



**UPPER VALLEY LAKE SUNAPEE  
REGIONAL PLANNING COMMISSION**

Financial Statements  
For the Year Ended June 30, 2020

(With Independent Auditors' Report Thereon)

## CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position	9
Statement of Activities	10
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
<b>Notes to Financial Statements</b>	15



## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Upper Valley Lake Sunapee Regional Planning Commission

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Upper Valley Lake Sunapee Regional Planning Commission (the Commission), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

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Merrimack, New Hampshire  
Andover, Massachusetts  
Greenfield, Massachusetts  
Ellsworth, Maine

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financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Upper Valley Lake Sunapee Regional Planning Commission, as of June 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Commission's fiscal year 2019 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 evidence sufficient to express an opinion or provide any assurance.

*Melanson*

Merrimack, New Hampshire  
January 28, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Upper Valley Lake Sunapee Regional Planning Commission (the Commission), we offer readers this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2020.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements.

#### ***Government-Wide financial statements***

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

#### ***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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The accounts of the Commission are reported as governmental funds.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 Commission's near-term financing decisions. Reconciliations to facilitate this comparison between governmental funds and governmental activities are provided.

**Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Financial Highlights**

- As of the close of the current fiscal year, total assets exceeded liabilities by \$109,031 (i.e., net position), a change of \$12,787 in comparison to the prior fiscal year.
- As of the close of the current fiscal year, governmental funds reported an ending fund balance of \$98,133, a change of \$15,165 in comparison with the prior fiscal year.
- As of the close of the current fiscal year, unassigned fund balance for the General Fund was \$76,852, a change of \$11,331 in comparison to the prior fiscal year.

**Government-Wide Financial Analysis**

Net position of the Commission's governmental activities for the current and prior fiscal years are as follows:

	<u>2020</u>	<u>2019</u>
Current assets	\$ 154,181	\$ 183,002
Noncurrent assets	<u>30,829</u>	<u>38,715</u>
Total assets	185,010	221,717
Current liabilities	56,048	100,034
Noncurrent liabilities	<u>19,931</u>	<u>25,439</u>
Total liabilities	75,979	125,473
Net investment in capital assets	30,829	38,715
Unrestricted net position	<u>78,202</u>	<u>57,529</u>
Total net position	<u>\$ 109,031</u>	<u>\$ 96,244</u>

As noted earlier, net position may serve over time as a useful indicator of financial position. At the close of the most recent fiscal year, total net position was \$109,031, a change of \$12,787 from the prior fiscal year.

A portion of net position \$30,829, reflects our investment in capital assets (e.g., furniture and equipment). These capital assets are used to provide services; consequently, these assets are not available for future spending. The remaining balance of unrestricted net position of \$78,202 may be used to meet the Commission’s ongoing obligations.

Change in net position of the Commission’s governmental activities for the current and prior fiscal years is as follows:

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 779,700	\$ 833,250
General revenues:		
Local dues	113,780	112,621
Miscellaneous	<u>3,717</u>	<u>3,820</u>
Total revenues	897,197	949,691
Expenses:		
Advertising	1,229	1,139
Depreciation	7,102	7,881
Employee benefits and taxes	122,848	112,525
Equipment repairs and maintenance	7,634	6,498
Legal and professional	12,495	15,372
Miscellaneous	11,731	12,590
Postage	996	1,031
Printing and reproduction	4,193	3,820
Professional development	2,610	355
Publications	1,887	1,701
Rent	48,971	48,161
Salaries and wages	421,731	396,623
Software	16,862	24,838
Supplies	15,090	9,892
Technical and professional services	187,363	344,553
Telephone/internet	4,547	4,462
Travel	12,833	7,986
Vehicle	<u>4,288</u>	<u>3,946</u>
Total expenses	<u>884,410</u>	<u>1,003,373</u>
Change in net position	12,787	(53,682)
Net position - beginning of year	<u>96,244</u>	<u>149,926</u>
Net position - end of year	<u>\$ 109,031</u>	<u>\$ 96,244</u>



Governmental activities for the year resulted in a change in net position of \$12,787. Key elements of this change are as follows:

General Fund operating results	\$ 15,165
Loss on disposal of capital assets	(784)
Depreciation expense	(7,102)
Change in compensated absences liability	<u>5,508</u>
Total	<u>\$ 12,787</u>

The Commission’s current year General Fund operating results of \$15,165 is largely a result of reduction of project specific contractor costs.

**Financial Analysis of the Commission’s Funds**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, fund balance may serve as a useful measure of the Commission’s net resources available for spending at the end of the fiscal year.

*General Fund*

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$76,852, while total fund balance was \$98,133. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>	<u>Percentage of General Fund Expenditures</u>
Unassigned fund balance	\$ 76,852	\$ 65,521	\$ 11,331	8.71%
Total fund balance	\$ 98,133	\$ 82,968	\$ 15,165	11.13%

**Capital Assets**

Total investment in capital assets for governmental activities at fiscal year-end amounted to \$30,829 (net of accumulated depreciation). This investment in capital assets includes furniture and equipment.

Additional information on capital assets can be found in the Notes to Financial Statements.

## **Requests for Information**

This financial report is designed to provide a general overview of Upper Valley Lake Sunapee Regional Planning Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Upper Valley Lake Sunapee Regional Planning Commission

10 Water Street

Lebanon, New Hampshire 03766

**UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION**

Statement of Net Position  
 June 30, 2020  
 (with comparative totals as of June 30, 2019)

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current Assets:		
Cash and short-term investments	\$ 60,333	\$ 52,856
Accounts receivable, net	93,561	129,281
Prepaid expenses	<u>287</u>	<u>865</u>
Total Current Assets	154,181	183,002
Noncurrent Assets:		
Capital assets, net of accumulated depreciation	<u>30,829</u>	<u>38,715</u>
Total Assets	185,010	221,717
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	15,897	33,093
Accrued payroll and related liabilities	17,934	15,013
Advance receipts	<u>22,217</u>	<u>51,928</u>
Total Current Liabilities	56,048	100,034
Noncurrent Liabilities:		
Compensated absences	<u>19,931</u>	<u>25,439</u>
Total Liabilities	75,979	125,473
<b>Net Position</b>		
Net investment in capital assets	30,829	38,715
Unrestricted	<u>78,202</u>	<u>57,529</u>
Total Net Position	<u>\$ 109,031</u>	<u>\$ 96,244</u>

The accompanying notes are an integral part of these financial statements.

**UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION**

Statement of Activities  
For the Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and <u>Contributions</u>	Net (Expenses) Revenues and Change in <u>Net Position</u>
<b>Governmental Activities</b>			
Planning services	\$ <u>884,410</u>	\$ <u>779,700</u>	\$ <u>(104,710)</u>
Total Governmental Activities	\$ <u><u>884,410</u></u>	\$ <u><u>779,700</u></u>	(104,710)
		<b>General Revenues:</b>	
		Local dues	113,780
		Miscellaneous income	<u>3,717</u>
		Total General Revenues	<u>117,497</u>
		Change in Net Position	12,787
		<b>Net Position:</b>	
		Beginning of year	<u>96,244</u>
		End of year	\$ <u><u>109,031</u></u>

The accompanying notes are an integral part of these financial statements.

**UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION**

Governmental Funds  
Balance Sheet  
June 30, 2020  
(with comparative totals as of June 30, 2019)

	<u>General Fund</u>	
	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and short-term investments	\$ 60,333	\$ 52,856
Accounts receivable, net	93,561	129,281
Prepaid expenses	<u>287</u>	<u>865</u>
Total Assets	<u>\$ 154,181</u>	<u>\$ 183,002</u>
<b>Liabilities</b>		
Accounts payable	\$ 15,897	\$ 33,093
Accrued payroll and related liabilities	17,934	15,013
Advance receipts	<u>22,217</u>	<u>51,928</u>
Total Liabilities	56,048	100,034
<b>Fund Balances</b>		
Nonspendable for prepaid expenses	287	865
Committed	20,994	16,582
Unassigned	<u>76,852</u>	<u>65,521</u>
Total Fund Balances	<u>98,133</u>	<u>82,968</u>
Total Liabilities and Fund Balances	<u>\$ 154,181</u>	<u>\$ 183,002</u>

The accompanying notes are an integral part of these financial statements.

**UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION**

Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
in the Statement of Net Position  
June 30, 2020

<b>Governmental fund balances</b>	\$ 98,133
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	30,829
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in governmental funds.	<u>(19,931)</u>
<b>Net position of governmental activities</b>	\$ <u>109,031</u>

The accompanying notes are an integral part of these financial statements.

**UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2020

(with comparative totals for the year ended June 30, 2019)

	<u>General Fund</u>	
	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Government grants and contracts	\$ 779,700	\$ 833,250
Local dues	113,780	112,621
Miscellaneous income	<u>3,717</u>	<u>3,820</u>
Total Revenues	897,197	949,691
<b>Expenditures</b>		
Advertising	1,229	1,139
Employee benefits and taxes	122,848	112,525
Equipment repairs and maintenance	7,634	7,522
Legal and professional	12,495	15,372
Miscellaneous	10,947	12,590
Postage	996	1,031
Printing and reproduction	4,193	3,820
Professional development	2,610	355
Publications	1,887	1,701
Rent	48,971	48,161
Salaries and wages	427,239	387,130
Software	16,862	24,838
Supplies	15,090	9,892
Technical and professional services	187,363	344,553
Telephone/internet	4,547	4,462
Travel	12,833	7,986
Vehicle	<u>4,288</u>	<u>3,946</u>
Total Expenditures	<u>882,032</u>	<u>987,023</u>
Change in Fund Balance	15,165	(37,332)
Fund Balance, Beginning of Year	<u>82,968</u>	<u>120,300</u>
Fund Balance, End of Year	<u>\$ 98,133</u>	<u>\$ 82,968</u>

The accompanying notes are an integral part of these financial statements.

**UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION**

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2020

**Change in fund balance - governmental funds** \$ 15,165

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Loss on disposal of capital assets (784)

Depreciation (7,102)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

**Change in net position - governmental activities** 5,508  
\$ 12,787

The accompanying notes are an integral part of these financial statements.



# UPPER VALLEY LAKE SUNAPEE REGIONAL PLANNING COMMISSION

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of Upper Valley Lake Sunapee Regional Planning Commission (the Commission) conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The following is a summary of significant accounting policies:

#### ***Reporting Entity***

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. Its 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).

As required by Generally Accepted Accounting Principles, these financial statements present the Commission and applicable component units for which the Commission is considered to be financial accountable. In fiscal year 2020, it was determined that no entities met the GASB 14 (as amended) criteria of component units.

#### ***Government-Wide and Fund Financial Statements***

##### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Commission.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Local dues and other items not properly included among program revenues are reported instead as general revenues.

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds. The Commission has one governmental fund, the General Fund.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

#### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include operating grants and contributions. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include local dues.

### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures, such as claims and judgments and compensated absences, are recorded as expenditures only when payment is due.

### ***Cash and Investments***

Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Deposits with financial institutions consist of deposits in checking and money market accounts.

### ***Capital Assets***

Capital assets, which include furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an individual cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives of the respective assets over a period of three to seven years.

### ***Compensated Absences***

It is the Commission's policy to permit employees to accumulate earned but unused vacation benefits. All vested vacation pay is accrued when incurred in the government-

wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

### ***Fund Equity***

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

### ***Fund Balance***

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The Commission reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Commission’s fund balance classifications are as follows:

- *Nonspendable funds* are either unspendable in current form (i.e., prepaid items) or can never be spent.
- *Restricted funds* are used solely for the purpose in which the fund was established, including those with external constraints on how the funds can be expended.
- *Committed funds* are reported and expended as a result of motions passed by the highest decision-making authority in the Commission (i.e., the Board of Commissioners).
- *Assigned funds* are used for specific purposes established by management. These funds include encumbrances which have been assigned for specific goods and services ordered but not yet received.
- *Unassigned funds* are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Commission uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

### ***Net Position***

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use, either through enabling legislation adopted by the Commission or through external restrictions

imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

***Use of Estimates***

The preparation of basic financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

***Comparative Financial Information***

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended June 30, 2019.

**2. Deposits and Investments**

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. The Commission does not have formal deposit policies related to the custodial credit risk of deposits.

As of June 30, 2020, none of the Commission's bank balance was exposed to custodial credit risk as uninsured or uncollateralized.

**3. Accounts Receivable, Net**

Receivables are comprised of amounts due from federal, state, and local governments for grants and contractual services. Receivables as of June 30, 2020 and 2019 are recorded net of allowance of \$815 and \$815, respectively.

#### 4. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2020 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets, being depreciated:				
Furniture and equipment	\$ 122,375	\$ -	\$ (3,615)	\$ 118,760
Less accumulated depreciation	<u>(83,660)</u>	<u>(7,102)</u>	<u>2,831</u>	<u>(87,931)</u>
Governmental activities capital assets, net	<u>\$ 38,715</u>	<u>\$ (7,102)</u>	<u>\$ (784)</u>	<u>\$ 30,829</u>

#### 5. Advance Receipts

Advance receipts consist of contract revenues from other governments for use in subsequent fiscal years when contract performance requirements have been met.

#### 6. Line of Credit

The Commission has a \$25,000 unsecured revolving line of credit available. The line is payable on demand with interest only payments due monthly. The line was not utilized in fiscal years 2020 and 2019. At June 30, 2020 and 2019, the entire amount was available.

#### 7. Operating Leases

The Commission rents office space under a five-year lease agreement that ends on September 30, 2025. Rent is adjusted annually by the Consumer Price Index. In addition to the base rent, the Commission is required to pay their proportionate share of the landlord's operating costs, expenses, and utilities. Annual lease payments for fiscal years ended June 30, 2020 and 2019, totaled \$48,971 and \$48,161, respectively.

On March 8, 2019, the Commission entered into a three-year lease agreement for a vehicle. Monthly payments of \$324 are required.

#### 8. Retirement Plan

The Commission offers a 457(b) plan to eligible employees and matches up to a maximum of 6% of the employee's gross compensation. The Commission funds placed in a 401(a) 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, 2020 and 2019 was \$24,042 and \$21,554, respectively.

## **9. 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, contracts, and other governance items. The current contract with CRJC ended on June 30, 2020. At June 30, 2020 and 2019, CRJC owed the Commission \$9,623 and \$9,374, 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 July 1, 2020 to June 30, 2021.

## **10. Commitments and Contingencies**

### ***COVID-19***

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on organizations served by the Commission, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

### ***Grants***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

## **11. 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, 2020, funding from the New Hampshire Department of Transportation and the United States Environmental Protection Agency accounted for 30% and 10%, respectively, of total revenue.

**12. Subsequent Events**

Management has evaluated subsequent events through January 28, 2021 which is the date the financial statements were available to be issued.

**13. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*, effective for the Commission beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported, and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the Commission beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.