

LAMOILLE COUNTY PLANNING COMMISSION

AUDIT REPORT

JUNE 30, 2021 AND 2020

LAMOILLE COUNTY PLANNING COMMISSION
 AUDIT REPORT
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Independent Auditor's Report

Board of Directors
Lamoille County Planning Commission
Morrisville, Vermont 05661

Report on the Financial Statements

We have audited the accompanying financial statements of the Lamoille County Planning Commission as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Lamoille County Planning Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Lamoille County Planning Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lamoille County Planning Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Lamoille County Planning Commission as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 9, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1 and the Schedule of Contributions on Schedule 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters - Other Information

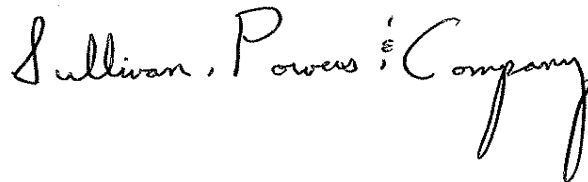
Our audit was conducted for the purpose of forming an opinion, on the financial statements that collectively comprise the Lamoille County Planning Commission's basic financial statements. The accompanying financial information listed as Schedules 3 and 4 in the table of contents is presented for purposes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

Schedules 3 and 4 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operations – Budget and Actual and the Schedule of Direct and Indirect Costs 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 December 1, 2021 on our consideration of the Lamoille County Planning Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering Lamoille County Planning Commission’s internal control over financial reporting and compliance.

December 1, 2021
Montpelier, Vermont
VT Lic. #92-000180

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

**LAMOILLE COUNTY PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The Financial Statements

This section explains the general financial condition and results of operations of the Lamoille County Planning Commission (LCPC) for the fiscal year ended June 30, 2021 (FY 2021). Please read it in conjunction with the Commission's financial statements, which begin on page 10.

LAMOILLE COUNTY PLANNING COMMISSION

The mission of the Lamoille County 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 LCPC 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 LCPC was chartered by the municipalities of Lamoille County 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, LCPC is a non-taxing political subdivision of the State of Vermont established under state statute (24 V.S.A. §4341). To the extent a conflict exists with a provision in Vermont statutes governing regional planning commissions, the Vermont statutes will control.

Using These Financial Statements

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

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, one way to measure the financial health, or financial position, of LCPC. Over time, increases or decreases in the LCPC 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.

**LAMOILLE COUNTY PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2021**

Budget

The LCPC builds its annual budget on diverse sources of funding. Transportation funding is primarily federal, including both Federal Highway Administration and Federal Transit Administration funds, so it is dependent on the Federal Transportation Bill for appropriations of planning funds. LCPC receives 10% of matching funds for the majority of the federal transportation funds from the state, so it is dependent on actions of the Vermont legislature. The Commission receives dues from its member municipalities that in FY 2021 totaled \$20,000 as unrestricted revenue used to match projects and support basic operations.

The State of Vermont provides regional planning funding through an annual performance-based contract. These contract funds were \$212,282 in FY 2021. With these funds, the LCPC carries out statutory duties as specified in an annual work program approved by LCPC.

LCPC also funds its operations through special purpose grants and service contracts for technical assistance, and there is some variability in these grant programs from year to year. These programs included the following in FY 2021: Water quality projects funded by Vermont Agency of Natural Resources, and Emergency Management Performance Grants funded by Vermont Emergency Management and Homeland Security through Vermont Department of Public Safety.

Pension Liability Note

The Governmental Accounting Standards Board (GASB), which sets rules for Public Accounting, now requires that institutions like the LCPC 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 LCPC or the auditors. Furthermore, LCPC 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 LCPC contributes to their employees' retirement plans, produces an additional expense of \$12,523 of Other Expense, shown in Exhibit II, Changes in Net Position. This expense is not considered Operating as LCPC 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 \$12,523 was not actually paid out by LCPC in FY 2021, 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 LCPC books, but not consider the figures part of our financial performance year over year.

**LAMOILLE COUNTY PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2021**

Operating Results

The LCPC finished FY 2021 with Operating income of \$30,894. These results are shown on the statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2021 on page 11.

The increase in net unrestricted net position of \$18,373 is the net result of unrestricted revenues from local communities and other grants less recording the pension expense related to the participation in VMERS, depreciation expense and indirect expenses being less than the estimate the FY 2021 indirect rate approval was based on.

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

The net income in previous fiscal years had allowed the LCPC to build up Reserve funds. The purpose of the fund shall be to establish and maintain a reserve funding pool for emergency equipment purchases, operational cash flow security, and contingency costs of operation functions. LCPC has designated for reserves \$120,000 at the end of FY21 and FY20. Please refer to the changes in Net Position for June 30, 2021 and 2020 table on the next page for an illustration.

Management has a goal of maintaining a Reserve balance that will cover at least three months of expenses. Non-project monthly expenses in FY 2021 and FY 2020 were \$42,000 on average, which translates to about \$126,000 as a reserve goal.

Condensed Financial Information

Net position for the years ending June 30, 2021 through 2020, and changes, are displayed on the following page. The assets, deferred outflows of resources, liabilities and deferred inflows of resources related to participation in VMERS are discussed in more detail in the body of the Audit Report.

**LAMOILLE COUNTY PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and Other Assets	\$ 399,998	\$ 331,665	\$ 68,333
Capital Assets	<u>301</u>	<u>2,403</u>	<u>(2,102)</u>
Total Assets	<u>400,299</u>	<u>334,068</u>	<u>66,231</u>
Deferred Outflows of Resources	<u>60,374</u>	<u>33,786</u>	<u>26,588</u>
Current Liabilities	95,399	60,064	35,335
Other Liabilities	<u>139,664</u>	<u>95,995</u>	<u>43,669</u>
Total Liabilities	<u>235,063</u>	<u>156,059</u>	<u>79,004</u>
Deferred Inflows of Resources	<u>9,419</u>	<u>13,977</u>	<u>(4,558)</u>
Net Position:			
Investment in Capital Assets	301	2,403	(2,102)
Unrestricted	<u>215,890</u>	<u>195,415</u>	<u>20,475</u>
Total Net Position	<u>\$ 216,191</u>	<u>\$ 197,818</u>	<u>\$ 18,373</u>

Explanation of changes in Net Assets for years ending 2021 and 2020:

1. Change in Cash and Cash Equivalents in Current and Other Assets: This modest increase is the result of normal operational needs.
2. Change in Accounts Receivable in Current and Other Assets: The increase in accounts receivable at the end of FY 2021 was due to regular changes in how quickly our customers pay invoices.
3. Change in Property, Plant & Equipment (capital assets): The modest decrease in this asset was the result of routine depreciation.
4. Change in Accounts Payable in Current Liabilities: The increase can be attributed to fluctuations in consultant billings from one time period to another and timing of vendor payments.
5. The Deferred Outflows of Resources, Other Liability related to participation in VMERS and the Deferred Inflows of Resources: Stating these positions on the LCPC balance sheet is the result of changes in GASB accounting rules. The positions are not calculated, influenced, or managed by the LCPC. The assets and liabilities are not material in the sense that they could be collected, nor do they represent monies due. As is discussed in more detail in this letter and in the auditor's report, the amounts are calculations of possible changes in the future based on assumptions and calculations about the future.

**LAMOILLE COUNTY PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2021**

A summary of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operating Revenues	\$ 855,746	\$ 849,013	\$ 6,733
Operating Expenses	<u>(824,852)</u>	<u>(839,244)</u>	<u>14,392</u>
Operating Income/(Loss)	30,894	9,769	21,125
Other Revenues (Expenses)			
VMERS Pension Expense	(12,523)	(15,107)	2,584
Nonoperating Revenues			
Interest Income	<u>2</u>	<u>37</u>	<u>(35)</u>
Change in Net Position	<u>\$ 18,373</u>	<u>\$ (5,301)</u>	<u>\$ 23,674</u>

The change in Total Net Position from FY 2021 to FY 2020 was \$18,373. While we produced operating revenues of \$855,746 this fiscal year our operating expenses of \$824,852 were slightly lower resulting in operating income of \$30,894. The additional expenses related to the pension plan of \$12,523 less interest income of \$2 however resulted in an overall surplus of \$18,373.

Approved FY 2022 Budget

Total revenues	\$1,283,832
Total expenses	<u>1,283,832</u>
Net Surplus	<u>\$ 0</u>

**LAMOILLE COUNTY PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
JUNE 30, 2021**

Contacting LCPC's Financial Management

This financial report is designed to provide our served municipal and state officials with a general overview of LCPC's finances and to show LCPC's accountability for the money it receives. If you have any questions about this report or need additional information, contact Rosamund T. Wallis, LCPC's Executive Director at PO Box 1637, Morrisville, VT 05661, by phone at (802) 888-4548, or by email at twallis@lpcvt.org.

LAMOILLE COUNTY PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 95,586	\$ 91,685
Receivables	286,464	217,134
Prepaid Expenses	17,948	22,846
TOTAL CURRENT ASSETS	399,998	331,665
NONCURRENT ASSETS		
Property and Equipment (Net of Accumulated Depreciation)	301	2,403
TOTAL NONCURRENT ASSETS	301	2,403
TOTAL ASSETS	400,299	334,068
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Related to Participation in VMERS	60,374	33,786
TOTAL DEFERRED OUTFLOWS OF RESOURCES	60,374	33,786
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts Payable	54,988	10,936
Accrued Payroll and Related Liabilities	23,133	18,901
Compensated Absences	17,278	25,536
Unearned Grant Revenue	0	4,691
TOTAL CURRENT LIABILITIES	95,399	60,064
LONG TERM LIABILITIES		
Net Pension Liability Related to Participation in VMERS	139,664	95,995
TOTAL LONG TERM LIABILITIES	139,664	95,995
TOTAL LIABILITIES	235,063	156,059
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources Related to Participation in VMERS	9,419	13,977
TOTAL DEFERRED INFLOWS OF RESOURCES	9,419	13,977
<u>NET POSITION</u>		
Net Investment in Property and Equipment	301	2,403
Unrestricted:		
Related to Participation in VMERS/(Deficit)	(88,709)	(76,186)
Other	304,599	271,601
TOTAL UNRESTRICTED NET POSITION	215,890	195,415
TOTAL NET POSITION	\$ 216,191	\$ 197,818

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

LAMOILLE COUNTY PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Federal, state and other grants	\$ 831,746	\$ 832,590
Local communities - annual assessments	20,000	16,423
Other income	<u>4,000</u>	<u>0</u>
TOTAL OPERATING REVENUES	<u>855,746</u>	<u>849,013</u>
OPERATING EXPENSES		
Salaries and wages	374,904	357,635
Payroll taxes and employee benefits	93,507	87,675
Consultants and contract services	255,040	301,136
Rent	30,559	27,450
Other operating expenses	68,740	63,246
Depreciation expense	<u>2,102</u>	<u>2,102</u>
TOTAL OPERATING EXPENSES	<u>824,852</u>	<u>839,244</u>
OPERATING INCOME	30,894	9,769
OTHER REVENUE/(EXPENSES)		
Pension Expense Related to Participation in VMERS	(12,523)	(15,107)
NONOPERATING REVENUES		
Interest Income	<u>2</u>	<u>37</u>
CHANGE IN NET POSITION	18,373	(5,301)
BEGINNING NET POSITION	<u>197,818</u>	<u>203,119</u>
ENDING NET POSITION	<u><u>\$ 216,191</u></u>	<u><u>\$ 197,818</u></u>

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

LAMOILLE COUNTY PLANNING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants, contracts and services	\$ 761,725	\$ 845,326
Cash received from local communities	20,000	16,423
Cash paid for goods and services	(305,389)	(444,364)
Cash paid for personnel	<u>(472,437)</u>	<u>(433,988)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,899</u>	<u>(16,603)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned	<u>2</u>	<u>37</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,901	(16,566)
BEGINNING CASH AND CASH EQUIVALENTS	<u>91,685</u>	<u>108,251</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 95,586</u>	<u>\$ 91,685</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	\$ 30,894	\$ 9,769
Depreciation	2,102	2,102
Pension Expense Related to Participation in VMERS	(12,523)	(15,107)
(Increase)/Decrease in Receivables	(69,330)	8,045
(Increase) Decrease in Deferred Outflows of Resources - Pension Plan	(26,588)	7,508
(Increase) Decrease in Prepaid Expenses	4,898	(10,757)
Increase/(Decrease) in Accounts Payable	44,052	(41,775)
Increase/(Decrease) in Accrued Payroll and Related Liabilities	4,232	673
Increase/(Decrease) in Compensated Absences	(8,258)	10,649
Increase (Decrease) in Unearned Grant Revenue	(4,691)	4,691
Increase/(Decrease) in Net Pension Liability	43,669	1,790
Increase/(Decrease) in Deferred Inflows of Resources-Pension Plan	<u>(4,558)</u>	<u>5,809</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,899</u>	<u>\$ (16,603)</u>

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

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

The Lamoille County Planning Commission (LCPC) is one of 11 regional planning commissions in Vermont. LCPC was organized under Title 24 Vermont Statutes Annotated (V.S.A.), Chapter 117 in 1966 to promote the mutual cooperation of its member municipalities and to facilitate the appropriate development and preservation of the physical and human resources in Lamoille County.

The mission of the Lamoille County Planning Commission is to act as the principal forum for planning, policy and community development in the region. LCPC 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. LCPC work will result in the development and implementation of plans that support sustainable development and improve the region's quality of life and environment.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

This report includes all of the funds of LCPC. 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 impose financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of LCPC.

Basis of Presentation

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

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

Measurement Focus

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

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Donated Services

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

Estimates

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

Cash and Cash Equivalents

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

Capital Assets

Capital assets are reported at actual cost. Major outlays for capital assets and improvements are capitalized as purchased. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Lamoille County Planning Commission does not own major general infrastructure assets.

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

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

LAMOILLE COUNTY PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

2) CASH

Cash is as follows:

	<u>2021</u>	<u>2020</u>
Deposits with Financial Institutions	\$95,436	\$ 91,535
Petty Cash	<u>150</u>	<u>150</u>
Total Cash	<u>\$95,586</u>	<u>\$ 91,685</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Organization’s deposits are exposed to custodial credit risk as follows:

LAMOILLE COUNTY PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

	2021		2020	
	Book Balance	Bank Balance	Book Balance	Bank Balance
FDIC Insured	\$ 95,436	\$ 99,569	\$ 91,535	\$ 104,722
Petty Cash	150	0	150	0
Total	\$ 95,586	\$ 99,569	\$ 91,685	\$ 104,722

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

3) RECEIVABLES

Receivables consist of amounts due from grants, contracts and other items. Lamoille County Planning 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, 2021 and 2020.

Receivables are comprised of the following:

	2021	2020
Grants and Contracts	\$ 286,254	\$ 213,424
Municipal Services and Other	210	3,710
Total	\$ 286,464	\$ 217,134

4) PROPERTY AND EQUIPMENT

Property and Equipment balances were as follows:

	2021			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	\$ 37,432	\$ 0	\$ 0	\$ 37,432
Less Accumulated Depreciation	(35,029)	(2,102)	0	(37,131)
Capital Assets, Net at June 30, 2021	\$ 2,403	\$ (2,102)	\$ 0	\$ 301

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

	2020			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	\$ 37,432	\$ 0	\$ 0	\$ 37,432
Less Accumulated Depreciation	<u>(32,927)</u>	<u>(2,102)</u>	<u>0</u>	<u>(35,029)</u>
Capital Assets, Net at June 30, 2020	<u>\$ 4,505</u>	<u>\$ (2,102)</u>	<u>\$ 0</u>	<u>\$ 2,403</u>

5) DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2021 consists, \$13,358 of the difference between projected and actual earnings on plan investments, \$12,578 of the difference between expected and actual experience, \$18,724 from changes in assumptions, \$109 of changes in proportion and differences between employer contributions and proportionate share of contributions and \$15,605 of required employer pension contributions made subsequent to the measurement date related to LCPC's participation in the Vermont Municipal Employees' Retirement System (VMERS) for a total of \$60,374 as further described in Note 9.

Deferred outflows of resources at June 30, 2020 consists, \$6,538 of the difference between projected and actual earnings on plan investments, \$12,437 of the difference between expected and actual experience, \$3,205 from changes in assumptions, \$164 of changes in proportion and differences between employer contributions and proportionate share of contributions and \$11,442 of required employer pension contributions made subsequent to the measurement date related to LCPC's participation in the Vermont Municipal Employees' Retirement System (VMERS) for a total of \$33,786 as further described in Note 9.

6) DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at June 30, 2021 consists of \$414 of the difference between expected and actual experience and \$9,005 of changes in proportion and differences between employer contributions and proportionate share of contributions for a total of \$9,419 as further described in Note 9.

Deferred inflows of resources at June 30, 2020 consists of \$830 of the difference between expected and actual experience and \$13,147 of changes in proportion and differences between employer contributions and proportionate share of contributions for a total of \$13,977 as further described in Note 10.

LAMOILLE COUNTY PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

7) NET POSITION

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

	<u>2021</u>	<u>2020</u>
Designated for Reserves	\$120,000	\$120,000
Undesignated	<u>95,890</u>	<u>75,415</u>
Total Unrestricted Net Position	<u>\$215,890</u>	<u>\$195,415</u>

8) FEDERAL STATE AND OTHER GRANTS

Federal, State and Other Grants consist of the following:

	<u>2021</u>	<u>2020</u>
Direct Federal Grants:		
EPA - Brownfields	\$ <u>0</u>	\$ <u>107,043</u>
	<u>0</u>	<u>107,043</u>
Federal Grants Passed Through State and State Grants:		
Public Safety	46,782	63,341
Natural Resources	78,265	9,126
Municipal Contracts	44,414	54,070
AOT - Transportation	180,091	106,180
AOT - Smuggs	71,206	66,823
AOT - Better Back Roads	12,029	28,601
AOT - Green Mountain Byways	0	200
ACCD	212,282	214,979
Economic Development	<u>175,966</u>	<u>158,117</u>
	<u>821,035</u>	<u>701,437</u>
Other:		
Energy Technical Assistance	0	1,700
Transportation Resilience Planning	1,716	0
LEDC Project	0	3,500
Grants in Aid	8,995	14,910
Zoning for Great Neighborhoods	0	1,500
Watershed	<u>0</u>	<u>2,500</u>
	<u>10,711</u>	<u>24,110</u>
Total	<u>\$ 831,746</u>	<u>\$ 832,590</u>

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9) PENSION PLANS

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school districts employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the years ended June 30, 2020, the retirement system consisted of 353 participating employers.

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

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2020, the measurement date selected by the State of Vermont, VMERS was funded at 74.52% and had a plan fiduciary net position of \$740,052,895 and a total pension liability of resulting in a \$993,026,959 net pension liability of \$252,974,064. As of June 30, 2021, LCPC's proportionate share of this was 0.05521% resulting in a liability of \$139,664. The net pension liability was measured as of June 30, 2020, 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 municipalities, actuarially determined. As of June 30, 2020, the Commission's proportion of 0.05521% was a decrease of .00012% from its proportion measured as of June 30, 2019.

For the years ended June 30, 2021 and 2020, respectively, LCPC recognized pension expense of \$28,128 and \$26,549.

LAMOILLE COUNTY PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

At June 30, 2021 and 2020, Lamoille County Planning Commission reported deferred outflows of resources and deferred inflows of resources from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 13,358	\$ 0	\$ 6,538	\$ 0
Difference Between Expected and Actual Experience	12,578	414	12,437	830
Changes in Assumptions	18,724	0	3,205	0
Required Employer Contributions Made Subsequent to the Measurement Date	15,605	0	11,442	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	109	9,005	164	13,147
	<u>\$ 60,374</u>	<u>\$ 9,419</u>	<u>\$ 33,786</u>	<u>\$ 13,977</u>

The deferred outflows of resources resulting from Lamoille County Planning Commission’s required employer contributions made subsequent to the measurement date in the amount of \$15,605 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2022	\$ 8,147
2023	10,647
2024	8,725
2025	<u>7,831</u>
Total	<u>\$35,350</u>

Summary of System Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Lamoille County Planning Commission elected coverage under Groups B and C.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. 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. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

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; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit:

Eligibility – Death after five (5) years of service.

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Amount – For Groups A, B and 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. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

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 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 3.00%. Group B – 5.375%. Group C – 10.50%. Group D – 11.85%.

Employer Contributions – Group A – 4.50%. Group B – 6.00%. Group C – 7.75%. Group D – 10.35%.

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

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation, a decrease from 7.50% in the prior year.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

LAMOILLE COUNTY PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

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

Spouse’s Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

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.

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

Inflation: 2.30%

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29%	7.07%
US Equity – Large Cap	4%	6.19%
US Equity – Small/Mid Cap	3%	6.93%
Non-US Equity – Large Cap	5%	7.01%
Non-US Equity – Small Cap	2%	7.66%
Emerging Markets Debt	4%	3.66%
Core Bond	20%	0.39%
Private & Alternate Credit	10%	6.03%
US TIPS	3%	(0.20)%
Core Real Estate	5%	4.06%
Non-Core Real Estate	3%	6.43%
Private Equity	10%	11.27%
Infrastructure/Farmland	2%	5.44%

LAMOILLE COUNTY PLANNING COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

Discount Rate – The discount rate used to measure the total pension liability was 7.00%, a decrease from 7.50% in the prior year. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans’ Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$213,378	\$139,664	\$79,013

Additional Information

Additional information regarding the State of Vermont Municipal Employees’ Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

Defined Contribution Plan

LCPC also participates in VMERS Group DC, a defined contribution plan. Employees in Group DC contribute 5.0% and LCPC contributes 5.125%. 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. Covered payroll for Group DC for the years ended June 30, 2021 and 2020, respectively was \$98,745 and \$104,702. LCPC’s total payroll for the years ended June 30, 2021 and 2020, respectively was \$374,904 and \$357,635. Pension expense for this plan for the years ended June 30, 2021 and 2020, respectively was \$5,061 and \$5,366.

10) OPERATING LEASES

LCPC entered into a five (5) year lease for office space from December 2018 through November, 2023. Monthly rent is \$2,200 for year one, \$2,350 for year two and \$2,687 for years three through five. Rent expense was \$30,559 and \$27,450 for the years ended June 30, 2021 and 2020 respectively.

LAMOILLE COUNTY PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

LCPC has an operating lease for a copier. The copier lease expires in October, 2022 and lease expense was \$2,136 for the years ended June 30, 2021 and 2020, respectively.

Future lease commitments are as follows:

	<u>Office Lease</u>	<u>Copier</u>	<u>Total</u>
Year Ending June 30,			
2022	\$ 32,244	\$ 2,136	\$ 34,380
2023	32,244	712	32,956
2024	<u>32,244</u>	<u>0</u>	<u>32,244</u>
Total	<u>\$ 96,732</u>	<u>\$ 2,848</u>	<u>\$ 99,580</u>

11) RISK MANAGEMENT

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

12) 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 LCPC to the provisions of the grants.

LAMOILLE COUNTY PLANNING COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
LCPC's Proportion of the Net Pension Liability	0.05521%	0.05533%	0.06660%	0.06660%	0.08212%	0.08875%	0.07653%
LCPC's Proportionate Share of the Net Pension Liability	\$ 139,664	\$ 95,995	\$ 94,205	\$ 80,702	\$ 105,691	\$ 68,421	\$ 6,097
LCPC's Covered Employee Payroll	\$ 232,124	\$ 199,007	\$ 188,997	\$ 213,265	\$ 197,780	\$ 226,940	\$ 230,799
Proportionate Share of the Net Pension Liability as a Percentage of Covered - Employee Payroll	60.17%	48.24%	49.84%	37.84%	53.44%	30.15%	2.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.52% as of	80.35% as of	82.60% as of	83.64% as of	80.95% as of	87.42% as of	98.32% as of
Valuation Dates:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: The following changes were effective for the June 30, 2020 valuation date:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
- The mortality assumptions were updated as follows:
 - Pre-Retirement:
 - Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.
 - Group D - PubG-2010 General Employee above-median, with generational projection using scale MP-2019.
 - Healthy Post-Retirement - Retirees:
 - Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.
 - Group D - PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.
 - Healthy Post-Retirement - Beneficiaries:
 - Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.
 - Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.
 - Disabled Retirees:
 - All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%.
- The active retirement rates were updated as follows:
 - Group A: Decreased the rates throughout all ages.
 - Group B: For females, slightly decreased the rates at younger ages and then increased the rates at later ages. For males, slightly decreased the rates at most ages.
 - Group C: Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
 - Group D: For members with less than 20 years of service, increased the rates for ages 55-59.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability loan of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive Members who are vested immediately become Deferred Members, and the liabilities for all Deferred Members are based on the accrued benefit.
- The termination rates were updated as follows:
 - Simplified female rates to one set of slightly reduced rates for all females.

Fiscal year 2015 was the first year of implementation, therefore, only seven (7) years are shown.

See Accompanying Independent Auditor's Report.

LAMOILLE COUNTY PLANNING COMMISSION
 SCHEDULE OF CONTRIBUTIONS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 15,605	\$ 11,442	\$ 10,631	\$ 11,729	\$ 10,878	\$ 12,482	\$ 12,406
Contributions in Relation to the Actuarially Determined Contributions	<u>15,605</u>	<u>11,442</u>	<u>10,631</u>	<u>11,729</u>	<u>10,878</u>	<u>12,482</u>	<u>12,406</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered - Employee Payroll	\$ 232,124	\$ 199,007	\$ 188,997	\$ 213,265	\$ 197,780	\$ 226,940	\$ 230,799
Contributions as a Percentage of Covered - Employee Payroll	6.723%	5.750%	5.625%	5.500%	5.500%	5.500%	5.375%

Notes to Schedule

Valuation Date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
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Fiscal year 2015 was the first year of implementation, therefore, only seven (7) years are shown.

LAMOILLE COUNTY PLANNING COMMISSION
SCHEDULE OF OPERATIONS
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
State of Vermont - Agency of Commerce and Community Development (ACCD)	\$ 212,332	\$ 212,282	\$ (50)
Economic Development Grants	190,200	175,966	(14,234)
Natural Resources Grants	152,200	78,265	(73,935)
Public Safety Grants	81,700	46,782	(34,918)
Transportation Grants	239,500	263,326	23,826
Other Grants	0	10,711	10,711
Municipal Contracts	50,000	44,414	(5,586)
Local Communities - Annual Assessments	20,000	20,000	0
Other Income	4,400	4,000	(400)
	950,332	855,746	(94,586)
OPERATING EXPENSES			
Salaries and Wages	403,000	374,904	28,096
Payroll Taxes and Employee Benefits	100,760	93,507	7,253
Consultants and Contract Services	306,700	255,040	51,660
Rent	30,500	30,559	(59)
Advertising	2,832	5,295	(2,463)
Copy and Printing	4,100	2,349	1,751
Equipment and Software Maintenance	9,430	18,639	(9,209)
Dues and Memberships	8,045	9,600	(1,555)
Insurance	6,000	6,956	(956)
Office Supplies	6,000	4,354	1,646
Other	1,694	1,600	94
Postage	2,463	377	2,086
Program Workshops and Meetings	10,167	439	9,728
Subscriptions and Publications	2,196	1,176	1,020
Supplies	1,125	906	219
Telephone and Internet	5,320	12,888	(7,568)
Travel	11,000	4,161	6,839
Transfer to Long-Term Reserves/Contingency	39,000	0	39,000
	950,332	822,750	127,582
OPERATING INCOME/(LOSS) - BUDGETARY BASIS	\$ 0	32,996	\$ 32,996
Reconciliation of Budgetary Basis to GAAP Basis:			
Depreciation Expense		(2,102)	
Operating Income - GAAP Basis		\$ 30,894	

See Accompanying Independent Auditor's Report.

LAMOILLE COUNTY PLANNING COMMISSION
SCHEDULE OF DIRECT AND INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Total</u>	<u>Direct Costs</u>	<u>Unallowable Costs (a)</u>	<u>Allowable Indirect Costs</u>
Salaries and Wages	\$ 374,904	\$ 238,980	\$ 0	\$ 135,924
Payroll Taxes and Employee Benefits	93,507	59,147	0	34,360
Consultants and Contract Services	255,040	178,901	0	76,139
Rent	30,559	0	0	30,559
Advertising	5,295	726	0	4,569
Copy and Printing	2,349	0	0	2,349
Equipment and Software Maintenance	18,639	3,075	0	15,564
Depreciation Expense	2,102	0	2,102	0
Dues and Memberships	9,600	0	3,455	6,145
Insurance	6,956	2,982	0	3,974
Office Supplies	4,354	0	0	4,354
Other	1,600	0	110	1,490
Postage	377	12	0	365
Program Workshops and Meetings	439	250	0	189
Subscriptions and Publications	1,176	0	0	1,176
Supplies	906	906	0	0
Telephone and Internet	12,888	1,092	0	11,796
Travel	4,161	4,087	0	74
	<u>4,161</u>	<u>4,087</u>	<u>0</u>	<u>74</u>
TOTAL EXPENSES	\$ <u>824,852</u>	\$ <u>490,158</u>	\$ <u>5,667</u>	\$ <u>329,027</u>

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

See Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.
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Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with "Government Auditing Standards"

Board of Directors
Lamoille County Planning Commission
Morrisville, Vermont 05661

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 Lamoille County Planning Commission as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Lamoille County Planning Commission's basic financial statements and have issued our report thereon dated December 1, 2021.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered the Lamoille County Planning Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lamoille County Planning Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lamoille County Planning Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Lamoille County Planning Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

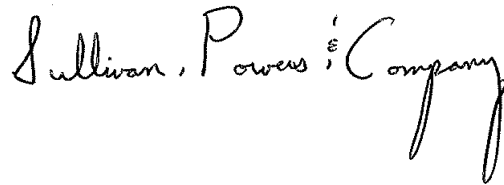
As part of obtaining reasonable assurance about whether the Lamoille County Planning Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

However, we noted a certain other matter that we reported to the management of the Lamoille County Planning Commission in a separate letter dated December 1, 2021.

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 Lamoille County Planning Commission's internal control or on compliance. This report is an integral part of an audit performing in accordance with "Government Auditing Standards" in considering the Lamoille County Planning Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 1, 2021
Montpelier, Vermont
VT Lic. #92-000180

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