

# SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

## AUDIT REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2009

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**SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION**

**AUDIT REPORT AND FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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# FOTHERGILL SEGALE & VALLEY

*Certified Public Accountants*



John E. (Jeff) Fothergill, CPA  
Michael L. Segale, CPA  
Sheila R. Valley, CPA  
Teresa H. Kajenski, CPA  
Jane M. Burroughs, CPA  
Donald J. Murray, CPA

## INDEPENDENT AUDITOR'S REPORT

October 14, 2009

To the Board of Commissioners  
Southern Windsor County Regional Planning Commission  
Ascutney, VT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southern Windsor County Regional Planning Commission, as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

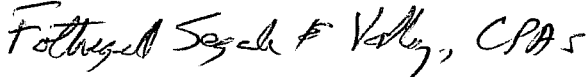
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of June 30, 2009, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2009, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion of it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



FOTHERGILL SEGALE & VALLEY, CPAs  
Vermont Public Accountancy License #110

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2009

Our discussion and analysis of Southern Windsor County Regional Planning Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the Commission's financial statements which begin on page 8.

### **Financial Highlights**

- The Commission's net assets increased by \$7,850 this year compared to a decrease of \$9,751 in the prior year.
- The cost of all of the Commission's programs was \$944,939 this year, compared to \$768,366 in the prior year.
- The General Fund reported a surplus this year of \$2,490 while the budget anticipated a surplus of \$21,397. The prior year had a surplus of \$2,808 compared to a budgeted break even situation.
- The unreserved fund balance for the General Fund was \$194,289 as of June 30, 2009 compared to \$191,799 at June 30, 2008. This amount represents the amount of resources available for future budgets.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Exhibits A and B) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Commission's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

#### *Reporting the Commission as a Whole*

The financial statements of the Commission as a whole begin on page 8. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities 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.

These two statements report the Commission's net assets and changes in them. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating. You may need to consider other non-financial factors, however, such as changes in the Commission's program activities as may be mandated by state government.

In the Statement of Net Assets and the Statement of Activities, we report all the Commission's kinds of activities.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2009  
(Continued)

*Reporting the Commission's Most Significant Funds*

The fund financial statements begin on page 10 and provide detailed information about the Commission's governmental funds. The Commission's governmental funds use the following accounting approach:

- **Governmental Funds** – The Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in Exhibit D and Exhibit F in the financial statements.

**The Commission as a Whole**

The Commission's net assets increased by \$7,850, from \$202,244 to \$210,094 during the year. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Commission's governmental activities.

Table 1

Statement of Net Assets

	2009	Restated 2008	Change
Current and other assets	\$ 211,486	\$ 220,411	\$ (8,925)
Capital assets	25,696	20,605	5,091
Total assets	<u>237,182</u>	<u>241,016</u>	<u>(3,834)</u>
Accrued compensated absences	9,870	10,128	(258)
Other liabilities	17,218	28,644	(11,426)
Total liabilities	<u>27,088</u>	<u>38,772</u>	<u>(11,684)</u>
Net assets:			
Invested in capital assets	25,696	20,605	5,091
Restricted	0	(32)	32
Unrestricted	184,398	181,671	2,727
Total net assets	<u>\$ 210,094</u>	<u>\$ 202,244</u>	<u>\$ 7,850</u>

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2009  
(Continued)

Table 2

Statement of Changes in Net Assets

	2009	Restated 2008	Change
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 202,521	\$ 181,518	\$ 21,003
Operating grants and contributions	710,287	546,387	163,900
General revenues:			
Municipal dues	25,105	25,105	0
Other general revenue	14,876	5,605	9,271
Total revenues	<u>952,789</u>	<u>758,615</u>	<u>194,174</u>
<b>PROGRAM EXPENSES</b>			
Governmental activities:			
Regional planning and other programs	391,044	407,132	(16,088)
Vtrans cooperative	163,135	142,745	20,390
Environmental (Brownfields)	383,111	210,533	172,578
Depreciation - unallocated	7,649	7,956	(307)
Total program expenses	<u>944,939</u>	<u>768,366</u>	<u>176,573</u>
Change in net assets	<u>\$ 7,850</u>	<u>\$ (9,751)</u>	<u>\$ 17,601</u>

*Governmental Activities*

Revenues of \$952,789 for the Commission's governmental activities increased by about 25% from \$758,615, while total expenses increased by about 23% to \$944,939.

Table 3 presents the cost of each of the Commission's programs as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the Commission's members by each of these functions.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2009  
(Continued)

Table 3  
Governmental Activities

	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>	Restated Total Cost of Services <u>2008</u>	Restated Net Cost of Services <u>2008</u>
Government activities:				
Regional planning and other programs	\$ 391,044	\$ 8,089	\$ 407,132	\$ 18,994
Vtrans cooperative	163,135	16,393	142,745	13,149
Environmental (Brownfields)	383,111	0	210,533	362
Depreciation - unallocated	7,649	7,649	7,956	7,956
<b>Total</b>	<b>\$ 944,939</b>	<b>\$ 32,131</b>	<b>\$ 768,366</b>	<b>\$ 40,461</b>

**The Commission's Funds**

As the Commission completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$194,268, which is above last year's total of \$191,767.

*General Fund Budgetary Variance Highlights*

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>REVENUES</b>			
Brownfields - RLF	\$ 51,031	\$ 33,767	\$ (17,264)
Brownfields - EPA	112,326	92,190	(20,136)
Vtrans Cooperative	134,607	146,742	12,135
Other grants	23,750	8,770	(14,980)
<b>EXPENDITURES</b>			
Consultants	161,188	109,361	51,827

The variances related to the Brownfields and Vtrans Cooperative revenues and consultant expenditures essentially offset each other since the contracts are largely federally funded and are a function of the overall progress of the contracts.

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED JUNE 30, 2009  
 (Continued)

**Capital Assets**

At June 30, 2009, the Commission had \$25,696 invested in computer hardware, computer software, and other office equipment. (See Table 4 below)

Table 4

Capital Assets at Year-End  
 (Net of Accumulated Depreciation)

	2009	2008	Change
Computers and equipment	\$ 23,242	\$ 17,709	\$ 5,533
Furniture and fixtures	2,454	2,896	(442)
Totals	\$ 25,696	\$ 20,605	\$ 5,091

The year's major additions which were capitalized included:

Servers, computers, traffic counters, and other	\$ 13,059
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The Commission's fiscal year 2010 budget anticipates spending \$10,000 for various equipment additions. The Commission has no plans to borrow to finance these additions.

**Economic Factors and Next Year's Budget**

The Commission's appointed officials considered many factors when setting the fiscal year 2010 budget. One of the factors was the funding level expected to be provided by the State of Vermont through the annual Agency of Commerce and Community Development block grant. Other significant factors were the progress on the various special contracts being performed by the Commission.

The Commission's unreserved fund balance is expected to increase by \$25,112 in fiscal year 2010.

**Contacting the Commission's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, grantors and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Commission's Office at Southern Windsor County Regional Planning Commission, Rte. 5, Ascutney Professional Building, Ascutney, VT 05030-0320.

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	
<b>ASSETS</b>		
Cash	\$ 135,834	
Accounts receivable:		
Federal (EPA)	2,395	
State of Vermont	12,106	
Towns and other local	45,288	
Due from employees	79	
Other	1,824	
Prepaid insurance	3,421	
Prepaid expenses	10,539	
Capital assets, net of accumulated depreciation of \$71,883	<u>25,696</u>	
 Total assets		 237,182
<b>LIABILITIES</b>		
Accounts payable	8,941	
Accrued payroll withholding	8,277	
Accrued compensated absences - due after one year	<u>9,870</u>	
Total liabilities		<u>27,088</u>
<b>NET ASSETS</b>		
Unrestricted	184,398	
Invested in capital assets	<u>25,696</u>	
 Total net assets		 <u>\$ 210,094</u>

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charge for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues and Change in Net Assets Governmental Activities</u>
Governmental Activities:				
Regional planning and other programs	\$ 391,044	\$ 202,521	\$ 180,434	\$ (8,089)
Vtrans cooperative	163,135	0	146,742	(16,393)
Environmental (Brownfields)	383,111	0	383,111	0
Depreciation - unallocated	7,649	0	0	(7,649)
Totals	<u>\$ 944,939</u>	<u>\$ 202,521</u>	<u>\$ 710,287</u>	<u>(32,131)</u>
General Revenues:				
Municipal dues				25,105
Interest income				1,829
Other income				13,047
Total general revenues				<u>39,981</u>
Change in net assets				<u>7,850</u>
Net assets - July 1, 2008				192,415
Prior Period Adjustment				<u>9,829</u>
Net assets - July 1, 2008 (Restated)				<u>202,244</u>
Net assets - June 30, 2009				<u>\$ 210,094</u>

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

## BALANCE SHEET

## GOVERNMENTAL FUNDS

JUNE 30, 2009

	Major Funds		Totals
	General Fund	Special Revenue Fund	
<b>ASSETS</b>			
Cash	\$ 134,268	\$ 1,566	\$ 135,834
Accounts receivable:			
Federal grants	2,395	0	2,395
State grants	12,106	0	12,106
Local grants/contracts	45,288	0	45,288
Employees	79	0	79
Other	1,824	0	1,824
Due from Special Revenue Fund	1,587	0	1,587
Prepaid insurance	3,421	0	3,421
Prepaid expenses	10,539	0	10,539
<b>Total assets</b>	<b>\$ 211,507</b>	<b>\$ 1,566</b>	<b>\$ 213,073</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 8,941	\$ 0	\$ 8,941
Accrued payroll withholding	8,277	0	8,277
Due to General Fund	0	1,587	1,587
<b>Total liabilities</b>	<b>17,218</b>	<b>1,587</b>	<b>18,805</b>
<b>FUND BALANCES</b>			
Unreserved	194,289	(21)	194,268
<b>Total fund balances</b>	<b>194,289</b>	<b>(21)</b>	<b>194,268</b>
<b>Total liabilities and fund balances</b>	<b>\$ 211,507</b>	<b>\$ 1,566</b>	<b>\$ 213,073</b>

SOUTHERN WINDSOR COUNTY REGIONAL PLANNING  
COMMISSION

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

JUNE 30, 2009

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	194,268
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$97,579 and the accumulated depreciation is \$71,883.</p>		25,696
<p>Long-term liabilities 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:</p>		
Accrued compensated absences		(9,870)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$	210,094

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	Major Funds		Totals
	General Fund	Special Revenue Fund	
REVENUES			
Municipal dues	\$ 25,105	\$ 0	\$ 25,105
ACCD block grant	180,434	0	180,434
Brownfields grants	92,190	0	92,190
Brownfields - RLF	33,767	257,154	290,921
Vtrans cooperative	146,742	0	146,742
Other grants/contracts	202,520	0	202,520
Interest	1,818	11	1,829
Miscellaneous	13,048	0	13,048
Total revenues	695,624	257,165	952,789
EXPENDITURES			
General government, current:			
Regional planning and other programs	390,983	0	390,983
Vtrans cooperative	163,135	0	163,135
Environmental (Brownfields)	125,957	257,154	383,111
Total general government, current	680,075	257,154	937,229
General government, capital outlays	13,059	0	13,059
Total expenditures	693,134	257,154	950,288
NET CHANGE IN FUND BALANCES	2,490	11	2,501
FUND BALANCES - JULY 1, 2008	191,799	(32)	191,767
FUND BALANCES - JUNE 30, 2009	\$ 194,289	\$ (21)	\$ 194,268

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

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

YEAR ENDED JUNE 30, 2009

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS \$ 2,501

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.

This is the amount by which capital outlays net of disposals and adjustments (\$12,740) is more than depreciation expense (\$7,649) in the period.

5,091

In the statement of activities, certain operating expenses, such as accrued compensated absences, are measured by the amounts earned by employees during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

This year, compensated absences earned were less than amounts used by \$258.

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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 7,850

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE COMPARED TO BUDGET

## GENERAL FUND

YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Municipal dues	\$ 25,105	\$ 25,105	\$ 25,105	\$ 0
ACCD block grant	206,446	180,434	180,434	0
Brownfields grants	220,150	163,357	125,957	(37,400)
Vtrans cooperative	142,599	134,607	146,742	12,135
Other grants and contracts	220,600	240,213	202,520	(37,693)
Interest	6,061	1,875	1,818	(57)
Miscellaneous	11,260	12,760	13,048	288
Total revenues	<u>832,221</u>	<u>758,351</u>	<u>695,624</u>	<u>(62,727)</u>
<b>EXPENDITURES</b>				
General government, current:				
Regional planning and other programs	414,072	409,180	390,983	18,197
Vtrans cooperative	142,599	150,917	163,135	(12,218)
Environmental (Brownfields)	220,150	163,357	125,957	37,400
Total general government, current	<u>776,821</u>	<u>723,454</u>	<u>680,075</u>	<u>43,379</u>
General government, capital outlays	<u>15,400</u>	<u>13,500</u>	<u>13,059</u>	<u>441</u>
Total expenditures	<u>792,221</u>	<u>736,954</u>	<u>693,134</u>	<u>43,820</u>
NET CHANGE IN FUND BALANCE	<u>\$ 40,000</u>	<u>\$ 21,397</u>	2,490	<u>\$ (18,907)</u>
FUND BALANCE - JULY 1, 2008			<u>191,799</u>	
FUND BALANCE - JUNE 30, 2009			<u>\$ 194,289</u>	

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

The Southern Windsor County Regional Planning Commission (the Commission) is a governmental organization chartered under Chapter 117 of Title 24 of Vermont State Statutes to coordinate regional planning activities in ten towns of the southern Windsor County region of Vermont.

The Commission acts as an advocate for the needs of its member towns, and helps to bridge the opportunities and concerns that exist between towns and the State. Services provided include local and regional planning; transportation planning; environmental planning; emergency management preparation planning; housing needs analyses; conservation and others.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Commission's financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Commission are discussed below.

*Reporting Entity*

The Commission's basic financial statements include the accounts of all Commission operations. The criteria for including organizations as component units within the Commission's reporting entity are set forth in GASB 14 as amended by GASB 39, and Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards.

Based on those criteria, there are no known component units which should be included in the Commission's basic financial statements.

*Basic Financial Statements – Government-Wide Statements*

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major and non-major funds). The government-wide financial statements categorize primary activities as either governmental or business type. All of the Commission's program services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activity columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Commission first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The government-wide Statement of Activities reports both the gross and net cost of each of the Commission's governmental functions. The functions are also supported by general government revenues (municipal dues, donations, investment income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, consisting of charges for services and operating grants and contributions. Program revenue must be directly associated with the governmental function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by governmental function) are normally covered by general revenues (municipal dues, donations, investment income, etc.).

This government-wide focus is more on the sustainability of the Commission as an entity and the change in the Commission's net assets resulting from the current year's activities.

*Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Commission are reported in individual funds in the fund financial statements. The funds are accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. All of the activities of the Commission are included in the General Fund and the Special Revenue Fund which are Governmental Fund types. The various funds are reported by major fund within the financial statements.

The following funds are used by the Commission:

*Governmental Funds*

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

General Fund is the main operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund is the fund used to account for activity of the EPA Brownfields Revolving Loan Fund.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Both funds are major funds in fiscal year 2009.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The financial activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when transactions occur and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 6 months after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

*Capital Assets*

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets, if any, are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer hardware	5 years
Computer software	5 years
Other equipment	5 -7 years
Furniture and fixtures	10 years

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Accrued Compensated Absences*

Government-Wide Financial Statements – All vested or accumulated vacation leave is reported as a liability and an expense on the government-wide financial statements. Sick days are not accrued since they are not paid when the employee terminates employment.

Fund Financial Statements - Vested or accumulated vacation leave that has matured is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported as a liability in the fund financial statements and no expenditure is reported for these accounts. Unused sick days may be accumulated for future use in the following year, but sick days are not accrued since they are not paid when the employee terminates employment.

*Net Assets*

Net assets represent the difference between assets and liabilities in the Statement of Net Assets. Net resources invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the Commission or external restrictions by creditors, grantors, laws or regulations of other governments.

*Fund Equity*

The fund equity in the fund financial statements is classified into the following categories:

Unreserved fund balances – Indicates the portion of fund equity which is available for appropriation and expenditure in future periods.

Reserved fund balances – Indicates the portion of fund equity that has been legally segregated for specific future uses or not available for appropriation.

*Budget and Budgetary Accounting*

Formal budgetary integration is employed as a management control device during the year for the General Fund and for special contracts.

*Indirect Expenses*

Indirect expenses have been allocated to all programs in the Statement of Activities unless precluded by state or Federal law, except for depreciation which has not been allocated.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Use of Estimates*

The preparation of financial statements in conformity with U.S. 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.

**NOTE 2 – CASH**

The Financial Administrator invests cash under the direction of the Investment Committee and under corporate resolution of the Board.

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of June 30, 2009, all of the Commission's bank balances were either fully insured or collateralized.

**NOTE 3 - CAPITAL ASSETS**

The summary of capital assets as of June 30, 2009 is as follows:

	Balance June 30, 2008	Additions	Deletions	Depreciation	Balance June 30, 2009
Computers and equipment	\$ 76,420	\$ 12,301	\$ (10,790)	\$ 0	\$ 77,931
Furniture and fixtures	18,890	758	0	0	19,648
Total capital assets	<u>95,310</u>	<u>13,059</u>	<u>(10,790)</u>	<u>0</u>	<u>97,579</u>
Less accumulated depreciation:					
Computers and equipment	58,711	0	10,471	(6,449)	54,689
Furniture and fixtures	15,994	0	0	(1,200)	17,194
Total accumulated depreciation	<u>74,705</u>	<u>0</u>	<u>10,471</u>	<u>(7,649)</u>	<u>71,883</u>
Total capital assets, net	<u>\$ 20,605</u>	<u>\$ 13,059</u>	<u>\$ (319)</u>	<u>\$ (7,649)</u>	<u>\$ 25,696</u>

Depreciation expense of \$7,649 was not allocated.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 4 - ACCRUED COMPENSATED ABSENCES***Vacation Benefits*

It is the Commission's policy to permit employees to accumulate earned but unused vacation pay benefits. Permanent full-time employees may accumulate up to 200 hours of vacation time annually. Upon termination, employees will be paid up to a maximum of 160 hours for unused vacation time. (Part-time employees earn pro-rated vacation leave benefits). The following reflects activity for the year:

Balance - July 1, 2008 (Restated)	\$ 10,128
FY 2009 Additions	19,110
FY 2009 Reductions	<u>(19,368)</u>
Balance - June 30, 2009	<u>\$ 9,870</u>

*Sick Leave Benefits*

It is the Commission's policy to permit employees to accumulate up to 108 hours annually of short term paid sick leave. Additionally, employees may accumulate up to 96 hours annually (limited to a maximum of 480 hours) of long term sick leave benefits. (Part-time employees earn pro-rated sick leave benefits). There is no payment at termination for either short term or long term unused sick leave benefits.

**NOTE 5 - PENSION PLANS***Defined Contribution Pension Plan*

All permanent full-time and regular part-time employees, after successfully completing a six month or three month probationary period, and hired prior to July 1, 2008, are covered by an employer-sponsored, deferred compensation, defined contribution pension plan. The Commission contributes a minimum of 6% of each eligible employee's annual salary to the plan. For those employees who elect to defer compensation, the Commission will contribute up to a maximum match of 10% of the employee's annual salary. Pension expense for fiscal year 2009 was \$10,451 paid on covered wages of \$152,355, out of total wages and benefits of \$388,785. Pension expenses for fiscal years 2008 and 2007 were \$24,362 and \$27,867 respectively.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 5 – PENSION PLANS (Continued)***Defined Benefit Pension Plan*

On July 1, 2008 the Commission joined the Vermont Municipal Employees' Retirement System (VMERS). VMERS is a cost-sharing multiple-employer plan. Vermont State statutes provide the authority under which benefit provisions and the obligation to contribute are established. The Commission and employees make required contributions to the Plan based upon a valuation report prepared by the Plan's actuary.

The Commission participates in the Group "B" level of contributions and benefits of the Plan. Under Group "B" employee contributions are 4.5% of gross pay and employer contributions are 5%. All employees hired after June 30, 2008 must be covered under this plan and all other employees can voluntarily be covered under this plan. Of the Commission's total payroll of \$388,785, \$228,076 was covered under the Plan.

The Commission paid all costs (\$21,289) accrued for the Plan for the fiscal year.

The State of Vermont issues an audited Financial Report that includes financial statements and required disclosures. This report may be obtained by writing to: Auditor of Accounts, State of Vermont, 132 State Street, Montpelier, VT 05602.

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

The Commission is presently engaged in fulfilling its fiscal year 2010 Agency of Commerce and Community Development annual work program; Transportation Planning Initiative grants; EPA "Brownfields" grants; and various other contracts.

The Commission participates in a number of Federal and State grant programs which are subject to audit by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2009, have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

The Commission is leasing office space in Ascutney, Vermont, presently with a monthly rental amount of \$2,145. The lease has been on a month-to-month basis since December 31, 2008. Gross fiscal year 2009 rental expense was \$25,740.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Continued)

**NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)**

The Commission is leasing a color copier/printer for a 60 month term ending in December, 2010. The minimum monthly lease expense is \$271.08. The Commission is also leasing a postage meter for a 21 month term ending August, 2010 at a quarterly expense of \$225.00. Total lease expense for the year was \$4,263. The remaining lease commitments are as follows:

FY 2010	\$	4,153
FY 2011		1,626
	\$	<u>5,779</u>

**NOTE 7 – BUDGETARY COMPARISON SCHEDULE**

The Commission is not legally required to adopt a budget for the EPA Brownfields Revolving Loan Fund. Therefore a budgetary comparison is not presented for that fund.

**NOTE 8 - RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Commission maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. There have been no claims in the past three (3) fiscal years.

**NOTE 9 – RESTATED NET ASSETS**

Beginning net assets were increased by \$9,829 due to an overstatement by the same amount in the accrued compensated absences liability at June 30, 2008.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated events through October 14, 2009 and is not aware of any subsequent events which require disclosure.

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Municipal dues	\$ 25,105	\$ 25,105	\$ 0
Contract Income			
ACCD Contract	180,434	180,434	0
Brownfields - RLF	51,031	33,767	(17,264)
Brownfields - EPA	112,326	92,190	(20,136)
VCDP Grant Administration	14,008	10,348	(3,660)
Emergency Management	75,320	66,868	(8,452)
State Grants - Water Quality	3,816	4,247	431
State Grants - River Corridor	11,220	9,702	(1,518)
Other grants	23,750	8,770	(14,980)
Consultation services	1,160	1,160	0
Municipal planning grants	42,251	37,251	(5,000)
Vtrans Cooperative	134,607	146,742	12,135
Vtrans Safe Routes to School	168	168	0
Vtrans Enhancements	29,680	23,898	(5,782)
Management Fees-District	40,000	41,269	1,269
Recycling program rent	10,800	10,800	0
Total contract income	730,571	667,614	(62,957)
Miscellaneous Income			
Interest	1,875	1,818	(57)
Sales	800	1,087	287
Total miscellaneous income	2,675	2,905	230
Total revenues	758,351	695,624	(62,727)
<b>EXPENDITURES</b>			
Personnel Services			
Salaries/wages	318,884	321,545	(2,661)
Payroll taxes	24,395	24,116	279
Benefits	75,905	73,430	2,475
Insurance and adm for employees	6,132	5,940	192
Retirement	30,050	31,740	(1,690)
Total personnel services	455,366	456,771	(1,405)

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)			
Occupancy			
Rent and office maintenance	26,000	25,698	302
Insurance	5,660	5,432	228
Total occupancy	<u>31,660</u>	<u>31,130</u>	<u>530</u>
Consultants	<u>161,188</u>	<u>109,361</u>	<u>51,827</u>
Program Development			
Dues and reference materials	7,000	7,034	(34)
Planning projects	1,400	700	700
Workshop/training programs	2,100	2,235	(135)
Total program development	<u>10,500</u>	<u>9,969</u>	<u>531</u>
Travel			
Travel and auto	12,250	17,145	(4,895)
Meetings and conferences	2,500	2,832	(332)
Total travel	<u>14,750</u>	<u>19,977</u>	<u>(5,227)</u>
Office Expenses			
Administrative	10,220	10,269	(49)
Advertising	1,470	1,643	(173)
Computer support	4,000	8,315	(4,315)
Leasing	4,000	4,263	(263)
Miscellaneous	200	385	(185)
Office cleaning and maintenance	7,000	6,617	383
Office and computer supplies	8,000	7,536	464
Postage	3,000	2,423	577
Publishing	100	13	87
Service contract	4,000	3,692	308
Telephone	8,000	7,711	289
Total office expenses	<u>49,990</u>	<u>52,867</u>	<u>(2,877)</u>

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (Continued)			
Equipment			
Office equipment	<u>13,500</u>	<u>13,059</u>	<u>441</u>
Total expenditures	<u>736,954</u>	<u>693,134</u>	<u>43,820</u>
NET CHANGE IN FUND BALANCE	<u>\$ 21,397</u>	2,490	<u>\$ (18,907)</u>
FUND BALANCE - JULY 1, 2008		<u>191,799</u>	
FUND BALANCE - JUNE 30, 2009		<u>\$ 194,289</u>	

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF REVENUES AND EXPENDITURES

## TRANSPORTATION PLANNING CONTRACT

CFDA# 20.205

PROJECT: STP-SPR-PL-1(45)

GRANT # 08GR033

## ACTUAL AND BUDGET

## YEAR ENDED JUNE 30, 2009 AND CUMULATIVE CONTRACT PERIOD

	FY 2009 Actual	FY 2008 Actual	Total Cumulative Contract Period	Total Contract Budget
<b>REVENUES</b>				
VAOT Contract - Federal (80%)	\$ 31,603	\$ 85,338	\$ 116,941	\$ 117,033
VAOT Contract - State (10%)	3,950	10,666	14,616	14,629
Total revenues	<u>35,553</u>	<u>96,004</u>	<u>131,557</u>	<u>131,662</u>
<b>EXPENDITURES</b>				
Salaries and fringe	18,451	49,727	68,178	71,030
Indirect costs	17,159	46,246	63,405	59,666
Advertising	0	73	73	500
Consultants	0	3,000	3,000	0
Dues and reference materials	25	545	570	1,200
Equipment	1,205	2,730	3,935	4,500
Meetings and conferences	32	183	215	995
Office and computer supplies	200	463	663	500
Travel and auto reimbursements	2,097	3,031	5,128	6,500
Contract	0	0	0	1,000
Workshops and training	390	672	1,062	0
Publishing	13	0	13	400
Other	(69)	0	(69)	0
Total expenditures	<u>39,503</u>	<u>106,670</u>	<u>146,173</u>	<u>146,291</u>
<b>EXCESS (EXPENDITURES) BEFORE LOCAL MATCH REQUIREMENTS</b>				
	(3,950)	(10,666)	(14,616)	(14,629)
<b>LOCAL MATCH (10%)</b>				
	<u>3,950</u>	<u>10,666</u>	<u>14,616</u>	<u>14,629</u>
<b>EXCESS REVENUES</b>				
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## SOUTHERN WINDSOR COUNTY REGIONAL PLANNING COMMISSION

## SCHEDULE OF REVENUES AND EXPENDITURES

## TRANSPORTATION PLANNING CONTRACT

CFDA# 20.205

PROJECT: STP-SPR-PL-1(46)

GRANT # 09GR000

## ACTUAL AND BUDGET

## YEAR ENDED JUNE 30, 2009 AND CUMULATIVE CONTRACT PERIOD

	FY 2009 Actual	Total Cumulative Contract Period	Total Contract Budget
<b>REVENUES</b>			
VAOT Contract - TPI (Tasks 1-5) Federal (80%)	\$ 98,510	\$ 98,510	\$ 117,318
VAOT Contract - TPI (Tasks 1-5) State (10%)	12,316	12,316	14,665
VAOT Contract - TPI (Task 6) Federal (80%)	392	392	1,176
VAOT Contract - TPI (Task 6) State (20%)	98	98	294
Total revenues	<u>111,316</u>	<u>111,316</u>	<u>133,453</u>
<b>EXPENDITURES</b>			
Salaries & fringe	58,967	58,967	67,841
Indirect costs	57,787	57,787	63,092
Advertising	0	0	200
Dues and reference materials	210	210	1,200
Equipment	1,024	1,024	2,000
Meetings	109	109	1,000
Supplies	369	369	415
Travel and auto reimbursements	4,580	4,580	8,500
Consultant	0	0	2,000
Publishing	96	96	400
Traffic counts	490	490	1,490
Total expenditures	<u>123,632</u>	<u>123,632</u>	<u>148,138</u>
EXCESS (EXPENDITURES) BEFORE LOCAL MATCH REQUIREMENT	(12,316)	(12,316)	(14,685)
LOCAL MATCH - TPI (Tasks 1-5) (10%)	<u>12,316</u>	<u>12,316</u>	<u>14,685</u>
EXCESS REVENUES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>