LAMOILLE COUNTY PLANNING COMMISSION

AUDIT REPORT

JUNE 30, 2022

LAMOILLE COUNTY PLANNING COMMISSION
AUDIT REPORT
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JUNE 30, 2022

Sullivan, Powers & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

Board of Directors
Lamoille County Planning Commission
Morrisville, Vermont 05661

Report on the Audit of the Financial Statements

Opinion

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

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, 2022 and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Lamoille County Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lamoille County Planning Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 10, 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 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion, on the financial statements that collectively comprise the 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 (Non-GAAP Budgetary Basis) 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 21, 2022 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 the effectiveness of the Lamoille County Planning Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering Lamoille County Planning Commission's internal control over financial reporting and compliance.

December 21, 2022
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Company

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, 2022 (FY 2022). Please read it in conjunction with the Commission's financial statements, which begin on page 11.

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 11) 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.

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 2022 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 $211,834 in FY 2022. 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 2022: 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 10, Pension Plans, in the body of the audit report discusses this rule and its impact in some detail. It is important to understand that the actuarial assumptions detailed in the Note are from VMERS, not 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 $6,112 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 $6,112 was not actually paid out by LCPC in FY 2022, 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.

New Accounting Standard – Leases

On July 1, 2021, the beginning of FY22, GASB implemented a new Statement No. 87 "Leases". The new standard is discussed in Notes to the Financial Statements as part of Note 1 on page 16. Notes 5 and 11 further explain the impact of GASB 87 to LCPC's financial statements. Essentially the new methodology requires LCPC to consider our office space lease arrangement to be accounted for like a financed asset. The cost of the entire lease is amortized, and an interest cost is calculated. Over the life of the lease the amortization and interest costs will equal the "actual" lease costs. Early in the process the combined amortization and interest costs are higher than the "old" methodology would have calculated. In FY22, for example, the combined lease amortization, $29,296 and interest costs, $2,948, were $32,244. The rental expense that these components replaced was $32,244, resulting in an additional $0 of expense for FY22.

Operating Results

The LCPC finished FY 2022 with Operating income of $19,692. These results are shown on the statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2022 on page 12.

The increase in net unrestricted net position of $10,634 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 2022 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 $180,000 and $120,000 at the end of FY22 and FY21, respectively. Please refer to the changes in Net Position for June 30, 2022 and 2021 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 2022 and FY 2021 were $60,000 and $40,000 on average.

Condensed Financial Information

Net position for the years ending June 30, 2022 through 2021, 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.

	2022	2021	Change
Current and Other Assets	$ 521,973	$ 399,998	$ 121,975
Capital Assets	0	301	(301)
Right to Use Leased Assets	43,848	0	43,848
Total Assets	565,821	400,299	165,522
Deferred Outflows of Resources	74,096	60,374	13,722
Current Liabilities	230,923	95,399	135,524
Other Liabilities	116,559	139,664	(23,105)
Total Liabilities	347,482	235,063	112,419
Deferred Inflows of Resources	65,610	9,419	56,191
Net Position:			
Investment in Capital Assets	0	301	(301)
Unrestricted	226,825	215,890	10,935
Total Net Position	$ 226,825	$ 216,191	$ 10,634

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

1. Change in Cash and Cash Equivalents in Current and Other Assets: This increase is the result of normal operational needs and an increase in unearned grant revenue.
2. Change in Accounts Receivable in Current and Other Assets: The decrease in accounts receivable at the end of FY 2022 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.

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

	2022	2021	Change
Operating Revenues	$ 944,200	$ 855,746	$ 88,454
Operating Expenses	(924,508)	(824,852)	(99,656)
Operating Income/(Loss)	19,692	30,894	(11,202)
Other Revenues (Expenses)			
VMERS Pension Expense	(6,112)	(12,523)	6,411
Nonoperating Revenues/(Expenses)			
Interest Income	2	2	0
Interest Expense	(2,948)	0	(2,948)
Total Nonoperating Revenues/(Expenses)	(2,946)	2	(2,948)
Change in Net Position	$ 10,634	$ 18,373	$ (7,739)

The change in Total Net Position from FY 2022 to FY 2021 was $10,634. While we produced operating revenues of $944,200 this fiscal year our operating expenses of $924,508 were lower resulting in operating income of $19,692. The additional expenses related to the pension plan of $6,112 and interest expense of $2,948, less interest income of $2, however resulted in an overall surplus of $10,634.

<u>Approved FY 2023 Budget</u>

Total revenues	$2,175,300
Total expenses	2,175.300
Net Surplus	$ 0

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@lcpcvt.org.

Exhibit I

LAMOILLE COUNTY PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 238,193
Receivables	260,774
Prepaid Expenses	23,006
TOTAL CURRENT ASSETS	521,973
NONCURRENT ASSETS	
Right to Use Leased Assets (Net of Accumulated Amortization)	43,848
TOTAL NONCURRENT ASSETS	43,848
TOTAL ASSETS	565,821
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources Related to Participation in VMERS	74,096
TOTAL DEFERRED OUTFLOWS OF RESOURCES	74,096
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	56,322
Accrued Payroll and Related Liabilities	16,660
Compensated Absences	14,294
Unearned Grant Revenue	113,051
Lease Payable - Current Portion	30,596
TOTAL CURRENT LIABILITIES	230,923
LONG TERM LIABILITIES	
Lease Payable	13,252
Net Pension Liability Related to Participation in VMERS	103,307
TOTAL LONG TERM LIABILITIES	116,559
TOTAL LIABILITIES	347,482
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to Participation in VMERS	65,610
TOTAL DEFERRED INFLOWS OF RESOURCES	65,610
NET POSITION	
Unrestricted:	
Related to Participation in VMERS/(Deficit)	(94,821)
Other	321,646
TOTAL UNRESTRICTED NET POSITION	226,825
TOTAL NET POSITION	$ 226,825

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 YEAR ENDED JUNE 30, 2022

OPERATING REVENUES		
Federal, state and other grants	$	917,263
Local communities - annual assessments		20,000
Other income		6,937
TOTAL OPERATING REVENUES		944,200
OPERATING EXPENSES		
Salaries and wages		437,130
Payroll taxes and employee benefits		99,403
Consultants and contract services		288,446
Other operating expenses		69,932
Depreciation and Amortization expense		29,597
TOTAL OPERATING EXPENSES		924,508
OPERATING INCOME		19,692
OTHER REVENUE/(EXPENSES)		
Pension Expense Related to Participation in VMERS		(6,112)
NONOPERATING REVENUES (EXPENSES)		
Interest Income		2
Interest Expense		(2,948)
TOTAL NONOPERATING REVENUES/(EXPENSES)		(2,946)
CHANGE IN NET POSITION		10,634
BEGINNING NET POSITION		216,191
ENDING NET POSITION	$	226,825

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

LAMOILLE COUNTY PLANNING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from grants, contracts and services	$ 1,062,941
Cash received from local communities	20,000
Cash paid for goods and services	(362,102)
Cash paid for personnel	(545,990)
NET CASH PROVIDED BY OPERATING ACTIVITIES	174,849
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Lease Interest Paid	(2,948)
Lease Principal Paid	(29,296)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(32,244)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	2
INCREASE IN CASH AND CASH EQUIVALENTS	142,607
BEGINNING CASH AND CASH EQUIVALENTS	95,586
ENDING CASH AND CASH EQUIVALENTS	$ 238,193

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	$ 19,692
Depreciation and Amortization	29,597
Pension Expense Related to Participation in VMERS	(6,112)
(Increase)/Decrease in Receivables	25,690
(Increase) Decrease in Deferred Outflows of Resources - Pension Plan	(13,722)
(Increase) Decrease in Prepaid Expenses	(5,057)
Increase/(Decrease) in Accounts Payable	1,333
Increase/(Decrease) in Accrued Payroll and Related Liabilities	(6,473)
Increase/(Decrease) in Compensated Absences	(2,984)
Increase (Decrease) in Unearned Grant Revenue	113,051
Increase/(Decrease) in Net Pension Liability	(36,357)
Increase/(Decrease) in Deferred Inflows of Resources-Pension Plan	56,191
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 174,849

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

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.

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.

Right to Use Leased Assets

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

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.

Long Term Liabilities

Long Term Liabilities includes LCPC's liability for future minimum lease payments measured at the net present value of the payments using its incremental borrowing rate.

New Accounting Standard - Leases

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

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:

Deposits with Financial Institutions	$238,097
Petty Cash	96
Total Cash	$238,193

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:

	Book Balance	Bank Balance
FDIC Insured	$ 238,097	$ 254,452
Uninsured, Uncollaterized	0	12,539
Petty Cash	96	0
Total	$ 238,193	$ 266,991

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, 2022.

Receivables are comprised of the following:

Grants and Contracts	$ 260,564
Municipal Services and Other	210
Total	$ 260,774

4) PROPERTY AND EQUIPMENT

Property and Equipment balances were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	$ 37,432	$ 0	$ 0	$ 37,432
Less Accumulated Depreciation	(37,131)	(301)	0	(37,432)
Capital Assets, Net at June 30, 2022	$ 301	$ (301)	$ 0	$ 0

5) RIGHT TO USE LEASED ASSETS

LCPC has one Right to Use Leased Asset for its office in Morrisville, Vermont. See Note 11 for details of the related lease liability. The right to use the leased asset is amortized on a straight-line basis over 17 months, the remaining life of the lease at July 1, 2021.

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

Implementation of GASB 87, July 1, 2021	$ 73,144
Less: Amortization	(29,296)
Balance, June 30	$ 43,848

6) DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2022 consists of $19,255 of the difference between expected and actual experience, $16,329 from changes in assumptions, $20,766 of changes in proportion and differences between employer contributions and proportionate share of contributions and $17,746 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 $74,096 as further described in Note 10.

7) DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at June 30, 2022 consists of $60,913 of the difference between projected and actual earnings on pension plan investments and $4,697 of changes in proportion and differences between employer contributions and proportionate share of contributions for a total of $65,610 as further described in Note 10.

8) NET POSITION

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

Designated for Reserves	$180,000
Undesignated	46,825
Total Unrestricted Net Position	$226,825

9) FEDERAL STATE AND OTHER GRANTS

Federal, State and Other Grants consist of the following:

Direct Federal Grants:	
EPA - Brownfields	$ 523
	523
Federal Grants Passed Through State and State Grants:	
Public Safety	78,403
Natural Resources	99,807
Municipal Contracts	38,534
Department of Health - Health Equity	28,602
Department of Health - Hot Weather	2,614
AOT - Transportation	150,658
AOT - Smuggs	1,942
AOT - Better Back Roads	0
AOT - Scoping Study	2,508
AOT - Public Transit Study	3,826
ACCD	277,108
Economic Development	175,131
	859,133
Other:	
Northern Borders Regional Commission	35,307
Grants in Aid	14,800
Working Communities Challenge	7,500
	57,607
Total	$ 917,263

10) PENSION PLANS

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school districts employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the years ended June 30, 2021, the retirement system consisted of 353 participating employers.

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

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

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

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

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of $926,034,330 and a total pension liability of $1,073,218,528 resulting in a net pension liability of $147,184,198. As of June 30, 2022, LCPC's proportionate share of this was 0.07019% resulting in a liability of $103,307. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2021, the Commission's proportion of 0.07019% was an increase of .01498% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022 LCPC recognized pension expense of $23,858.

At June 30, 2022 Lamoille County Planning Commission reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Projected and Actual Earnings on Pension Plan Investments	$ 0	$ 60,913
Difference Between Expected and Actual Experience	19,255	0
Changes in Assumptions	16,329	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	20,766	4,697
Required Employer Contributions Made Subsequent to the Measurement Date	17,746	0
	$ 74,096	$ 65,610

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 $17,746 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2023	$ 2,878
2024	450
2025	(1,312)
2026	(11,276)
Total	$ (9,260)

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) –Groups B and C – Average annual compensation during highest three (3) consecutive years.

Service Retirement Allowance:

Eligibility – Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C – Age 55 with five (5) 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. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC.

Maximum benefit is 60% of AFC for Group B and 50% of AFC for Group C. 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 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 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.

Death Benefit:

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

Amount – For Groups 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.

Optional Benefit and Death after Retirement – For Groups B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

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

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

Member Contributions – Group B – 5.625%. Group C – 10.75%.

Employer Contributions – Group B – 6.25%. Group C – 8.00%.

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 B and C – 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

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

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

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

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

Cost-of-Living Adjustments: 1.20% for Groups B and C members. The January 1, 2021 and January 1, 2022 COLAs are 0.40% and 2.3%, 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 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, 2021 are summarized in the following table:

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

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

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

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
$204,193	$103,307	$20,350

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, 2022 was $140,780. LCPC's total payroll for the year ended June 30, 2022 was $437,130. Pension expense for this plan for the year ended June 30, 2022 was $7,215.

11) LEASE PAYABLE

LCPC has entered into an agreement to lease offices in Morrisville, Vermont. This agreement was executed on December 1, 2019 and requires 60 monthly payments for each annual lease term which is $2,200 for year one $2,350 for year two and $2,687 for years three through five. For the lease year ending June 30, 2022, monthly lease payments were $2,687.

The lease liability was measured at a discount rate of 5.3% at July 1, 2021, which as deemed to be LCPC's incremental borrowing rate. As a result of the lease, LCPC has recorded a Right to Use Leased Asset with a net book value of $43,848 see Note 5.

The Lease Payable is as follows:

Lease Payable through November 30, 2023	$43,848
Current Portion	(30,596)
Long Term Liability	$13,252

Future minimum lease payments are $30,596 principal and $1,648 interest in fiscal year 2023 and $13,252 principal and $183 interest in fiscal year 2024.

12) 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.

13) COMMITMENTS AND CONTINGENCIES

Grants and contracts require the fulfillment of certain conditions set forth in the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although that is a possibility, management deems the contingency remote, since by accepting the awards and their terms, it has accommodated the objectives of LCPC to the provisions of the grants.

Schedule 1

LAMOILLE COUNTY PLANNING COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS
JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	$ 147,184,198	$ 252,974,064	$ 173,491,807	$ 140,675,892	$ 121,155,552	$ 128,696,167	$ 77,095,810	$ 9,126,613
LCPC's Proportion of the Net Pension Liability	0.07019%	0.05521%	0.05533%	0.06660%	0.06660%	0.08212%	0.08875%	0.07653%
LCPC's Proportionate Share of the Net Pension Liability	$ 103,307	$ 139,664	$ 95,995	$ 94,205	$ 80,702	$ 105,691	$ 68,421	$ 6,097
LCPC's Covered Employee Payroll	$ 255,082	$ 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	40.50%	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	86.29%	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, 2021	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: None

Fiscal year 2015 was the first year of implementation, therefore, only eight (8) years are shown.

See Accompanying Independent Auditor's Report.

LAMOILLE COUNTY PLANNING COMMISSION
SCHEDULE OF CONTRIBUTIONS - VMERS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	$ 17,746	$ 15,605	$ 11,442	$ 10,631	$ 11,729	$ 10,878	$ 12,482	$ 12,406
Contributions in Relation to the Actuarially Determined Contributions	17,746	15,605	11,442	10,631	11,729	10,878	12,482	12,406
Contribution Excess/(Deficiency)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered - Employee Payroll	$ 255,082	$ 232,124	$ 199,007	$ 188,997	$ 213,265	$ 197,780	$ 226,940	$ 230,799
Contributions as a Percentage of Covered - Employee Payroll	6.957%	6.723%	5.750%	5.625%	5.500%	5.500%	5.500%	5.375%
Notes to Schedule								
Valuation Date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Fiscal year 2015 was the first year of implementation, therefore, only eight (8) years are shown.

See Accompanying Independent Auditor's Report.

LAMOILLE COUNTY PLANNING COMMISSION
SCHEDULE OF OPERATIONS
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
State of Vermont - Agency of Commerce and Community Development (ACCD) - State Formula Allocation	$ 212,332	$ 211,834	$ (498)
ACCD - Energy Planning	72,000	57,933	(14,067)
ACCD - Supplemental Funds	18,700	7,341	(11,359)
Economic Development Grants	171,500	175,654	4,154
Natural Resources Grants	74,100	99,807	25,707
Public Safety Grants	91,800	78,403	(13,397)
Transportation Grants	254,000	158,934	(95,066)
Health Grants	25,000	31,216	6,216
Other Grants	280,000	57,607	(222,393)
Municipal Contracts	32,000	38,534	6,534
Local Communities - Annual Assessments	20,000	20,000	0
Other Income	4,400	6,937	2,537
TOTAL OPERATING REVENUES	1,255,832	944,200	(311,632)
OPERATING EXPENSES			
Salaries and Wages	438,000	437,130	870
Payroll Taxes and Employee Benefits	98,900	99,403	(503)
Consultants and Contract Services	548,000	288,417	259,583
Rent and Maintenance	30,722	32,244	(1,522)
Advertising	2,800	2,347	453
Copy and Printing	4,500	3,425	1,075
Equipment and Software Maintenance	18,110	11,514	6,596
Dues and Memberships	9,495	10,558	(1,063)
Insurance	16,160	9,606	6,554
Office Supplies	6,000	5,206	794
Other	1,610	2,651	(1,041)
Postage	2,584	380	2,204
Program Workshops and Meetings	16,042	5,647	10,395
Subscriptions and Publications	3,000	243	2,757
Supplies	1,500	1,283	217
Telephone and Internet	10,159	12,453	(2,294)
Travel	14,250	4,648	9,602
Transfer to Long-Term Reserves/Contingency	34,000	0	34,000
TOTAL OPERATING EXPENSES	1,255,832	927,155	328,677
OPERATING INCOME/(LOSS) - BUDGETARY BASIS	$ 0	17,045	$ 17,045
Reconciliation of Budgetary Basis to GAAP Basis:			
Amortization of Right to Use Leased		(29,296)	
Rent Paid		32,244	
Depreciation Expense		(301)	
Operating Income - GAAP Basis		$ 19,692	

See Accompanying Independent Auditor's Report.

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

	Total	Direct Costs	Unallowable Costs (a)	Allowable Indirect Costs
Salaries and Wages	$ 437,130	$ 276,351	$ 0	$ 160,779
Payroll Taxes and Employee Benefits	99,403	65,618	0	33,785
Consultants and Contract Services	288,417	203,446	0	84,971
Amortization - Right to Use Leased Asset	29,296	0	0	29,296
Advertising	2,347	670	0	1,677
Copy and Printing	3,425	0	0	3,425
Equipment and Software Maintenance	11,514	0	0	11,514
Depreciation Expense	301	0	301	0
Dues and Memberships	10,558	0	3,455	7,103
Insurance	9,606	0	0	9,606
Interest - Right to Use Leased Asset	2,948	0	0	2,948
Office Supplies	5,206	0	0	5,206
Other	2,651	1,391	100	1,160
Postage	380	9	0	371
Program Workshops and Meetings	5,647	98	0	5,549
Subscriptions and Publications	243	0	0	243
Supplies	1,283	1,283	0	0
Telephone and Internet	12,453	0	0	12,453
Travel	4,648	4,543	0	105
TOTAL EXPENSES	$ 927,456	$ 553,409	$ 3,856	$ 370,191

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

See Accompanying Independent Auditor's Report.

Sullivan,Powers & Co.,P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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, 2022 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 21, 2022.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered the Lamoille County Planning Commission's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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".

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 21, 2022
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Company