
NET POSITION - JUNE 30, 2020	<u><u>\$ 455,037</u></u>

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

RUTLAND REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT C

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from operating activity	\$ 884,105
Cash paid for personnel	(599,097)
Cash paid for goods and services	(202,048)
Net cash provided by operating activities	82,960
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	-
	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Restricted program outlays	2,810
Interest received	2,500
Net cash provided from investing activities	5,310
INCREASE IN CASH AND CASH EQUIVALENTS	88,270
CASH AND CASH EQUIVALENTS, JULY 1, 2019	403,169
CASH AND CASH EQUIVALENTS, JUNE 30, 2020	\$ 491,439
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Adjustments to reconcile operating income to net cash used by operating activities:	
Operating income	\$ 46,872
Depreciation	3,875
Pension expense related to participation in VMERS	(38,017)
(Increase) decrease in accounts receivable	3,113
(Increase) decrease in prepaid expenses	5,479
Increase (decrease) in accounts payable	830
Increase (decrease) in accrued vacation	(1,560)
Increase (decrease) in payroll taxes payable	-
Increase (decrease) in accrued payroll	-
Increase (decrease) in deferred income	24,351
(Increase) decrease in deferred outflows and inflows (pension)	176
Increase (decrease) in pension liability	37,841
Net cash provided by operating activities	\$ 82,960

The accompanying notes are an integral part of these financial statements

RUTLAND REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1. Description of the Commission and Reporting Entity

The Rutland Regional Planning Commission ("Commission") operates under the Vermont Municipal and Regional Planning and Development Act (VSA 24, Chapter 117) and the adopted bylaws. Although active participation is voluntary, twenty-seven (27) member municipalities participate in and recognize the value of regional planning. The Commission is one of 11 regional planning commissions in Vermont.

The Commission is governed by members appointed by the region's municipalities. They implement a variety of projects and programs tailored to local and regional needs, and also complete projects of statewide importance and interest.

The Commission is a non-profit organization exempt from income taxes under the Internal Revenue Code as an instrumentality of a political subdivision of the State of Vermont.

NOTE 2. Summary of Significant Accounting Policies

The Financial Reporting Entity

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

Basis of Presentation

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

Operating revenues include grant revenue, project and community-match revenues, member dues, and consulting revenues that result from transactions associated with the principal activities of the organization. Non-operating revenues, such as investment earnings and fiscal agent receipts and expenses, result from non-exchange 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 (whether current or noncurrent) are included on the statement of net position. Fund equity (i.e. net total position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Basis of Accounting

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

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

RUTLAND REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 Summary of Significant Accounting Policies (continued)

Donated Services

Rutland Regional Planning Commission receives non-cash contributions in the form of member communities and other organizations performing various planning tasks to assist the Commission. These in-kind contributions may be used as a match for grants at an estimated hourly rate or the actual billing rate, if available. These contributions may not reflect 100% of in-kind contributions in the financial statements of the Commission.

Use of Estimates

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

Cash and Cash Equivalents

With regard to the statement of net position, "cash and cash equivalents" includes all cash on hand, demand deposits, savings accounts, and certificates of deposits of the Commission, with an initial maturity of three months or less.

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. Rutland Regional Planning Commission does not own major general infrastructure assets.

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

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

Compensated Absences

The Commission's policy for compensated absences allows employees to accumulate earned but unused compensated time. The liability for these compensated absences that is estimated not to exceed the amount to be paid from expendable available resources is recorded as a liability in the Commission's financial statements.

Budget and Budgetary Accounting

In accordance with its bylaws, the Board of Directors at the recommendation of the Executive Finance Committee annually establishes an assessment rate for each member municipality and adopts a general fund budget for the forthcoming year. The budget is prepared in accordance with generally accepted accounting principles for governmental activities.

Pensions

For the purposes of measuring the proportionate share of the net pension liability and the related deferred outflow/inflow 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 has been determined on the same basis as 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.

RUTLAND REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 Summary of Significant Accounting Policies (continued)

Deferred Outflows 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 statement 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. The Commission has one item that qualifies for reporting in this category: deferred outflows related to the Commission's participation in the Vermont Municipal Employees' Retirement System. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

Deferred Inflows of Resources

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. The Commission has one item that qualifies for reporting in this category: deferred Inflows related to the Commission's participation in the Vermont Municipal Employees' Retirement System. These amounts are deferred and recognized as an Inflow of resources in the future periods to which the inflows are related or when the amounts become available.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the financial statements. In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets (net of related debt) consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through the policies adopted by the Commission or through external restrictions imposed by creditors, grantors, or by the laws or regulations of other governments. The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Commission's board of directors has elected to keep a minimum unrestricted fund balance equivalent to six months of operating expenses at all times.

Fiscal Agent

The Commission is the fiscal agent for the Rutland Creek Path Project. The Rutland Creek Path Project is a 10-foot-wide paved multi-use path intended for both commuting and recreational purposes. When complete, it will provide a connection between major assets of the city including three major parks, an elementary and secondary school, a college, and several major businesses, including General Electric, Casella Waste Systems, and Carris Reels. The path originates at the Giorgetti Athletic Complex/Pine Hill Park and extends across the city along a riparian route, ending at The College of St. Joseph. It is a combination of off-road and on-road facilities, using low volume and dead-end local streets. This project is a true community effort. A volunteer citizen-based group has driven the project forward to its present status.

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3. Cash

Cash

Deposits and investments are categorized to give an indication of the level of risk assumed by the Commission at June 30, 2020. The categories are described as follows:

- Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's name.
- Category 3: Uncollateralized.

As of June 30, 2020, all of the Commission's deposits are included in Category 1.

Cash and Investments are as follows:

Deposits with Financial Institutions	\$	491,070
Petty Cash		369
Total Cash		\$ 491,439

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does have a deposit policy for custodial credit risk. As of June 30, 2020, \$0 of the government bank balances were exposed to custodial credit risk.

	Book Balance		Bank Balance
FDIC insured	\$ 491,070		\$ 506,895
Uninsured	-		-
Petty cash	369		-
Total	\$ 491,439		\$ 506,895

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

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 \$0 is appropriate at June 30, 2020.

Receivables are comprised of the following:

		2020
Grants and contracts	\$	133,989
Total		\$ 133,989

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5. Capital Assets

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

	Balance <u>June 30, 2019</u>	Additions	Deductions	Balance <u>June 30, 2020</u>
Computers and equipment	\$ 58,902	\$ -		\$ 58,902
Leasehold improvements	<u>28,262</u>	<u>-</u>	<u>-</u>	<u>28,262</u>
Totals at historical cost	<u>87,164</u>	<u>-</u>	<u>-</u>	<u>87,164</u>
Less: accumulated depreciation				
Computers and equipment	(44,410)	(2,845)		(47,255)
Leasehold improvements	<u>(5,575)</u>	<u>(1,030)</u>	<u>-</u>	<u>(6,605)</u>
Total accumulated depreciation	<u>(49,985)</u>	<u>(3,875)</u>	<u>-</u>	<u>(53,860)</u>
Capital assets - net	<u>\$ 37,179</u>	<u>\$ (3,875)</u>	<u>\$ -</u>	<u>\$ 33,304</u>

NOTE 6. Deferred Outflows/Inflows of Resources

Deferred outflows of resources consists of \$3,204 resulting from changes in the Commission's proportional share of contributions, \$11,574 of the difference between projected and actual earnings on plan investments, \$22,015 of the difference between expected and actual experience, \$5,673 from changes in assumptions, and \$19,521 of required employer pension contributions made subsequent of the measurement date related to the Commission's participation in the Vermont Municipal Employees' Retirement System (VMERS) for the total of \$61,987 as further described in Note 10. Deferred inflows as a result of VMERS is \$9,755 as of June 30, 2020.

NOTE 7. Unearned Grant Revenue

For the year ended June 30, 2020 the Commission had received from grantors funds that had not yet been spent for their intended purpose totaling \$25,949, which is shown in the Statement of Net Position as unearned grant revenue.

NOTE 8. Funds Held for Others

On June 30, 2020, the Commission held \$165,567 in funds for the Rutland Creek Path Project, an Organization that the Commission is assisting. These funds are included in the Commission's cash balance and are being spent at the direction of the Organizations leadership.

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 9. Federal State and Other Grants

The Commission receives a major portion of funding from Federal and State grants. The following is a schedule of major grants and expenses, passed through the Vermont Agency of Transportation and the State's Planning and Development Fund:

<u>Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u>			
Passed through VT Agency of Transportation:			
Regional Transportation Planning Grant	20.205	GR1268	\$ 72,098
Regional Transportation Planning Grant	20.205	GR1375	\$ 184,699
<u>State of Vermont</u>			
Agency of Commerce and Community Development	n/a	n/a	\$ 269,315

NOTE 10. Pension Plans

Vermont Municipal Employees' Retirement System

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2020, the retirement system consisted of 423 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.

RUTLAND REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10. Pension Plans (continued)

Pension liabilities, deferred outflows of resources, deferred inflows of resources:

As of June 30, 2019, the measurement date selected by the State of Vermont, VMERS was funded at 80.35% and had a plan fiduciary net position of \$709,465,831 and a total pension liability of \$882,957,638 resulting in a net pension liability of \$173,491,807. As of June 30, 2019, the Commission's proportionate share of this was 0.09794% resulting in a liability of \$169,921. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2019, the Commission's proportion of 0.09794% was an increase of .00404% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Commission recognized pension expense of \$63,122.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows in Resources</u>
Difference between expected and actual experience	\$ 22,015	\$ 1,469
Changes in assumptions	5,673	-
Changes in proportional share of contributions	3,204	8,286
Difference between projected and actual earnings on pension plan investments	11,574	-
Organization's required employer contributions made subsequent to the measurement date	<u>19,521</u>	<u>-</u>
Total deferred resources	<u>\$ 61,987</u>	<u>\$ 9,755</u>

The deferred outflows of resources resulting from the Organization's required employer contributions made subsequent to the measurement date in the amount of \$19,521 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10. Pension Plans (continued)

Year End June 30	Employer's Proportionate of Deferred Outflows/Inflows
2020	12,534
2021	5,481
2022	8,229
2023	6,467
2024	-
Total	\$ 32,711

Summary of System Provisions

Membership:

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

Creditable Service:

Service as a member plus purchased service.

Average Final Compensation (AFC):

Group B – Average annual compensation during highest 3 consecutive years.

Service Retirement Allowance:

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

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

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

RUTLAND REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10. Pension Plans (continued)

Early Retirement Allowance:

Eligibility: Age 55 with 5 years of service for Group B.

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

Vested Retirement Allowance:

Eligibility: 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: 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 5 years of service.

Amount: Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement:

For Group B, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution:

Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments:

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

Member Contributions:

Group B – 5.125%

Employer Contributions:

Group B – 5.750%

RUTLAND REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10. Pension Plans (continued)

Retirement Stipend:

\$25 per month payable at the option of the Board of Retirees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return:

7.5%, net of pension plan investment expenses, including inflation.

Salary increases:

5% per year.

Mortality -- Death in active service:

Group B: 98% of RP-2014 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017.

Spouse's Age:

Females three years younger than males.

Cost-of-Living Adjustments:

Assumed to occur on January 1 following one year of retirement at the rate of 1.3% per annum for members of Group B (beginning at normal retirement eligibility age for members who elect reduced early retirement, or at age 62 for members who receive a disability retirement benefit.) The January 1, 2019 and January 1, 2020 COLA is assumed to be 1.3% and .80%, 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 of benefits applicable to each participant.

Actuarial Value of Assets:

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

Inflation:

2.50%.

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 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 is summarized in the following table:

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	29.00%	6.90%
US Equity-Large Cap	4.00%	5.94%
US Equity - Small/Mid Cap	3.00%	6.72%
Non-US Equity-Large Cap	5.00%	6.81%
Non-US Equity-Small Cap	2.00%	7.31%
Emerging Market Debt	4.00%	4.26%
Core Bond	14%	1.79%
Non-Core Bonds	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-Core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastructure/Farmland	2.00%	4.89%
	<u>100.00%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.5%) than the current rate:

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$278,646	\$169,921	\$79,918

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.

The Commission historically has had a defined contribution plan with VMERS, of which two employees remain participants. Employees participating in this plan are required to contribute 5.0% of gross wages and the Commission contributes 5.125% of the employees' gross wages to the plan. The contribution requirements of plan members and the Commission are established and may be amended by the Board of Trustees. Total payroll for the year ended June 30, 2020 was \$465,344, while covered payroll was \$108,975. The commission's contributions to the VMERS defined contribution plan were \$5,585 for the year ended June 30, 2020.

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11. Grant Exposure

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

NOTE 12. Risk Management and Insurance

The Commission covers its significant risks of loss, which are identified by commercial insurance with the assistance of insurance agents. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. There have been no significant reductions in insurance coverage or settlement amounts exceeding insurance coverage for the current or three (3) prior years.

NOTE 13. Operating Lease

The Commission entered into a lease agreement starting June 10, 2009 where rent will increase annually after the first two years of the original agreement. The rent increase will be based on changes in the Consumer Price Index (CPI). The lease rate for the period July 1, 2018 through June 30, 2020 will be \$2,539 per month. The lease agreement for the office space renews each year with a stipulation of a potential rent increase based on CPI, which will not increase rent for the fiscal year 2020. In addition, an addendum was signed to pay an additional \$100 per month effective March 1, 2015 through June 30, 2020 for the use a conference room. The Commission expended \$43,193 for occupancy, of which \$31,782 was rent (and office improvements) and \$11,411 covered other occupancy costs (including utilities) during the fiscal year ended June 30, 2020.

Minimum lease agreement payments are as follows:

2021	<u>\$ 35,520</u>
	<u>\$ 35,520</u>

The Commission entered into a 63-month mailing machine lease starting September 2016 with a monthly payment of \$64. The Commission entered into a new 60-month lease which began October 3rd, 2019 with a monthly payment of \$157.42. Minimum lease payments are as follows:

2021	2,656
2022	<u>2,273</u>
	<u>\$ 4,929</u>

RUTLAND REGIONAL PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

NOTE 14. Long-Term Debt

The following is a summary of the debt transactions for the Commission for the year ended June 30, 2020:

	Debt Payable at June 30, 2019	Debt Added	Debt Retired	Debt Payable at June 30, 2020
Note payable	\$ 10,000	\$ -	\$ -	\$ 10,000

Long-term obligations outstanding at June 30, 2020 consisted of the following:

Two individuals loaned the Commission \$20,000 in October 2009 for the purpose of completing contract obligations with UVM and Otter Creek Engineering for work incurred on Rutland Creek Path. Upon receipt of donations to cover these costs, the funds shall be repaid in full, without interest. Should donations be insufficient to support this agreement, the Commission is under no obligation to repay the loan and is held harmless in the agreement. \$10,000 of this loan was donated during the 2016 fiscal year.

NOTE 15. Advertising

The Commission expenses advertising costs as they are incurred. Advertising costs for the year ended June 30, 2020 were \$1,809.

NOTE 16. Subsequent Events

Subsequent events are events or transactions that occur after the financial statement date, but before the financial statements are issued.

Management has evaluated subsequent events through October 24, 2020, the date the June 30, 2020 financial statements were available for issuance. There are no subsequent events to report.

RUTLAND REGIONAL PLANNING COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2020

SCHEDULE 1

	2020	2019	2018	2017	2016
Total plan net pension liability	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810
Commission's portion of the net pension liability	0.09794%	0.09390%	0.04449%	0.11824%	0.08016%
Commission's proportionate share of the net pension liability	\$ 169,921	\$ 132,080	\$ 125,985	\$ 152,176	\$ 61,798
Commission's covered employee payroll	\$ 339,476	\$ 332,148	\$ 299,007	\$ 308,760	\$ 326,751
Commission's proportionate share of the net pension liability as a percentage of Commission's covered employee payroll	50.05%	39.77%	42.13%	49.29%	18.91%
Plan fiduciary net position as a percentage of the total pension liability	80.35% as of June 30, 2019	82.6% 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

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The discount rate used to measure the net position liability was lowered from 8.50% to 7.50% due to the adoption by the Board of Trustees of a 7.50% expected future rate of return on assets for funding purposes.

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

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

SCHEDULE 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 19,521	\$ 18,818	\$ 16,445	\$ 22,302	\$ 21,145	\$ 16,573
Contributions in relation to the actuarially-determined contributions	<u>19,521</u>	<u>18,818</u>	<u>16,445</u>	<u>22,302</u>	<u>21,145</u>	<u>16,573</u>
Contribution excess/(deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered employee payroll	\$ 339,476	\$ 332,148	\$ 299,007	\$ 308,760	\$ 326,751	\$ 208,463
Contributions as a percentage of Commission's covered employee payroll	5.75%	5.67%	5.50%	7.22%	6.47%	7.95%
Valuation date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule

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

RUTLAND REGIONAL PLANNING COMMISSION
STATEMENT OF OPERATIONS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 3

	Budget	Actual	Favorable (Unfavorable)
OPERATING REVENUES			
Local Income	\$ 26,325	\$ 26,325	\$ -
State Income	269,868	269,315	(553)
VT Dept. of Environmental Cons.	-	5,530	5,530
VT. Dept of Public Safety	61,861	67,749	5,888
VTrans	237,121	233,016	(4,105)
Environmental Protection Agency	30,750	26,899	(3,851)
Local planning assistance	57,208	63,143	5,935
Special projects	117,911	107,787	(10,124)
Miscellaneous income	-	3	3
Interest income	1,000	2,810	1,810
In-kind income	4,000	4,159	159
Local match	-	52,713	52,713
Total operating revenues	806,044	859,450	53,406
OPERATING EXPENSES			
Salaries and wages	422,737	465,344	(42,607)
Payroll taxes and benefits	143,016	170,210	(27,194)
Contracted services	35,500	31,250	4,250
Marketing	3,100	474	2,626
Town & Organizational support	1,400	1,017	383
Insurance	6,500	5,854	646
Copy and printing	16,515	9,024	7,491
Depreciation	-	3,875	(3,875)
Rent and utilities	41,215	36,793	4,422
Service contracts & supplies	19,080	10,292	8,788
Equipment, subscriptions and software	19,108	14,255	4,853
Memberships	10,190	7,156	3,034
Telephone	6,182	6,399	(217)
Travel	18,284	7,074	11,210
Meetings/conferences/trainings	36,541	5,602	30,939
Audit and legal services	13,300	14,196	(896)
Postage	5,200	2,099	3,101
In-Kind/Local match	4,000	56,872	(52,872)
Total operating expense	801,868	847,786	(45,918)
OPERATING INCOME	\$ 4,176	\$ 11,664	\$ 7,488

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

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

SCHEDULE 4

	Direct Expense	Indirect Expense	Unallowable Indirect Expense (a)	Total Allowable Indirect Expense	Total Expense
Salaries and wages	\$ 317,261	\$ 148,083	\$ -	148,083	\$ 465,344
Payroll taxes and benefits	112,662	57,548	-	57,548	170,210
Audit	120	9,685	-	9,685	9,805
Contracted services/legal	33,331	2,310	-	2,310	35,641
Meetings	2,105	900	-	900	3,005
Travel / Conferences / Training	8,370	1,301	-	1,301	9,671
Supplies	163	2,215	-	2,215	2,378
Town & organizational support	742	276	276	-	1,017
Office - equipment/repairs	6,583	2,528	-	2,528	9,111
Office - insurance	-	5,854	-	5,854	5,854
Office - postage	1,140	959	-	959	2,099
Office - rent, utilities & maintenance	-	36,792	-	36,792	36,792
Office - telephone	1,186	5,213	-	5,213	6,399
Office - copying and printing	8,740	284	-	284	9,024
Depreciation	-	3,875	1,647	2,228	3,875
Subscriptions and publications	1,325	3,819	-	3,819	5,144
Marketing	449	25	25	-	474
Service contracts	1,100	6,814	-	6,814	7,914
Memberships	775	6,382	3,455	2,927	7,157
In-Kind/Local match	56,872	-	-	-	56,872
Other	-	-	-	-	-
	<u>\$ 552,923</u>	<u>\$ 294,862</u>	<u>\$ 5,402</u>	<u>\$ 289,460</u>	<u>\$ 847,786</u>

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

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

RUTLAND REGIONAL PLANNING COMMISSION
 SCHEDULE OF INDIRECT COST RATES CALCULATION
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 5

INDIRECT COSTS

Allowance Indirect Cost - 2020 Fiscal Year	\$	261,585
Less: Carryforward Adjustment - 2020		(3,471)
		258,114
	\$	258,114

DIRECT COSTS

Direct Salaries and Wages - 2020 Fiscal Year	\$	301,797
Direct Payroll Taxes and Employee Benefits - 2020 Fiscal Year		109,145
Less: Carryforward Direct Adjustment		9,437
		401,505
	\$	401,505

INDIRECT RATE (Indirect Costs / Direct Costs)		64.29%
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RUTLAND REGIONAL PLANNING COMMISSION
 SCHEDULE OF DIRECT AND INDIRECT COSTS RECOVERED
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 6

<u>Grant/Agency</u>	<u>Direct Staff Costs</u>	<u>Indirect Costs at 64.29%</u>
Regional Planning Grant (Vermont Agency of Commerce and Community Development)	\$ 128,566	\$ 82,655
Transportation Grants (U.S. Department of Transportation and Vermont Agency of Transportation)	\$ 146,525	\$ 94,201
Emergency Management Performance Grants (U.S. Department of Homeland Security and Vermont Department of Public Safety)	\$ 39,195	\$ 25,198
Other	\$ 115,637	\$ 74,343
	<u>\$ 429,923</u>	<u>\$ 276,397</u>

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

SCHEDULE 7

Task #	Task Description	Budget	Staff	Indirect rate at 64.29%	Other Direct	Total
1	Regional Planning	\$ 15,877	\$ 8,185	\$ 5,262	\$ 124	\$ 13,571
2	Municipal Plan/Technical Assistance	62,633	35,145	22,595	1,436	59,176
3	Regional Training and Education For Municipalities	2,410	1,948	1,252	-	3,200
4	Support for Statewide Initiatives	2,103	-	-	-	-
5	Core Functions and Implementation Assistance	186,291	83,288	53,546	6,996	143,830
	Match	-	-	-	49,538	49,538
Total		<u>\$ 269,315</u>	<u>\$ 128,566</u>	<u>\$ 82,655</u>	<u>\$ 58,094</u>	<u>\$ 269,315</u>
Grant Revenue for 2020						<u>\$ 269,315</u>



Batchelder Associates, PC

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

To the Commissioners of
Rutland Regional Planning Commission
PO Box 430
Rutland, VT 05702

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Rutland Regional Planning Commission ("Commission"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Batchelder Associates, PC

Batchelder Associates, PC
Barre, Vermont
October 24, 2020
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