

Northwest Regional Planning Commission

BASIC FINANCIAL STATEMENTS

June 30, 2016

Northwest Regional Planning Commission
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Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Northwest Regional Planning Commission
St. Albans, VT 05478

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northwest Regional Planning Commission as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Northwest Regional 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Northwest Regional Planning Commission, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northwest Regional Planning Commission's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements 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 September 19, 2016, on our consideration of the Northwest Regional Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northwest Regional Planning Commission's internal control over financial reporting and compliance.



**NORTHWEST REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

The Northwest Regional Planning Commission offers this discussion and analysis of its financial activities for the fiscal year beginning July 1, 2015 and ending June 30, 2016. Please read the following information in conjunction with the financial statements included in the audit.

ORGANIZATIONAL OVERVIEW

The Northwest Regional Planning Commission (NRPC) is a political subdivision of the state formed by action of the municipalities of Franklin and Grand Isle Counties, under the Vermont Municipal and Regional Planning and Development Act (Title 24, Chapter 117 V.S.A). NRPC operates under this enabling legislation and its operating bylaws.

The Northwest Regional Planning Commission has the following mission, adopted in 1997:

- *To conduct regional planning programs*
- *To assist local municipalities, through education, technical assistance, grants and funding; and to aid municipalities in their planning efforts as authorized by Vermont planning laws*
- *To serve as a center of information and as a resource to support the region and its municipalities' interests, growth patterns and common goals*
- *To provide a forum for the discussion of issues which are regional in nature and/or unique to our area of the state, and to serve as a mediator to resolve conflicts as appropriate. Common sense and a spirit of compromise must be allowed to enter the discussion so that the impacts of development may be mitigated*

In fiscal year 2016, NRPC accomplished this mission through a combination of regional and local programs, including:

- consistently providing assistance to our municipalities,
- improving regional cooperation among other organizations,
- expanding education, outreach and technical assistance programs,
- continuing the regional transportation planning program (under contract with the VT Agency of Transportation), overseen by the Commission's Transportation Advisory Committee (TAC), and
- completing other projects including community development, emergency response plans, energy efficiency and conservation, water quality projects and Brownfields.

NRPC is not a regulatory or taxing authority, however it is authorized to receive and expend monies in support of its planning programs and statutory mandates from any source. Annual sources of revenue generally include, but may not be limited to 1) municipal assessments, and 2) contracts with state agencies, member municipalities and other related organizations, and 3) state, federal and private grants.

FISCAL YEAR 2016 FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities provide broad information about the NRPC as a whole, and present a long-term view of NRPC's finances. The Fund Financial Statements outline how services were financed in the short-term as well as what remains for future spending. Fund Financial Statements also report NRPC's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

Financial Highlights

The unassigned fund balance for NRPC was \$220,741 and assigned assets were \$167,200 as of June 30, 2016. The assigned assets represent the amount set aside by the Board of Commissioners for future budgets and/or to cover unanticipated expenditures. The funds are set aside in accordance with the Commission's long-term reserve plan, adopted annually as part of the budget. In addition to funds set aside for long-term reserves, this amount includes funds set aside by the Board for future equipment purchases, outstanding contract commitments, and to cover the liability associated with employee vacation time. As of June 3, 2016 NRPC had a building, equipment and other fixed assets with a net value of \$393,003 after depreciation.

The Commission has a three-year plan for equipment upgrade and replacement and an adopted long term reserve policy which establishes special funds for building repairs and improvements, long term reserves, PAT liabilities and equipment. These programs help cushion the impacts of fluctuating funding, and help preserve the Commission's ability to provide services. The Finance and Operations Committee, with approval from the Board of Commissioners, oversees all administrative aspects of the Commission's work.

Financial Analysis of NRPC

The Balance Sheet and Statement of Revenues and Expenditures provide an indication of NRPC's financial condition, which has changed compared to last year. There was an increase in the fund balance of \$111,124. This was caused primarily from a recapture of indirect expenses that were incurred in FY 14. NRPC makes corrections between actual indirect costs incurred and the indirect costs charged to grants and contracts. In FY 14, NRPC under collected \$73,375 in indirect expenses. In accordance with the federal guidelines on indirect rates, this amount was then added to our FY 16 indirect rate and accounts for a majority of the increase in fund balance. Major building improvements were completed the last week of June 2015, leading to the full cost being assigned to FY 15. The remainder of the increase in fund balance is a net result of projects being over and under budget.

The NRPC Fund Balance reflects the differences between assets and liabilities. An increase in fund balance over time typically indicates an improvement in financial condition. Cumulatively for the years FY 12-FY 16 NRPC has an increase in net assets of \$106,784, representing 8.6% of the FY 16 operating budget. A summary of the NRPC's Governmental Funds Balance Sheet is presented below.

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 588,824	\$ 406,208
Current Liabilities	<u>\$ 200,883</u>	<u>\$ 129,391</u>
 Total Fund Balance	 <u>\$ 387,941</u>	 <u>\$ 276,817</u>

NRPC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to accurately track expenses and revenues related to specific grants and contracts.

Budget Highlights

The Commission's FY 16 revenues totaled \$1,234,937 from a combination of sources: \$53,999 from municipal assessments, \$255,063 in regional planning funds through the Agency of Commerce and Community Development, \$247,705 from the Vermont Agency of Transportation, \$61,142 from the Agency of Natural Resources, \$38,775 from municipal contracts, \$184,590 from Public Safety, and \$322,214 from other federal grants, including EPA Brownfields. The remaining funding came from a combination of miscellaneous projects.

Fiscal Year 2016 Budget

The fiscal year 2017 budget anticipates \$1.257 million in revenues, a slight increase from the actual revenue for fiscal year 2016. NRPC is working to manage costs, yet the budget does include an increase in salary and fringe benefit expenses as well as slight increases in operating expenses. Funds are also budgeted for office renovations and a new Board directed reserve for long term building maintenance. Unexpected revenues and expenses may arise during the year, which will necessitate budget adjustments.

Requests for Information

This financial report is designed to provide a general overview of Northwest Regional Planning Commission's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Northwest Regional Planning Commission, 75 Fairfield Street, St. Albans, VT 05478, (802) 524-5958.

Northwest Regional Planning Commission
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 June 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 200,333
Accounts receivable	388,491
Current portion of loans receivable	<u>17,931</u>
TOTAL CURRENT ASSETS	<u>606,755</u>
CAPITAL ASSETS, net	<u>393,003</u>
OTHER ASSETS	
Loans receivable, net of current portion	<u>112,080</u>
TOTAL ASSETS	<u>\$ 1,111,838</u>
<u>LIABILITIES AND NET POSITION</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 147,315
Accrued liabilities	29,550
Unearned revenue	24,018
Current portion of long term debt	<u>9,649</u>
TOTAL CURRENT LIABILITIES	210,532
LONG TERM DEBT, net of current portion	<u>211,202</u>
TOTAL LIABILITIES	<u>421,734</u>
NET POSITION	
Net investment in capital assets	172,152
Restricted	167,200
Unrestricted	<u>350,752</u>
TOTAL NET POSITION	<u>690,104</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,111,838</u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2016

	Expenses		Operating Grants/ Revenues	Net (Expense) Revenue and Changes in Net Position
<u>Functions/Programs</u>	Direct	Indirect		
Governmental activities:				
Current:				
VAOT 15	\$ 49,535	\$ 37,848	\$ 87,383	\$ -
VAOT 16	81,039	104,787	185,826	-
Core funding	104,613	72,018	157,967	(18,664)
Grants, contacts and municipal assessments	495,330	120,085	784,198	168,783
Depreciation, unallocated	37,109	-	-	(37,109)
Total governmental activities	<u>\$ 767,625</u>	<u>\$ 334,738</u>	<u>\$ 1,215,374</u>	<u>113,010</u>
Change in Net Position				113,010
Net position, beginning				<u>577,094</u>
Net position, ending				<u>\$ 690,104</u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash-unrestricted	\$ 200,333
Accounts receivable	<u>388,491</u>
TOTAL CURRENT ASSETS	<u>\$ 588,824</u>
<u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES	
Accounts payable	\$ 147,315
Accrued liabilities	29,550
Unearned revenue	<u>24,018</u>
TOTAL LIABILITIES	<u>200,883</u>
FUND BALANCE	
Assigned	167,200
Unassigned	<u>220,741</u>
TOTAL FUND BALANCE	<u>387,941</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 588,824</u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission
FUND FINANCIAL STATEMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

Total fund balances - governmental funds	\$ 387,941
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Capital Assets	888,809
Accumulated Depreciation	(495,806)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in government funds	
Loans Receivable	130,011
Long term liabilities, including mortgages payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year-end consist of:	
Mortgages Payable	<u>(220,851)</u>
Total net position - governmental funds	<u>\$ 690,104</u>

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
 For the Year Ended June 30, 2016

	General Fund
REVENUES	
ACCD grant	\$ 255,063
VAOT grant	247,705
Other grants	600,360
Municipal contracts	38,775
Municipal assessments	53,999
Interest and miscellaneous income	39,035
TOTAL REVENUES	1,234,937
 EXPENDITURES	
Salaries	436,394
Fringe benefits	126,228
Travel	14,357
Office supplies and printing	49,625
Postage	5,111
Equipment, furniture and software	10,721
Consultants and professional fees	371,321
Telephone	4,811
Advertising	2,447
Occupancy	65,132
Insurance	6,512
Dues and subscriptions	13,892
Meetings	15,440
Miscellaneous	933
Library	889
TOTAL EXPENDITURES	1,123,813
 NET CHANGE IN FUND BALANCE	 111,124
 FUND BALANCE - Beginning of Year	 276,817
 FUND BALANCE - End of Year	 \$ 387,941

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
 OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TO THE STATEMENT OF ACTIVITIES

Net change in fund balance - governmental funds \$ 111,124

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Depreciation	(37,109)
Capital outlays-Building and Equipment	41,361

Government funds report loan disbursements as expenditures while governmental activities increase long-term assets:

Loans receivable	(17,931)
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Payments of Long-term Debt	<u>15,565</u>
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Change in net position of governmental activities \$ 113,010

See Accompanying Notes to Basic Financial Statements.

Northwest Regional Planning Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northwest Regional Planning Commission ("the Commission") is a regional governmental planning agency formed by action of the municipalities of Franklin and Grand Isle Counties, under the Vermont Municipal and Regional Planning and Development Act (Title 24, Chapter 117 V.S.A.). The Regional Commission operates under this enabling legislation and its adopted bylaws. The Regional Commission is not a regulatory or taxing authority; however, it is authorized to receive and expend monies in support of its planning programs and statutory mandates from any source, including, without limitation, funds made available by participating municipalities and by the Vermont Agency of Commerce and Community Development. Annual sources of revenue generally include, but may not be limited to 1) municipal assessments, and 2) contracts with state agencies, member municipalities and other related organizations for the provision of technical and/or administrative services.

Reporting Entity

The financial statements of the Commission consist only of the funds and account groups of the Commission. The Commission has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Commission. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Government-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Commission.

The statement of activities demonstrates the degree to which the direct expense of a given program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) grant revenues and 2) municipal assessments.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

Northwest Regional Planning Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Commission reports the following major governmental funds:

- The general fund is the Commission's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) operating grants and contributions, and 2) municipal assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Annual operating budgets are adopted each fiscal year through the passage of an annual budget ordinance and amended as required.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year.

Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative and overall fund expenditure variances will be positive.

Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition.

Capital Assets

Capital assets are properly owned by the Commission and consist primarily of office equipment and furniture.

General capital assets should be capitalized and recorded when all of the following criteria are met:

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the Commission's activities.
- (3) The asset has a value and useful life at the date of acquisition that meets or exceeds \$5,000 value and five years of life.

All general capital assets are recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs such as bond interest and issuance costs, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

The straight-line depreciation method is used over the estimated useful lives of assets.

Northwest Regional Planning Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose.

Government Wide Net Position

Government-wide Net Positions are divided into the following components:

Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consist of net assets that are restricted by the Commission’s creditors, by enabling legislation, by grantors (both federal and state), and / or by contributors.

Unrestricted – all other net positions reported in this category

Governmental Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts that can be spent only for specific purposes because of laws, regulations, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the Board.

Assigned – Amounts that are designated by management for a particular purpose.

Unassigned – All amounts not included in other classifications.

Nonspendable – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact

Estimates

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

Northwest Regional Planning Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 PENSION PLAN

The Commission has an IRA - SEP Pension Plan whereas they contribute 8% of each employee's wages after the first year of employment. The total payroll covered for the year ended June 30, 2016 was \$436,394 and the total contributions for the year was \$33,882.

NOTE 3 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016 is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Office furniture & equipment	\$ 301,441	\$ -	\$ -	\$ 301,441
Public safety equipment	26,738	-	-	26,738
Office furniture & equipment - other	198,549	7,876	-	206,425
Buildings and improvements	<u>320,720</u>	<u>33,485</u>	<u>-</u>	<u>354,205</u>
	<u>847,448</u>	<u>41,361</u>	<u>-</u>	<u>888,809</u>
Accumulated depreciation for:				
Office furniture & equipment	(286,366)	(4,618)	-	(290,984)
Public safety equipment	(18,273)	(1,782)	-	(20,055)
Office furniture & equipment - other	(140,651)	(19,341)	-	(159,992)
Buildings and improvements	<u>(13,408)</u>	<u>(11,367)</u>	<u>-</u>	<u>(24,775)</u>
	<u>(458,698)</u>	<u>(37,108)</u>	<u>-</u>	<u>(495,806)</u>
Net capital assets being depreciated	<u>388,750</u>	<u>4,253</u>	<u>-</u>	<u>393,003</u>
Governmental activities capital assets, net	<u>\$ 388,750</u>	<u>\$ 4,253</u>	<u>\$ -</u>	<u>\$ 393,003</u>

NOTE 4 ASSIGNED FUND BALANCE

At June 30, 2016, fund balances were assigned for the following specific purposes:

Long-Term Reserves	\$ 91,400
Equipment Reserves	20,000
Building Reserve	45,000
PAT Reserves	<u>10,800</u>
	<u>\$ 167,200</u>

Northwest Regional Planning Commission
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 4 ASSIGNED FUND BALANCE (continued)

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Northwest Regional Planning Commission's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Commission's policy to use the fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE 5 LOANS RECEIVABLE

Loans receivable consists of one loan disbursed through the Brownfields Revolving Loan Fund Program of the Environmental Protection Agency. The loan is payable at \$1,494 with 0% interest until November 2023. The balance at June 30, 2016 was \$130,011.

NOTE 6 LONG-TERM DEBT

	Balance 2015	Additions	Principal Reductions	Balance 2016
Franklin County Industrial Development Corp, with a fixed interest rate of 4.5%. Monthly payments of \$823 per month for 180 months and the remaining balance due 9/26/2028	\$ 122,213	\$ -	\$ (4,445)	\$ 117,768
People's Trust Company, with a fixed interest rate of 4.5% and monthly payments of \$856 for 59 months with the remaining balance due 9/26/2018	114,203	-	(11,120)	103,083
Total	\$ 236,416	\$ -	\$ (15,565)	\$ 220,851

Anticipated maturities of Mortgage payables are as follows at:

June 30,	
2017	\$ 9,649
2018	10,092
2019	97,940
2020	5,320
2021	5,564
Thereafter	92,286
Total	\$ 220,851

Northwest Regional Planning Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 SUBSEQUENT EVENTS

In accordance with accounting standards, the Commission has evaluated subsequent events through September 19, 2016, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2016, have been incorporated into these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Northwest Regional Planning Commission
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For the Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES				
ACCD Grant	\$ 254,200	\$ 254,200	\$ 255,063	\$ 863
VAOT Grant	224,750	215,575	247,705	32,130
Other Grants				
Public Safety Grants	245,350	212,991	184,590	(28,401)
Miscellaneous State Grants	46,000	26,000	32,414	6,414
Miscellaneous Federal Grants	260,000	345,300	322,214	(23,086)
Vermont Agency of Natural Resources Grants	58,600	58,000	61,142	3,142
Municipal contracts	38,600	41,750	38,775	(2,975)
Municipal assessments	53,995	53,995	53,999	4
Interest and miscellaneous income	<u>70,050</u>	<u>78,750</u>	<u>39,035</u>	<u>(39,715)</u>
TOTAL REVENUES	<u>1,251,545</u>	<u>1,286,561</u>	<u>1,234,937</u>	<u>(51,624)</u>
EXPENDITURES				
Salaries	446,190	429,283	436,394	(7,111)
Fringe benefits	129,629	124,092	126,228	(2,136)
Travel	16,650	16,650	14,357	2,293
Office supplies and printing	48,855	48,855	49,625	(770)
Postage	4,000	4,000	5,111	(1,111)
Technology and GIS	12,800	12,800	10,721	2,079
Consultants and professional fees	447,750	513,200	371,321	141,879
Telephone	4,500	4,500	4,811	(311)
Advertising	5,750	5,750	2,447	3,303
Occupancy	76,508	71,508	65,132	6,376
Insurance	7,500	7,500	6,512	988
Dues and subscriptions	10,000	10,000	13,892	(3,892)
Meetings	17,500	17,500	15,440	2,060
Miscellaneous	-	-	933	(933)
Library	<u>-</u>	<u>-</u>	<u>889</u>	<u>(889)</u>
TOTAL EXPENDITURES	<u>1,227,632</u>	<u>1,265,638</u>	<u>1,123,813</u>	<u>141,825</u>
NET CHANGE IN FUND BALANCE	<u>\$ 23,913</u>	<u>\$ 20,923</u>	<u>\$ 111,124</u>	<u>\$ 90,201</u>

See Accompanying Notes to Basic Financial Statements.

OTHER SUPPLEMENTARY INFORMATION

Northwest Regional Planning Commission
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016

	<u>VAOT 15</u>	<u>VAOT 16</u>	<u>ACCD Grant Core Funding</u>	<u>Grants Assessments & Contracts</u>	<u>Admin.</u>	<u>Total</u>
OPERATING REVENUES						
Grants	\$ 79,439	\$ 168,933	\$ 255,063	\$ 588,849	\$ -	\$ 1,092,284
Contracts	-	-	-	39,342	-	39,342
Municipal Assessments	-	-	-	53,999	-	53,999
Local Match	7,944	16,893	(97,096)	72,259	-	-
Interest and Misc. Income	-	-	-	47,678	1,634	49,312
TOTAL REVENUES	<u>87,383</u>	<u>185,826</u>	<u>157,967</u>	<u>802,127</u>	<u>1,634</u>	<u>1,234,937</u>
EXPENDITURES						
Salary and Fringe	23,003	72,008	82,605	166,226	217,840	561,681
Travel	1,277	3,285	3,746	5,005	1,044	14,357
Postage, Printing and Supplies	5,405	149	191	33,632	15,445	54,821
Consultants and Professional Fees	19,592	1,944	-	330,325	19,460	371,321
Other	258	3,653	18,070	17,068	82,583	121,633
Admin. Allocation	37,848	104,787	72,018	120,085	(334,738)	-
TOTAL EXPENDITURES	<u>87,383</u>	<u>185,826</u>	<u>176,631</u>	<u>672,341</u>	<u>1,634</u>	<u>1,123,813</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,664)</u>	<u>\$ 129,786</u>	<u>\$ -</u>	<u>\$ 111,124</u>

See Accompanying Notes to Basic Financial Statements.

ADDITIONAL REPORTS



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
St. Albans, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Regional Planning Commission, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Northwest Regional Planning Commission's basic financial statements, and have issued our report thereon dated September 19, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



St. Albans, Vermont
September 19, 2016