Federal Compliance Audit

Upper Valley Lake Sunapee Regional Planning Commission

June 30, 2025

RHR SMITH & COMPANY

Certified Public Accountants

Proven Expertise & Integrity

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

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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, each major fund and the discretely presented component unit of the Upper Valley Lake Sunapee Regional Planning Commission as of and for the year ended June 30, 2025 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, each major fund and the discretely presented component unit of the Upper Valley Lake Sunapee Regional Planning Commission as of June 30, 2025 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 10.50% and 1.87%, respectively, of the assets and revenues of the Upper Valley Lake Sunapee Regional Planning Commission as of June 30, 2025 and the respective changes in financial position and where applicable, cash flows thereof for the year then ended. Those statements have 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 those unaudited statements.

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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 34 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also 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, Combining Condensed Statement of Revenues, Expenses and Changes in Net Position and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of the 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
December 10, 2025

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

(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, 2025. 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 regard 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.

The 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 regard 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 $74,983 from $350,191 to $425,174.

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 $79,392 from $327,164 to a balance of $406,556 at the end of this year.

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

	2025	2024 (Restated)
Assets:		
Current Assets	$ 566,449	$ 487,188
Noncurrent Assets - Capital Assets	38,011	45,969
Total Assets	604,460	533,157
Liabilities:		
Current Liabilities	77,079	55,092
Noncurrent Liabilities	37,988	29,908
Total Liabilities	115,067	85,000
Deferred Inflows of Resources:		
Deferred Revenue	64,219	97,966
Total Deferred Inflows of Resources	64,219	97,966
Net Position:		
Net Investment in Capital Assets	18,618	23,027
Unrestricted	406,556	327,164
Total Net Position	$ 425,174	$ 350,191

Revenues and Expenses

Revenues for the Commission's governmental activities increased by 26.23%, while total expenses increased by 34.00%. The increase in revenues was mainly due to operating grants and contracts, while the increase in expenses was mainly in personnel services, consultants and contract services and program expenses.

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

	2025	2024
Revenues		
Program revenues:		
Operating grants and contracts	$ 1,425,657	$ 1,104,141
Charges for services	1,914	1,818
General revenues:		
Municipal dues	142,247	134,226
Contributions	30,000	30,750
Miscellaneous	4,466	24
Total revenues	1,604,284	1,270,959
Expenses		
Personnel services	813,397	738,148
Occupancy expenses	29,543	29,152
Professional services	33,983	29,822
Consultants and contract services	508,967	248,880
Travel	21,813	21,701
Office expenses	75,234	71,027
Office equipment	2,773	800
Program expenses	42,854	-
Other expenses	737	1,732
Total expenses	1,529,301	1,141,262
Change in Net Position	74,983	129,697
Net Position - July 1, As Previously Reported	359,130	229,433
Net Position Correction	(8,939)	-
Net Position - July 1, As Restated	350,191	229,433
Net Position - June 30	$ 425,174	$ 359,130

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,

	2025	2024 (Restated)	Increase/ (Decrease)
General Fund:			
Nonspendable	$ 7,121	$ 309	$ 6,812
Committed	58,200	71,129	(12,929)
Unassigned	371,283	281,045	90,238
Total General Fund	$ 436,604	$ 352,483	$ 84,121

The general fund total fund balance increased by $84,121 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 were below budgeted amounts by $302,068. This was mainly the result of grant and contract income received during the fiscal year being below budgeted amounts.

The general fund actual expenditures were below budgeted amounts by $263,361. All expenditure categories were under budget with the exception of fixed assets.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the net book value of capital assets recorded by the Commission decreased by $7,958. This decrease was the result of capital additions of $20,051, less current year depreciation expense of $28,009.

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

	2025	2024
Furniture and equipment	$ 18,618	$ 23,027
Right of use lease asset	19,393	22,942
Total	$ 38,011	$ 45,969

Debt

At June 30, 2025, the Commission had $19,393 in lease liabilities outstanding versus $22,942 in the prior year. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The 2025 - 2026 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2025 - 2026 as of the date this report was issued.

The Commission has noted a subsequent event as a currently known fact. Refer to Note 18 of Notes to the Financial Statements for more detailed information.

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 approximately three months. The Commission’s fund balance policy currently requires the Commission to maintain a fund balance of six months’ worth of operating expenses, however the Commission is in the process of revising their fund balance policy as of the date of these financial statements and expects this requirement to change.

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.

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

STATEMENT OF NET POSITION
JUNE 30, 2025

		Governmental Activities
ASSETS		
Current assets:		
Cash and cash equivalents	$	376,019
Accounts receivable (net of allowance for uncollectibles):		
Trade		183,309
Prepaid items		7,121
Total current assets		566,449
Noncurrent assets:		
Capital assets:		
Buildings and equipment, net of accumulated depreciation		18,618
Right of use lease assets, net of accumulated depreciation		19,393
Total noncurrent assets		38,011
TOTAL ASSETS	$	604,460
LIABILITIES		
Current liabilities:		
Accounts payable	$	50,192
Accrued expenses		15,434
Current portion of long-term obligations		11,453
Total current liabilities		77,079
Noncurrent liabilities:		
Noncurrent portion of long-term obligations:		
Lease liability		9,442
Accrued compensated absences		28,546
Total noncurrent liabilities		37,988
TOTAL LIABILITIES		115,067
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue		64,219
TOTAL DEFERRED INFLOWS OF RESOURCES		64,219
NET POSITION		
Net investment in capital assets		18,618
Unrestricted		406,556
TOTAL NET POSITION		425,174
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	604,460

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, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contracts and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:				
Personnel services	$ 813,397	$ 1,914	$ 1,425,657	$ 614,174
Occupancy expenses	29,543	-	-	(29,543)
Professional services	33,983	-	-	(33,983)
Consultants and contract services	508,967	-	-	(508,967)
Travel	21,813	-	-	(21,813)
Office expenses	75,234	-	-	(75,234)
Office equipment	2,773	-	-	(2,773)
Program expenses	42,854	-	30,000	(12,854)
Other expenses	737	-	-	(737)
Total government	$ 1,529,301	$ 1,914	$ 1,455,657	(71,730)
General revenue:				
Municipal dues				142,247
Miscellaneous income				4,466
Total general revenue				146,713
Change in net position				74,983
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED				359,130
NET POSITION CORRECTION				(8,939)
NET POSITION - JULY 1, AS RESTATED				350,191
NET POSITION - JUNE 30				$ 425,174

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

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	$ 376,019	$ 376,019
Accounts receivable (net of allowance for uncollectibles):		
Trade	183,309	183,309
Prepaid items	7,121	7,121
TOTAL ASSETS	$ 566,449	$ 566,449
LIABILITIES		
Accounts payable	$ 50,192	$ 50,192
Accrued expenses	15,434	15,434
TOTAL LIABILITIES	65,626	65,626
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	64,219	64,219
TOTAL DEFERRED INFLOWS OF RESOURCES	64,219	64,219
FUND BALANCES		
Nonspendable	7,121	7,121
Restricted	-	-
Committed	58,200	58,200
Assigned	-	-
Unassigned	371,283	371,283
TOTAL FUND BALANCES	436,604	436,604
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 566,449	$ 566,449

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

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2025

	Total Governmental Funds
Total Fund Balances	$ 436,604
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	38,011
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Lease liability	(19,393)
Accrued compensated absences	(30,048)
Net position of governmental activities	$ 425,174

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

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, 2025

	General Fund	Total Governmental Funds
REVENUES		
Municipal dues	$ 142,247	$ 142,247
Grant and contract income	1,425,657	1,425,657
Fee income	1,914	1,914
Contributions	30,000	30,000
Miscellaneous income	4,466	4,466
TOTAL REVENUES	1,604,284	1,604,284
EXPENDITURES		
Current:		
Personnel services	818,126	818,126
Occupany expenses	29,543	29,543
Professional services	33,983	33,983
Consultants and contract services	508,967	508,967
Travel	21,813	21,813
Office expenses	55,183	55,183
Fixed assets	2,773	2,773
Other expenses	12,004	12,004
TOTAL EXPENDITURES	1,525,246	1,525,246
NET CHANGE IN FUND BALANCES	79,038	79,038
FUND BALANCE - JULY 1, AS PREVIOUSLY REPORTED	361,422	361,422
FUND BALANCE CORRECTION	(8,939)	(8,939)
FUND BALANCE - JULY 1, AS RESTATED	352,483	352,483
FUND BALANCE - JUNE 30	$ 431,521	$ 431,521

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

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, 2025

Net change in fund balances - total governmental funds (Statement E)	$ 115,382
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	13,222
Depreciation expense	(23,103)
	(9,881)
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 govermental funds:	
Lease liability	13,968
Accrued compensated absences	10,228
	24,196
Change in net position of governmental activities (Statement B)	$ 129,697

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

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, 2025, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 101 “Compensated Absences”. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 102 “Certain Risk Disclosures”. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. A disclosure should be made in the notes to financial statements if a government determines that those criteria for disclosures have been met for a concentration or constraint. 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) 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.

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 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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2025. Accounts receivable netted with allowances for uncollectible accounts were $183,309 for the year ended June 30, 2025.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

At June 30, 2025, the Commission's cash balance of $376,019 was comprised of bank balances of $378,326. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Commission's cash balance. All of these deposits were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	$ 195,725
Money market accounts	182,601
	$ 378,326

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.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 loses arising from fluctuations in interest rates.

At June 30, 2025, 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.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Disposals	Balance, 6/30/25
Depreciated assets:				
Furniture and equipment	$ 57,020	$ 4,375	$ (3,480)	$ 57,915
Right of use lease asset	57,596	15,676	-	73,272
	114,616	20,051	(3,480)	131,187
Less: accumulated depreciation				
Furniture and equipment	(33,993)	(8,784)	3,480	(39,297)
Right of use lease asset	(34,654)	(19,225)	-	(53,879)
	(68,647)	(28,009)	3,480	(93,176)
Net capital assets	$ 45,969	$ (7,958)	$ -	$ 38,011

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, 2025.

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Reductions	Balance, 6/30/25	Current Portion
Lease liability	$ 22,942	$ 16,227	$ (19,776)	$ 19,393	$ 9,951

The following is a summary of the lease liability outstanding as of June 30, 2025:

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, 2024 - September 30, 2025, is $1,575. 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, 2025 and 2024, totaled $29,543 and $29,152, respectively.

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:

Year	Principal	Interest	Total
2026	$ 9,951	$ -	$ 9,951
2027	5,225	-	5,225
2028	4,217	-	4,217
	$ 19,393	$ -	$ 19,393

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Reductions	Balance, 6/30/25	Current Portion
Accrued compensated absences	$ 25,319	$ 4,729	$ -	$ 30,048	$ 1,502

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 a long-term obligation 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, 2025, the Commission's liability for compensated absences is $30,048, which is a net increase of $4,729 from the prior year.

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, 2025:

Invested in capital assets	$ 131,187
Accumulated depreciation	(93,176)
Other non-debt capital related liabilities	(19,393)
	$ 18,618

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2025, the nonspendable fund balance was made up of the following balance:

Prepaid items	$ 7,121

NOTE 10 - COMMITTED FUND BALANCE

At June 30, 2025, the committed fund balance was made up of the following balance:

Upper Valley Lake Sunapee Regional Planning Commission Foundation	$ 58,200

NOTE 11 - PENSION PLAN

The Commission offers a 457(b) plan to eligible employees and matches employee contributions up to 6% after one year of employment, subject to budgetary constraints. Employees are welcome to contribute more to their retirement plan beyond the Commission's contribution. Additionally, after six months of employment, a 2% contribution of pay will be made for every eligible employee, regardless of whether the

NOTE 11 - PENSION PLAN (CONTINUED)

employees opt to contribute beyond the current matching benefit offered by the Commission. 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, 2025 and 2024 was $19,565 and $22,578, respectively.

NOTE 12 - 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, 2025. At June 30, 2025 and 2024, CRJC owed the Commission $9,381 and $11,392, 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, 2025 to June 30, 2026.

NOTE 13 - 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, 2025, funding from the New Hampshire Department of Transportation and municipal dues for 16% and 8%, respectively, of total revenue.

NOTE 14 - 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, 2025. 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 15 - 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 16 - 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 2024, the Foundation had $42,929 in expenses.

NOTE 17 - RESTATEMENT

During fiscal year 2025, the Commission determined that certain fund balance and net position corrections were required to correct an erroneous adjustment to the financial statements in the prior year. The result of the fund balance and net position corrections are as follows:

	6/30/24 As Previously Reported	Net Position/ Fund Balance Correction	6/30/24 As Adjusted and/or Restated
Government-Wide			
Governmental Activities	$ 359,130	$ (8,939)	$ 350,191
Governmental Funds			
Major Funds:			
General Fund	$ 361,422	$ (8,939)	$ 352,483
Total Governmental Funds	$ 361,422	$ (8,939)	$ 352,483

NOTE 18 - SUBSEQUENT EVENT

On September 23, 2025, the Commission exercised its right to extend its office lease for an additional period of 5 years. The extension period is October 1, 2025 through September 30, 2030. The base rent for the year October 1, 2025 through September 30, 2026 will be $1,625 and will be adjusted annually thereafter by the Consumer Price Index, CPI-U (Northeast). In addition to the base rent, the Commission will still be required to pay their proportionate share of the landlord’s operating cost, expenses and utilities.

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, 2025

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, As Restated	$ 281,354	$ 281,354	$ 281,354	$ -
Resources (Inflows):				
Municipal Dues	142,200	142,200	142,247	47
Acworth SADES	9,400	9,400	4,443	(4,957)
CDBG Micro REDC/RVCC Sullivan County	51,245	51,245	19,703	(31,542)
CDFA Transformative Planning	22,000	22,000	3,805	(18,195)
Claremont GIS - PW	7,680	7,680	240	(7,440)
Claremont GIS - Technical Assistance	9,600	9,600	7,885	(1,715)
Claremont RSMS	-	-	1,920	1,920
Claremont Sidewalks	-	-	3,120	3,120
Connecticut River Joint Commissions Admin	74,000	74,000	62,152	(11,848)
EPA Brownfields	205,000	205,000	178,295	(26,705)
Grantham MP	-	-	1,658	1,658
Grantham TA	-	-	19,066	19,066
Hanover Stream Crossing	3,000	3,000	3,000	-
Hanover Transportation Planner Circuit Rider	9,600	9,600	-	(9,600)
Hazard Mitigation Charl/Granth/Lemps	-	-	6,472	6,472
Hazard Mitigation Clar/Gosh/New/Sun/Was	-	-	6,101	6,101
Hazard Mitigation Newbury	-	-	6,217	6,217
Household Hazardous Waste Collections	70,000	70,000	130,497	60,497
Housing Utility	45,000	45,000	42,880	(2,120)
Lead Dust	1,200	1,200	6,626	5,426
Lebanon Build-Out	-	-	2,697	2,697
LISFF Stormwater	250,000	250,000	80,755	(169,245)
Navigator - NHFA	47,000	47,000	64,285	17,285
Newbury CIP	-	-	11,565	11,565
NewHomes VC	6,000	6,000	3,950	(2,050)
Newport HOP	-	-	4,076	4,076
NH DOT Unified Planning Work Program	264,809	264,809	289,726	24,917
Northern Border - Claremont Opera House	2,000	2,000	953	(1,047)
Northern Border - Clean Energy	3,440	3,440	2,042	(1,398)
Northern Border - Cornish Community Initiative	-	-	366	366
Northern Border - Mascoma Valley Preserve	3,000	3,000	1,512	(1,488)
Northern Border - Newport	2,000	2,000	519	(1,481)
Northern Border - Twin States Makers Space	5,250	5,250	2,006	(3,244)
Northern Border - UV Snowsports/Whaleback	1,600	1,600	984	(616)
Northern Border - Valley Regional Hospital	8,000	8,000	2,007	(5,993)
MPPA-Stormwater Project	-	-	1,920	1,920
On-Call Mapping And GIS Services	-	-	4,252	4,252
Orford Circuit Rider	9,600	9,600	14,029	4,429
Orford Drainage	-	-	3,360	3,360
NH OEP Targeted Block Grant	11,111	11,111	11,111	-
NHCF - Green Ifra Strategies	-	-	6,147	6,147
Plainfield Road Grade Assessment	1,760	1,760	1,694	(66)
Plainfield SADES	8,600	8,600	8,620	20
Regional Comprehensive Plan	85,000	85,000	27,215	(57,785)
Springfield Circuit Rider	3,840	3,840	4,031	191
Thriving Communities	390,000	390,000	239,411	(150,589)
Town of Canaan	-	-	1,120	1,120
US Department of Energy	72,000	72,000	48,250	(23,750)
US EPA Health Communities	-	-	4,082	4,082
USDA Rural Development SWM	41,817	41,817	60,366	18,549
USDA-Safety Training Fees	-	-	680	680
Wilmot Circuit Rider	9,600	9,600	9,840	240
Wilmot HOP	-	-	8,006	8,006
RSA Book Sales	-	-	1,914	1,914
Miscellaneous Grant/Contract Income	-	-	4,466	4,466
Amounts Available for Appropriation	2,157,706	2,157,706	1,855,638	(302,068)
Charges to Appropriations (Outflows):				
Current:				
Personnel services	869,859	869,859	808,668	61,191
Occupancy expenses	30,000	30,000	29,543	457
Professional services	46,600	46,600	33,983	12,617
Consultants	687,025	687,025	508,967	178,058
Travel	22,600	22,600	21,813	787
Office expenses	68,725	68,725	59,558	9,167
Fixed assets	2,000	2,000	2,773	(773)
Other expenses	13,786	13,786	11,929	1,857
Total Charges to Appropriations	1,740,595	1,740,595	1,477,234	263,361
Budgetary Fund Balance, June 30	$ 417,111	$ 417,111	$ 378,404	$ (38,707)
Utilization of unassigned fund balance	$ (135,757)	$ (135,757)	$ -	$ 135,757

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

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, 2025

	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Revenues			
Municipal Dues	$ 142,200	$ 142,247	$ 47
Grant and contract income:			
Acworth SADES	9,400	4,443	(4,957)
CDBG Micro REDC/RVCC Sullivan County	51,245	19,703	(31,542)
CDFA Transformative Planning	22,000	3,805	(18,195)
Claremont GIS - PW	7,680	240	(7,440)
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Claremont Sidewalks	-	3,120	3,120
Connecticut River Joint Commissions Admin	74,000	62,152	(11,848)
EPA Brownfields	205,000	178,295	(26,705)
Grantham MP	-	1,658	1,658
Grantham TA	-	19,066	19,066
Hanover Stream Crossing	3,000	3,000	-
Hanover Transportation Planner Circuit Rider	9,600	-	(9,600)
Hazard Mitigation Charl/Granth/Lemps	-	6,472	6,472
Hazard Mitigation Clar/Gosh/New/Sun/Was	-	6,101	6,101
Hazard Mitigation Newbury	-	6,217	6,217
Household Hazardous Waste Collections	70,000	130,497	60,497
Housing Utility	45,000	42,880	(2,120)
Lead Dust	1,200	6,626	5,426
Lebanon Build-Out	-	2,697	2,697
LISFF Stormwater	250,000	80,755	(169,245)
Navigator - NHFA	47,000	64,285	17,285
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NewHomes VC	6,000	3,950	(2,050)
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Northern Border - Valley Regional Hospital	8,000	2,007	(5,993)
MPPA-Stormwater Project	-	1,920	1,920
On-Call mapping and GIS services	-	4,252	4,252
Orford Circuit Rider	9,600	14,029	4,429
Orford Drainage	-	3,360	3,360
NH OEP Targeted Block Grant	11,111	11,111	-
NHCF - Green Infra Strategies	-	6,147	6,147
Plainfield Road Grade Assessment	1,760	1,694	(66)
Plainfield SADES	8,600	8,620	20
Regional Comprehensive Plan	85,000	27,215	(57,785)
Springfield Circuit Rider	3,840	4,031	191
Thriving Communities	390,000	239,411	(150,589)
Town of Canaan	-	1,120	1,120
US Department of Energy	72,000	48,250	(23,750)
US EPA Health Communities	-	4,082	4,082
USDA Rural Development SWM	41,817	60,366	18,549
USDA-Safety Training Fees	-	680	680
Wilmot Circuit Rider	9,600	9,840	240
Wilmot HOP	-	8,006	8,006
Total grant and contract income	1,734,152	1,425,657	(308,495)
Fee income:			
RSA Book Sales	-	1,914	1,914
Total fee income	-	1,914	1,914
Miscellaneous income:			
Interest	-	4,466	4,466
Total miscellaneous income	-	4,466	4,466
Total revenues	$ 1,876,352	$ 1,574,284	$ (302,068)

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, 2025

	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Expenditures			
Personnel services:			
Salaries and wages	$ 680,000	$ 633,526	$ 46,474
Payroll taxes	52,200	47,617	4,583
Workmen's comp and unemployment	1,800	859	941
Unemployment insurance	-	623	(623)
Health and dental insurance	65,000	76,743	(11,743)
Life/STD/LTD insurance	11,209	8,630	2,579
Retirement fund	38,650	30,170	8,480
Tuition reimbursement	21,000	10,500	10,500
Total personnel services	869,859	808,668	61,191
Occupancy expenses			
Rent	30,000	29,543	457
Total occupancy expenses	30,000	29,543	457
Professional services:			
IT and website consultant	-	2,445	(2,445)
Financial consultant	32,000	15,938	16,062
Auditing services	13,600	13,600	-
Misc professional consultant	1,000	2,000	(1,000)
Total professional services	46,600	33,983	12,617
Consultants:			
Brownfield consulting	175,000	161,329	13,671
Household hazardous waste hauler	70,000	131,037	(61,037)
Housing Utility	30,000	31,537	(1,537)
NH DOT	20,000	32,218	(12,218)
UPWP	-	4,420	(4,420)
LISFF	175,000	35,034	139,966
Thriving Community	195,000	73,414	121,586
USEPA	-	4,850	(4,850)
USDA	14,325	24,867	(10,542)
Misc consultants	7,700	10,261	(2,561)
Total consultants	687,025	508,967	178,058
Travel:			
Travel/rooms and meals	17,000	13,018	3,982
Vehicle expenses	5,600	8,795	(3,195)
Total travel	22,600	21,813	787

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, 2025

	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Office expenses:			
General supplies	$ 27,500	$ 20,871	$ 6,629
Printing	4,000	5,978	(1,978)
Advertising	2,000	1,585	415
Publications	500	-	500
Subscriptions	500	221	279
Postage	725	751	(26)
Telephone/Internet	3,500	3,384	116
Professional development	5,000	4,159	841
Annual meeting/special events	4,500	4,128	372
Planning/land use law books	2,000	1,884	116
Software/data services	18,500	16,597	1,903
Total office expenses	68,725	59,558	9,167
Office equipment:			
Equipment	2,000	2,773	(773)
Total office equipment	2,000	2,773	(773)
Other expenses:			
Dues/memberships	3,000	3,043	(43)
Property and liability insurance	8,786	8,786	-
Misc expense	2,000	100	1,900
Total other expenses	13,786	11,929	1,857
Total expenditures	1,740,595	1,477,234	263,361
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 135,757	97,050	$ (38,707)
FUND BALANCE - JULY 1, 2024, AS PREVIOUSLY REPORTED		290,293	
FUND BALANCE CORRECTION		(8,939)	
FUND BALANCE - JULY 1, 2024, AS RESTATED		281,354	
FUND BALANCE - JUNE 30, 2025		$ 378,404	

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

COMBINING CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2025

	UVLSRPC	UVLSRPC Foundation	Total
ASSETS			
Cash and cash equivalents	$ 316,569	$ 59,450	$ 376,019
Accounts receivable (net of allowance for uncollectibles):			
Trade	183,309	-	183,309
Prepaid items	7,121	-	7,121
TOTAL ASSETS	$ 506,999	$ 59,450	$ 566,449
LIABILITIES			
Accounts payable	$ 48,942	$ 1,250	$ 50,192
Accrued expenses	15,434	-	15,434
TOTAL LIABILITIES	64,376	1,250	65,626
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	64,219	-	64,219
TOTAL DEFERRED INFLOWS OF RESOURCES	64,219	-	64,219
FUND BALANCES			
Nonspendable	7,121	-	7,121
Restricted	-	-	-
Committed	-	58,200	58,200
Assigned	-	-	-
Unassigned	371,283	-	371,283
TOTAL FUND BALANCES	378,404	58,200	436,604
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 506,999	$ 59,450	$ 566,449

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, 2025

	UVLSRPC	UVLSRPC Foundation	Total
REVENUES			
Municipal dues	$ 142,247	$ -	$ 142,247
Grant and contract income	1,425,657	-	1,425,657
Fee Income	1,914	-	1,914
Contributions	-	30,000	30,000
Miscellaneous income	4,466	-	4,466
TOTAL REVENUES	1,574,284	30,000	1,604,284
EXPENDITURES			
Current:			
Personnel services	808,668	-	808,668
Occupancy expenses	29,543	-	29,543
Professional services	33,983	-	33,983
Consultants and contract services	508,967	-	508,967
Travel	21,813	-	21,813
Office expenses	59,558	-	59,558
Office equipment	2,773	-	2,773
Program services	-	42,854	42,854
Other expenses	11,929	75	12,004
TOTAL EXPENDITURES	1,477,234	42,929	1,520,163
NET CHANGE IN FUND BALANCES	97,050	(12,929)	84,121
FUND BALANCE - JULY 1, AS PREVIOUSLY REPORTED	290,293	71,129	361,422
FUND BALANCE CORRECTION	(8,939)	-	(8,939)
FUND BALANCE - JULY 1, AS RESTATED	281,354	71,129	352,483
FUND BALANCE - JUNE 30	$ 378,404	$ 58,200	$ 436,604

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

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- 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
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor Pass-through Grantor Program/Cluster Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
United States Department of Agriculture				
Direct				
Solid Waste Management Grants	10.762	N/A	$ -	$ 60,366
Total United States Department of Agriculture			-	60,366
United States Department of Housing and Urban Development				
Passed through New Hampshire Community Development Finance Authority:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	-	19,703
Passed through Strafford Regional Planning Commission				
Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	B-22-CP-NH-0567	-	27,215
Total United States Department of Housing and Urban Development			-	46,918
United States Department of Transportation				
Direct				
Thriving Communities Program Capacity Builders Cooperative Agreements	20.942	N/A	-	239,411
Passed through New Hampshire Department of Transportation				
Highway Planning and Construction	20.205	44373	-	289,726
Total United States Department of Transportation			-	529,137
United States Department of Treasury				
Passed through New Hampshire Department of Business and Economic Affairs:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	64,285
Total United States Department of Treasury			-	64,285
United States Environmental Protection Agency				
Direct				
Healthy Communities Grant Program	66.110	N/A	-	4,082
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup	66.818	N/A	-	178,295
Passed through National Fish and Wildlife Foundation				
Nonpoint Source Implementation Grants	66.460	1401.24.081167	-	80,755
Passed through New Hampshire Department of Environmental Services:				
Hazardous Waste Management State Support Program	66.801	N/A	-	13,824
Total United States Environmental Protection Agency			-	276,956
United States Department of Energy				
Passed through New England Energy Efficiency Partnership				
Conservation Research and Development	81.086	DE-EE001617	-	48,250
Total United States Department of Energy			-	48,250
Northern Border Regional Commission				
Direct				
Northern Border Regional Development	90.601	NBRC23GNH19	-	953
Northern Border Regional Development	90.601	NBRC23GNH06	-	2,042
Northern Border Regional Development	90.601	GT-CAT00044	-	365
Northern Border Regional Development	90.601	NBRC20GNH04	-	1,512
Northern Border Regional Development	90.601	NBRC21GNH03	-	519
Northern Border Regional Development	90.601	NBRC23GNH16	-	2,007
Northern Border Regional Development	90.601	NBRC23GNH01	-	2,007
Northern Border Regional Development	90.601	NBRC23GUSDA03	-	984
Total Norther Border Regional Development			-	10,389
Total Northern Border Regional Commission			-	10,389
TOTAL FEDERAL ASSISTANCE			$ -	$ 1,036,301

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Upper Valley Lake Sunapee Regional Planning Commission under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Upper Valley Lake Sunapee Regional Planning Commission, it is not intended to and does not present the financial position, changes in net position or cash flows of the Upper Valley Lake Sunapee Regional Planning Commission.

2. Summary of Significant Accounting Policies

a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

b. The Upper Valley Lake Sunapee Regional Planning Commission has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Expenditures to Subrecipients

The Upper Valley Lake Sunapee Regional Planning Commission did not subgrant any federal awards during the fiscal year ended June 30, 2025.

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, each major fund and the discretely presented component unit of the Upper Valley Lake Sunapee Regional Planning Commission as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Upper Valley Lake Sunapee Regional Planning Commission's basic financial statements and have issued our report thereon dated December 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Upper Valley Lake Sunapee Regional Planning Commission's internal control over financial reporting (internal control) as a basis for determining 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 the 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 organization'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*. We noted certain other matters that were reported to management of the Upper Valley Lake Sunapee Regional Planning Commission in a separate letter dated December 10, 2025.

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
December 10, 2025

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Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Upper Valley Lake Sunapee Regional Planning Commission's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Example Entity's major federal programs for the year ended June 30, 2025. The Upper Valley Lake Sunapee Regional Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Upper Valley Lake Sunapee Regional Planning Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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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 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 opinion on compliance for each major federal program. Our audit does not provide a legal

determination of the Upper Valley Lake Sunapee Regional Planning Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Upper Valley Lake Sunapee Regional Planning Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Upper Valley Lake Sunapee Regional Planning Commission's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Upper Valley Lake Sunapee Regional Planning Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

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

- Identify and assess the risks of material noncompliance, 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 Upper Valley Lake Sunapee Regional Planning Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Upper Valley Lake Sunapee Regional Planning Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Upper Valley Lake Sunapee Regional Planning Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Upper Valley Lake Sunapee Regional Planning Commission's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Upper Valley Lake Sunapee Regional Planning Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
December 10, 2025

UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies) identified? ____yes __X__no
- Noncompliance material to financial statements noted? ____yes __X__no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies) identified? __X__yes ____no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance? __X__yes ____no

Identification of major programs:

AL Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
20.942	Thriving Communities Program

Dollar threshold used to distinguish between type A and B: $750,000

Auditee qualified as low-risk auditee? ____yes __X__no

Section II - Financial Statement Findings

None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section III - Findings and Questioned Costs for Federal Awards

SIGNIFICANT DEFICIENCIES

Finding Number: 2025-001 Procurement Policy

Federal Program: 20.205 Highway Planning and Construction

Criteria: Per 2 CFR 200.317–200.327, non-Federal entities are required to follow procurement standards that ensure full and open competition, proper documentation and compliance with the Uniform Guidance. Entities must update their written procurement policies to align with the most current Uniform Guidance requirements.

Condition: During the audit procedures, it was identified the entity's written procurement policy has not been updated to reflect the current requirements under 2 CFR 200.

Cause: Management has not updated the written procurement policy since 2011 and was not aware of recent revisions to 2 CFR 200 procurement standards.

Effect: An outdated policy increases the risk of noncompliance with federal procurement regulations. While our sample testing of procurement transactions did not identify instances of noncompliance, the absence of an updated policy could result in future procurement actions that do not comply with federal requirements.

Questioned Costs: None.

Recommendation: We recommend that management update its procurement policy to include all current requirements under 2 CFR 200 and implement a process to periodically review and revise the policy to remain compliant with future federal regulation changes.

Views of Responsible Officials and Corrective Action Plan: Please see the Corrective Action Plan issued by the entity

U V L S R P C

Upper Valley Lake Sunapee Regional Planning Commission

CORRECTIVE ACTION PLAN (Concerning Finding 2025-001)

Contact Person Responsible for Corrective Action: Meghan Butts, Executive Director

Corrective Action: The Upper Valley Lake Sunapee Regional Planning Commission will take the following actions to address finding 2025-001:

- We will revise our existing procurement policy to align with the current requirements outlined in 2 CFR 200.

Anticipated Completion Date: February 11th, 2026

10 Water Street, Suite 225 Lebanon, NH 03766 603-448-1680