

Audited Financial Statements
and Other Financial Information

**Upper Valley Lake Sunapee Regional
Planning Commission**

June 30, 2023



Proven Expertise & Integrity

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

CONTENTS

JUNE 30, 2023

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	14
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	15
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	16
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
NOTES TO FINANCIAL STATEMENTS	18 - 31
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	32
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	33

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	34
SCHEDULE A - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	35 - 37
SCHEDULE B - COMBINING CONDENSED STATEMENT OF NET POSITION	38
SCHEDULE C - COMBINING CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	39
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 <i>GOVERNMENT AUDITING STANDARDS</i>	40 - 41



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Upper Valley Lake Sunapee Regional Planning Commission
Lebanon, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Upper Valley Lake Sunapee Regional Planning Commission as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Upper Valley Lake Sunapee Regional Planning Commission as of June 30, 2023 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.

We did not audit the financial statements of the Upper Valley Lake Sunapee Regional Planning Commission Foundation, which represent 11.77% and 3.39%, respectively, of the assets and revenues of the Upper Valley Lake Sunapee Regional Planning Commission as of June 30, 2023 and the respective changes in financial position and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for the Upper Valley Lake Sunapee Regional Planning Commission Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Upper Valley Lake Sunapee Regional 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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 Upper Valley Lake Sunapee Regional 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 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 opinions. 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls 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 Upper Valley Lake Sunapee Regional 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 doubt about the Upper Valley Lake Sunapee Regional 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 Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 33 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Upper Valley Lake Sunapee Regional Planning Commission's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, Combining Condensed Statement of Net Position and Combining Condensed Statement of Revenues, Expenses and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, Combining Condensed Statement of Net Position and Combining Condensed Statement of Revenues, Expenses and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, on our consideration of Upper Valley Lake Sunapee Regional Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely 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 Upper Valley Lake Sunapee Regional 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 the Upper Valley Lake Sunapee Regional Planning Commission's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
October 30, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(UNAUDITED)

The following management's discussion and analysis of the Upper Valley Lake Sunapee Regional Planning Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Commission's financial statements.

Financial Statement Overview

The Upper Valley Lake Sunapee Regional Planning Commission's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Commission's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Commission's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The type of activity for the Upper Valley Lake Sunapee Regional Planning Commission is:

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants and contracts) and charges for services. All of the Commission's basic services are reported in governmental activities, which include regional planning and other programs.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Upper Valley Lake Sunapee Regional Planning Commission, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Upper Valley Lake Sunapee Regional Planning Commission are categorized as one fund type: governmental funds.

Governmental funds: All of the basic services provided by the Commission are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Commission's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Commission.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

Upper Valley Lake Sunapee Regional Planning Commission presents one column in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Commission's major governmental fund is the general fund.

The general fund is the only fund for which the Commission legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Commission's governmental activities. The Commission's total net position increased by \$178,559 from \$50,874 to \$229,433.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased by \$171,672 from \$38,821 to a balance of \$210,493 at the end of this year.

Table 1
Upper Valley Lake Sunapee Regional Planning Commission
Net Position
June 30,

	2023	2022
Assets:		
Current Assets	\$ 365,674	\$ 124,916
Noncurrent Assets - Capital Assets	55,850	12,053
Total Assets	421,524	136,969
Liabilities:		
Current Liabilities	50,563	48,999
Noncurrent Liabilities	56,053	22,750
Total Liabilities	106,616	71,749
Deferred Inflows of Resources:		
Deferred Revenue	85,475	14,346
Total Deferred Inflows of Resources	85,475	14,346
Net Position:		
Net Investment in Capital Assets	18,940	12,053
Unrestricted	210,493	38,821
Total Net Position	\$ 229,433	\$ 50,874

Revenues and Expenses

Revenues for the Commission's governmental activities increased by 61.00%, while total expenses increased by 29.16%. The increase in revenues was due to operating grants and contracts, while the increase in expenses was in personnel services.

Table 2
Upper Valley Lake Sunapee Regional Planning Commission
Changes in Net Position
For the Years Ended June 30,

	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues:		
Operating grants and contracts	\$ 1,020,066	\$ 617,248
Charges for services	1,440	1,785
General revenues:		
Municipal dues	121,208	116,087
Contributions	40,300	200
Miscellaneous	4,266	2,102
Total revenues	<u>1,187,280</u>	<u>737,422</u>
Expenses		
Personnel services	630,447	441,693
Occupancy expenses	27,378	53,724
Professional services	27,843	36,549
Consultants and contract services	201,831	141,578
Travel	18,690	6,362
Office expenses	57,205	49,827
Program expenses	150	-
Other expenses	45,177	51,232
Total expenses	<u>1,008,721</u>	<u>780,965</u>
Change in Net Position	178,559	(43,543)
Net Position - July 1	<u>50,874</u>	<u>94,417</u>
Net Position - June 30	<u>\$ 229,433</u>	<u>\$ 50,874</u>

Financial Analysis of the Commission's Fund Statements

Governmental funds: The financial reporting focus of the Commission's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Commission's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Upper Valley Lake Sunapee Regional Planning Commission
Fund Balances - Governmental Funds
June 30,

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ -	\$ 291	\$ (291)
Committed	40,454	304	40,150
Unassigned	<u>205,586</u>	<u>60,976</u>	<u>144,610</u>
Total General Fund	<u>\$ 246,040</u>	<u>\$ 61,571</u>	<u>\$ 184,469</u>

The general fund total fund balance increased by \$184,469 from the prior fiscal year due to the regular activity of operations.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budgeted amounts by \$146,508. This was mainly the result of grant and contract income received during the fiscal year exceeding budgeted amounts.

The general fund actual expenditures exceeded the budget by \$39,534. All expenditure categories were under budget with the exception of consultants, travel and other expenses.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Commission increased by \$43,797. This increase was the result of capital additions of \$63,724 less current year depreciation expense of \$19,927.

Table 4
Upper Valley Lake Sunapee Regional Planning Commission
Capital Assets (Net of Depreciation)
June 30,

	2023	2022
Furniture and equipment	\$ 18,940	\$ 12,053
Right of use lease asset	36,910	-
Total	\$ 55,850	\$ 12,053

Debt

At June 30, 2023, the Commission had \$36,910 in lease liabilities outstanding versus \$0 in the prior year. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The 2023 - 2024 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2023 - 2024 as of the date this report was issued.

Economic Factors and Next Year's Budgets and Rates

The Commission's unassigned fund balance is at a level to sustain government operations for a period of about two months. The Commission's fund balance policy requires the Commission to maintain a fund balance of six months' worth of operating expenses.

Contacting the Commission's Financial Management

This financial report is designed to provide our citizens, customers, investors 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 questions about this report or need additional financial information, contact the Commission's Office at 10 Water Street, Suite 225, Lebanon, New Hampshire 03766.

STATEMENT A

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 213,418
Accounts receivable (net of allowance for uncollectibles):	
Trade	149,681
Other	2,575
Total current assets	365,674
Noncurrent assets:	
Capital assets:	
Buildings and equipment, net of accumulated depreciation	18,940
Right of use lease assets, net of accumulated depreciation	36,910
Total noncurrent assets	55,850
TOTAL ASSETS	\$ 421,524
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 23,122
Accrued expenses	11,037
Current portion of long-term obligations	16,404
Total current liabilities	50,563
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Lease liability	20,506
Accrued compensated absences	35,547
Total noncurrent liabilities	56,053
TOTAL LIABILITIES	106,616
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	85,475
TOTAL DEFERRED INFLOWS OF RESOURCES	85,475
NET POSITION	
Net investment in capital assets	18,940
Unrestricted	210,493
TOTAL NET POSITION	229,433
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 421,524

See accompanying independent auditor's report and notes to financial statements.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Contracts and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Personnel services	\$ 630,447	\$ 1,440	\$ 1,020,066	\$ 391,059
Occupany expenses	27,378	-	-	(27,378)
Professional services	27,843	-	-	(27,843)
Consultants and contract services	201,831	-	-	(201,831)
Travel	18,690	-	-	(18,690)
Office expenses	57,205	-	-	(57,205)
Program expenses	150	-	40,300	40,150
Other expenses	45,177	-	-	(45,177)
Total government	<u>\$ 1,008,721</u>	<u>\$ 1,440</u>	<u>\$ 1,060,366</u>	<u>\$ 53,085</u>
Changes in net position:				
Net (expense) revenue				<u>53,085</u>
General revenue:				
Municipal dues				121,208
Miscellaneous income				4,266
Total general revenue				<u>125,474</u>
Change in net position				178,559
NET POSITION - JULY 1				<u>50,874</u>
NET POSITION - JUNE 30				<u>\$ 229,433</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT C

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 213,418	\$ 213,418
Accounts receivable (net of allowance for uncollectibles):		
Trade	149,681	149,681
Other	2,575	2,575
TOTAL ASSETS	\$ 365,674	\$ 365,674
LIABILITIES		
Accounts payable	\$ 23,122	\$ 23,122
Accrued expenses	11,037	11,037
TOTAL LIABILITIES	34,159	34,159
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	85,475	85,475
TOTAL DEFERRED INFLOWS OF RESOURCES	85,475	85,475
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	40,454	40,454
Assigned	-	-
Unassigned	205,586	205,586
TOTAL FUND BALANCES	246,040	246,040
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 365,674	\$ 365,674

See accompanying independent auditor's report and notes to financial statements.

STATEMENT D

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
Total Fund Balances	\$ 246,040
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	55,850
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Lease liability	(36,910)
Accrued compensated absences	(35,547)
	\$ 229,433
Net position of governmental activities	

See accompanying independent auditor's report and notes to financial statements.

STATEMENT E

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

STATEMENT OF IN REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Total Governmental Funds
REVENUES		
Municipal dues	\$ 121,208	\$ 121,208
Grant and contract income	1,020,066	1,020,066
Fee income	1,440	1,440
Contributions	40,300	40,300
Miscellaneous income	4,266	4,266
TOTAL REVENUES	1,187,280	1,187,280
EXPENDITURES		
Current:		
Personnel services	617,650	617,650
Occupany expenses	27,378	27,378
Professional services	27,843	27,843
Consultants and contract services	201,831	201,831
Travel	18,690	18,690
Office expenses	57,205	57,205
Program services	150	150
Other expenses	52,064	52,064
TOTAL EXPENDITURES	1,002,811	1,002,811
NET CHANGE IN FUND BALANCES	184,469	184,469
FUND BALANCE - JULY 1	61,571	61,571
FUND BALANCE - JUNE 30	\$ 246,040	\$ 246,040

See accompanying independent auditor's report and notes to financial statements.

STATEMENT F

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

RECONCILIATION OF THE STATEMENT OF IN REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 184,469</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	63,724
Depreciation expense	<u>(19,927)</u>
	<u>43,797</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Lease liability	(36,910)
Accrued compensated absences	<u>(12,797)</u>
	<u>(49,707)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 178,559</u>

See accompanying independent auditor's report and notes to financial statements.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Upper Valley Lake Sunapee Regional Planning Commission is a special purpose public agency, established pursuant to New Hampshire RSA 36:45-53, governed by a member-elected Board of Commissioners.

The Commission's purpose is (1) to provide regional planning services in order to prepare and maintain a coordinated plan for development of the region (taking into account present and future needs) with a view toward encouraging the most appropriate use of land and (2) to provide technical planning assistance to local governments.

On May 30, 2000, the State of New Hampshire enacted Chapter Law 200:1 (codified in RSA 36) entitled "Regional Planning Commissions" with an effective date of July 29, 2000. The new law specifically re-enacts the status of Regional Planning Commissions as "political subdivisions" of the State of New Hampshire. The new law also: amends the purpose therein (RSA 36:45); amends the formation and representative of its members (RSA 36:46) and specifically defined its finances (RSA 36:49).

The Commission's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Commission's combined financial statements include all accounts and all operations of the Commission. We have determined that the Commission has one component unit as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61. The Commission is the majority member of the Upper Valley Lake Sunapee Regional Planning Foundation which was created as a non-profit for the express purpose of applying for loans for the Commission. The individual financial statement for Upper Valley Lake Sunapee Planning Foundation can be obtained from the Commission at 10 Water Street, Suite 225, Lebanon, New Hampshire 03766.

Implementation of New Accounting Standards

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 “Subscription-Based Information Technology Arrangements”. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 “Omnibus 2022”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial 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 funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. The Commission categorizes all activities of the Commission as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Commission first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Commission's functions (regional planning and other programs) excluding fiduciary activities. The functions are also supported by general government revenues (certain intergovernmental revenues, charges for services, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (certain intergovernmental revenues and charges for services, etc.).

The Commission does allocate indirect costs. All costs are charged directly to the corresponding department and the Commission has an established and approved indirect cost rate.

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Commission are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Commission:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of 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:

Major Fund:

- a. The General Fund is the general operating fund of the Commission. It is used to account for all financial resources of the Commission.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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.

Budget

The Commission's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Commission prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Commission was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Commission.

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 three months or less from the date of acquisition.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Commission's policy to value investments at fair value. None of the Commission's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent.

Receivables

Receivables include amounts due from governmental agencies or employees. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$152,256 for the year ended June 30, 2023.

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. 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 estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Furniture and equipment	5 - 15 years
-------------------------	--------------

The right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized in a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist of leases and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Commission is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of Board of Commissioners. The Board of Commissioners are the highest level of decision-making authority for the Commission. Commitments may be established, modified or rescinded only through a Board of Commissioners vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Commissioners.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed.

The Commission adopted a set of financial policies to guide the financial operation of the Commission. Included in the policies are guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance of each fund shall be zero or greater.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of resources (revenue) until that time. The Commission has one type of this item, unearned revenues, which arises in both the statements of net position and the governmental funds balance sheet. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Commission does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Commission's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Commission invests cash and investments according to policies established by the Commission. These investment policies apply to all Commission funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Commission will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Commission did not have any balances as of June 30, 2023 that were exposed to custodial credit risk.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023, the Commission's cash and cash equivalents balances of \$213,418 were comprised of bank deposits and cash equivalents of \$233,142 which were all insured by federal depository insurance and consequently were not exposed to custodial credit risk. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Commission's cash and cash equivalents balance.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 204,765
Money market accounts	28,377
	<u>\$ 233,142</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Commission does not have a policy for custodial credit risk for investments.

Interest rate risk - The risk that changes in interest rates will adversely affect the fair value of an investment. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2023, the Commission had no investments.

Credit risk - Statutes for the State of New Hampshire authorize the Commission to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of New Hampshire, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Commission does not have an investment policy on credit risk.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance 7/1/22	Additions	Disposals	Balance 6/30/23
Depreciated assets:				
Furniture and equipment	81,898	10,410	(31,208)	61,100
Right of use lease asset	-	53,314	-	53,314
	<u>81,898</u>	<u>63,724</u>	<u>(31,208)</u>	<u>114,414</u>
Less: accumulated depreciation				
Furniture and equipment	(69,845)	(3,523)	31,208	(42,160)
Right of use lease asset	-	(16,404)	-	(16,404)
	<u>(69,845)</u>	<u>(19,927)</u>	<u>31,208</u>	<u>(58,564)</u>
Net capital assets	<u>\$ 12,053</u>	<u>\$ 43,797</u>	<u>\$ -</u>	<u>\$ 55,850</u>

NOTE 4 - LINE OF CREDIT

The Commission has established a \$25,000 revolving line of credit with the Bar Harbor Bank & Trust which is due on demand by the bank. Interest is chargeable at 5.25% above the Wall Street Journal Prime Rate index. There were no borrowings during the year ended June 30, 2023.

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance 7/1/22	Additions	Reductions	Balance 6/30/23	Current Portion
Lease liability	<u>\$ -</u>	<u>\$ 53,314</u>	<u>\$ (16,404)</u>	<u>\$ 36,910</u>	<u>\$ 16,404</u>

The following is a summary of the lease liability outstanding as of June 30, 2023:

The Commission rents office space under a five-year lease agreement that ends on September 30, 2025. The base monthly rent for the period June 1, 2022 - September 30, 2023, is \$1,367. The base monthly rent is adjusted annually in October by the Consumer Price Index, CPI-W (Boston). In addition to the base rent, the Commission is required to pay their proportionate share of the landlord's operating cost, expenses and utilities. Annual lease payments for fiscal years ended June 30, 2023 and 2022, totaled \$27,378 and \$53,724, respectively.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The right of use lease asset associated with this lease liability (including amortization/depreciation applicable to the same) are presented as a separate category of Capital Assets and is grouped accordingly on the Statement of Net Position.

The following is a summary of outstanding lease liability principal and interest requirements for the following fiscal years ending June 30:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 16,404	\$ -	\$ 16,404
2025	16,404	-	16,404
2026	4,101	-	4,101
	<u>\$ 36,909</u>	<u>\$ -</u>	<u>\$ 36,909</u>

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2023:

	<u>Balance 7/1/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/23</u>	<u>Current Portion</u>
Accrued compensated absences	<u>\$ 22,750</u>	<u>\$ 12,797</u>	<u>\$ -</u>	<u>\$ 35,547</u>	<u>\$ -</u>

Please see Note 7 for detailed information on accrued compensated absences.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Commission's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2023, the Commission's liability for compensated absences is \$35,547.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Commission at June 30, 2023:

Invested in capital assets	\$ 114,414
Accumulated depreciation	(58,564)
Other non-debt capital related liabilities	<u>(36,910)</u>
	<u>\$ 18,940</u>

NOTE 9 - COMMITTED FUND BALANCE

At June 30, 2023, the committed fund balance was made up of the following balance:

Upper Valley Lake Sunapee Regional Planning Commission Foundation	<u>\$ 40,454</u>
--	------------------

NOTE 10 - PENSION PLAN

The Commission offers a 457(b) plan to eligible employees and matches up to a maximum of 6% of the employee's gross compensation. The Commission funds placed in a 457(b) plan are in addition to the employee's salary, are considered an employer contribution and are not taxed to the employee unless withdrawn prematurely from the 457(b) plan. The Commission's match charged to expense during the years ended June 30, 2023 and 2022 was \$19,524 and \$16,259, respectively.

NOTE 11 - RELATIONSHIP WITH CONNECTICUT RIVER JOINT COMMISSION

The Connecticut River Joint Commissions (CRJC) is a separate organization with no association financially or structurally with the Commission. Since July 2011, under a contractual relationship, the Commission has provided CRJC with administrative assistance including maintaining financial records and providing staffing support to their Board of Directors, Executive Committee and Local River Subcommittees. The CRJC Board of Directors makes all decisions regarding CRJC's policies, budgeting, expenditures of funds, contacts and other governance items. The current contract with CRJC ended on June 30, 2023. At June 30, 2023 and 2022, CRJC owed the Commission \$3,982 and \$7,146, respectively. Subsequent to year end, CRJC contracted with the Commission on substantially the same terms as in prior years to provide accounting and administrative services to CRJC for the period of July 1, 2022 to June 30, 2023.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 - CONCENTRATION OF RISK

A material part of the Commission's revenue is dependent upon government sources, the loss of which would have a materially adverse effect on the Commission. During the year ended June 30, 2023, funding from the New Hampshire Department of Transportation and municipal dues for 31% and 10%, respectively, of total revenue.

NOTE 13 - 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 natural disasters for which the Commission carries commercial insurance covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission.

Based on the coverage provided by the insurance purchased, the Commission feels it is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2023. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 14 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Commission's financial position.

The Commission participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Commission's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 15 - COMPONENT UNIT

The Upper Valley Lake Sunapee Regional Planning Commission has shown the following component unit in the financial statements.

The Commission has established the Upper Valley Lake Sunapee Regional Planning Commission Foundation, a 501(c)(3) entity. The express purpose of the Foundation is to allow the Commission to apply for loans. The Foundation is part of the Commission's reporting entity. During 2023, the Foundation had \$150 in expenses.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

SCHEDULE 1
UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 61,267	\$ 61,267	\$ 61,267	\$ -
Resources (Inflows):				
Municipal dues	123,700	123,700	121,208	(2,492)
Claremont GIS - PW	3,500	3,500	3,185	(315)
Claremont GIS - technical assistance	10,000	10,000	7,176	(2,824)
Connecticut River Joint Commissions Admin	60,000	60,000	54,028	(5,972)
Cornish hazmat mitigation	7,500	7,500	-	(7,500)
Croydon master plan	25,000	25,000	-	(25,000)
Eastman traffic count	-	-	1,061	1,061
EPA Brownfields	-	-	19,629	19,629
Goshen LEOP	3,480	3,480	3,770	290
Grantham TA	-	-	227	227
Hanover HOP	-	-	2,500	2,500
Household hazardous waste collections	80,000	80,000	103,985	23,985
Lebanon multimodal	15,000	15,000	32,157	17,157
Navigator - NHFA	-	-	63,936	63,936
Newbury CIP	4,000	4,000	3,090	(910)
Newbury Circuit Rider	-	-	5,639	5,639
Newbury hazmat	7,500	7,500	7,125	(375)
NHCF express for stormwater	2,500	2,500	-	(2,500)
NH DOT unified planning work program	311,351	311,351	373,798	62,447
Northern Border - Mascoma Valley Preserve	4,500	4,500	2,267	(2,233)
Northern Border - Turning Point	2,000	2,000	410	(1,590)
Northern Border - Meriden Village	600	600	2,624	2,024
On-call mapping and GIS services	-	-	490	490
Orford Circuit Rider	8,400	8,400	10,972	2,572
NH OEP targeted block grant	11,111	11,111	11,111	-
NHCF - green infra strategies	-	-	1,050	1,050
NHCF - Sullivan County trails	-	-	4,166	4,166
Plainfield TA	-	-	3,525	3,525
Regional housing needs assessment	50,000	50,000	48,104	(1,896)
Regional planning	50,000	50,000	-	(50,000)
Springfield Circuit Rider	2,520	2,520	2,725	205
Sunapee Circuit Rider	-	-	6,126	6,126
Sunapee master plan	8,000	8,000	10,542	2,542
Sunapee NRI	13,000	13,000	13,910	910
SWCEDR	25,000	25,000	40,165	15,165
USDA Rural Development SWM	93,000	93,000	100,723	7,723
USDA safety training fees	-	-	1,790	1,790
VC - new homes	-	-	423	423
Wilmot Circuit Rider	8,400	8,400	9,051	651
Wilmot HOP	-	-	15,818	15,818
Hanover stream crossing	2,500	2,500	2,800	300
CDBG Micro REDC/RVCC Sullivan County	40,160	40,160	22,581	(17,579)
Hazard mitigation	750	750	1,781	1,031
Sullivan County trails plan	25,000	25,000	22,726	(2,274)
Town of Canann	-	-	2,880	2,880
RSA book sales	2,000	2,000	1,440	(560)
Miscellaneous grant/contract income	-	-	4,266	4,266
Amounts Available for Appropriation	<u>1,061,739</u>	<u>1,061,739</u>	<u>1,208,247</u>	<u>146,508</u>
Charges to Appropriations (Outflows):				
Current:				
Personnel services	641,522	641,522	617,650	23,872
Occupancy expenses	30,000	30,000	27,378	2,622
Professional services	42,600	42,600	27,843	14,757
Consultants	160,150	160,150	201,831	(41,681)
Travel	12,000	12,000	18,690	(6,690)
Office expenses	59,825	59,825	57,205	2,620
Fixed assets	1,500	1,500	-	1,500
Other expenses	15,530	15,530	52,064	(36,534)
Total Charges to Appropriations	<u>963,127</u>	<u>963,127</u>	<u>1,002,661</u>	<u>(39,534)</u>
Budgetary Fund Balance, June 30	\$ <u>98,612</u>	\$ <u>98,612</u>	\$ <u>205,586</u>	\$ <u>106,974</u>

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
- Combining Condensed Statement of Net Position
- Combining Condensed Statement of Revenues, Expenditures and Changes in Net Position

SCHEDULE A
UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Revenues			
Municipal dues	\$ 123,700	\$ 121,208	\$ (2,492)
Grant and contract income:			
Claremont GIS - PW	3,500	3,185	(315)
Claremont GIS - technical assistance	10,000	7,176	(2,824)
Connecticut River Joint Commissions Admin	60,000	54,028	(5,972)
Cornish hazmat mitigation	7,500	-	(7,500)
Croydon master plan	25,000	-	(25,000)
Eastman traffic count	-	1,061	1,061
EPA Brownfields	-	19,629	19,629
Goshen LEOP	3,480	3,770	290
Grantham TA	-	227	227
Hanover HOP	-	2,500	2,500
Household hazardous waste collections	80,000	103,985	23,985
Lebanon multimodal	15,000	32,157	17,157
Navigator - NHFA	-	63,936	63,936
Newbury CIP	4,000	3,090	(910)
Newbury Circuit Rider	-	5,639	5,639
Newbury hazmat	7,500	7,125	(375)
NHCF express for stormwater	2,500	-	(2,500)
NH DOT unified planning work program	311,351	373,798	62,447
Northern Border - Mascoma Valley Preserve	4,500	2,267	(2,233)
Northern Border - Turning Point	2,000	410	(1,590)
Northern Border - Meriden Village	600	2,624	2,024
On-call mapping and GIS services	-	490	490
Orford Circuit Rider	8,400	10,972	2,572
NH OEP targeted block grant	11,111	11,111	-
NHCF - green infra strategies	-	1,050	1,050
NHCF - Sullivan County trails	-	4,166	4,166
Plainfield TA	-	3,525	3,525
Regional housing needs assessment	50,000	48,104	(1,896)
Regional planning	50,000	-	(50,000)
Springfield Circuit Rider	2,520	2,725	205
Sunapee Circuit Rider	-	6,126	6,126
Sunapee master plan	8,000	10,542	2,542
Sunapee NRI	13,000	13,910	910
SWCEDR	25,000	40,165	15,165
USDA Rural Development SWM	93,000	100,723	7,723
USDA safety training fees	-	1,790	1,790
VC - new homes	-	423	423
Wilmot Circuit Rider	8,400	9,051	651
Wilmot HOP	-	15,818	15,818
Hanover stream crossing	2,500	2,800	300
CDBG Micro REDC/RVCC Sullivan County	40,160	22,581	(17,579)
Hazard mitigation	750	1,781	1,031
Sullivan County trails plan	25,000	22,726	(2,274)
Town of Canann	-	2,880	2,880
Total grant and contract income	<u>874,772</u>	<u>1,020,066</u>	<u>145,294</u>
Fee income:			
RSA book sales	2,000	1,440	(560)
Total fee income	<u>2,000</u>	<u>1,440</u>	<u>(560)</u>
Miscellaneous income:			
Interest	-	12	12
Miscellaneous	-	4,254	4,254
Total miscellaneous income	<u>-</u>	<u>4,266</u>	<u>4,266</u>
Total revenues	<u>\$ 1,000,472</u>	<u>\$ 1,146,980</u>	<u>\$ 146,508</u>

SCHEDULE A (CONTINUED)
UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Expenditures			
Personnel services:			
Salaries and wages	\$ 500,000	\$ 494,970	\$ 5,030
Payroll taxes	38,300	38,620	(320)
Workmen's comp and unemployment	1,072	1,349	(277)
Health and dental insurance	70,150	57,905	12,245
Life/STD/LTD insurance	4,000	5,282	(1,282)
Retirement fund	28,000	19,524	8,476
Total personnel services	<u>641,522</u>	<u>617,650</u>	<u>23,872</u>
Occupancy expenses			
Rent	30,000	27,378	2,622
Total occupancy expenses	<u>30,000</u>	<u>27,378</u>	<u>2,622</u>
Professional services:			
IT and website consultant	3,000	1,755	1,245
Financial consultant	30,000	16,488	13,512
Auditing services	8,600	9,600	(1,000)
Misc professional consultant	1,000	-	1,000
Total professional services	<u>42,600</u>	<u>27,843</u>	<u>14,757</u>
Consultants:			
Brownfield consulting	-	11,748	(11,748)
Household hazardous waste hauler	80,000	96,630	(16,630)
Lebanon multimodal	-	15,193	(15,193)
NH DOT	25,000	23,047	1,953
SWCEDR	27,250	27,500	(250)
USDA	27,900	20,848	7,052
Misc consultants	-	6,865	(6,865)
Total consultants	<u>160,150</u>	<u>201,831</u>	<u>(41,681)</u>
Travel:			
Travel/rooms and meals	7,000	13,387	(6,387)
Vehicle expenses	5,000	5,303	(303)
Total travel	<u>12,000</u>	<u>18,690</u>	<u>(6,690)</u>

SCHEDULE A (CONTINUED)
UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Office expenses:			
General supplies	\$ 15,850	\$ 17,160	\$ (1,310)
Printing	7,500	6,041	1,459
Advertising	3,000	1,103	1,897
Publications	500	-	500
Subscriptions	500	175	325
Postage	725	702	23
Telephone/Internet	3,000	3,105	(105)
Professional development	7,250	3,932	3,318
Annual meeting/special events	4,500	3,982	518
Planning/land use law books	2,000	1,361	639
Software/data services	15,000	19,644	(4,644)
Total office expenses	59,825	57,205	2,620
Fixed assets:			
Computers/printers	1,000	-	1,000
Office furniture	500	-	500
Total office equipment	1,500	-	1,500
Other expenses:			
Dues/memberships	5,500	3,362	2,138
Misc equipment maintenance	1,250	3,384	(2,134)
Property and liability insurance	6,780	6,341	439
Match NH DOT unified plan	-	37,380	(37,380)
Misc expense	2,000	1,597	403
Total other expenses	15,530	52,064	(36,534)
Total expenditures	963,127	1,002,661	(39,534)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 37,345	144,319	\$ 106,974
FUND BALANCE - JULY 1, 2021		61,267	
FUND BALANCE - JUNE 30, 2022		\$ 205,586	

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE B

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

COMBINING CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2023

	UVLSRPC	UVLSRPC Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 170,364	\$ 43,054	\$ 213,418
Accounts receivable (net of allowance for uncollectibles):			
Trade	149,681	-	149,681
Other	2,575	-	2,575
TOTAL ASSETS	\$ 322,620	\$ 43,054	\$ 365,674
LIABILITIES			
Accounts payable	\$ 20,522	\$ 2,600	\$ 23,122
Accrued expenses	11,037	-	11,037
TOTAL LIABILITIES	31,559	2,600	34,159
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	85,475	-	85,475
TOTAL DEFERRED INFLOWS OF RESOURCES	85,475	-	85,475
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	40,454	40,454
Assigned	-	-	-
Unassigned	205,586	-	205,586
TOTAL FUND BALANCES	205,586	40,454	246,040
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 322,620	\$ 43,054	\$ 365,674

See accompanying independent auditor's report and notes to financial statements.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

COMBINING CONDENSED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	UVLSRPC	UVLSRPC Foundation	Total
REVENUES			
Municipal dues	\$ 121,208	\$ -	\$ 121,208
Grant and contract income	1,020,066	-	1,020,066
Fee Income	1,440	-	1,440
Contributions	-	40,300	40,300
Miscellaneous income	4,266	-	4,266
TOTAL REVENUES	<u>1,146,980</u>	<u>40,300</u>	<u>1,187,280</u>
EXPENDITURES			
Current:			
Personnel services	617,650	-	617,650
Occupany expenses	27,378	-	27,378
Professional services	27,843	-	27,843
Consultants and contract services	201,831	-	201,831
Travel	18,690	-	18,690
Office expenses	57,205	-	57,205
Program services	-	150	150
Other expenses	52,064	-	52,064
TOTAL EXPENDITURES	<u>1,002,661</u>	<u>150</u>	<u>1,002,811</u>
NET CHANGE IN FUND BALANCES	144,319	40,150	184,469
FUND BALANCE - JULY 1	<u>61,267</u>	<u>304</u>	<u>61,571</u>
FUND BALANCE - JUNE 30	<u>\$ 205,586</u>	<u>\$ 40,454</u>	<u>\$ 246,040</u>

See accompanying independent auditor's report and notes to financial statements.



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 Commissioners
Upper Valley Lake Sunapee Regional Planning Commission
Lebanon, New Hampshire

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 and each major fund of Upper Valley Lake Sunapee Regional Planning Commission as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Upper Valley Lake Sunapee Regional Planning Commission's basic financial statements and have issued our report thereon dated October 30, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Upper Valley Lake Sunapee 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Upper Valley Lake Sunapee Regional Planning Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Upper Valley Lake Sunapee 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 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 Upper Valley Lake Sunapee Regional 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 organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
October 30, 2023