

CENTRAL MASSACHUSETTS
REGIONAL PLANNING
COMMISSION

FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY
INFORMATION, AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the
Central Massachusetts Regional Planning Commission

Opinions

We have audited the accompanying financial statements of Central Massachusetts Regional Planning Commission (the commission) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Massachusetts Regional Planning Commission. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 opinion. 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 generally accepted 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 control 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 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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

Account principles generally accepted in the United States of America require that the management's discussion and analysis and certain pension and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquires, 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 an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 March 28, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing 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 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 Commission's internal control over financial reporting and compliance.

Roland P. Lambalot, PC

Methuen, Massachusetts
March 28, 2024

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information

Management's Discussion and Analysis - Unaudited

The following is offered to the readers of the Central Massachusetts Regional Planning Commission's financial statements. It is a narrative overview and analysis of the financial performance of the Central Massachusetts Regional Planning Commission (the Commission) during the fiscal year ended June 30, 2023. Please read this discussion and analysis in conjunction with the Commission's financial statements which begin on page 7.

This financial report is designed to provide an overview of the 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 the Commission at Central Massachusetts Regional Planning Commission, 1 Mercantile Street, Suite 520, Worcester, Massachusetts 01608.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission is a public agency engaged in certain activities. As such, its financial statements consist of only those financial statements required for proprietary funds and related notes.

Revenue is recorded when earned and expenses are recorded when incurred. The financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. These are followed by the notes to the financial statements. In addition to the financial statements, this report also contains supplemental schedules pertaining to the services provided for the various grants and contracts undertaken by the Commission.

The statement of net position presents information on the assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of revenues, expenses and changes in net position reports the operating revenues and expenses and nonoperating revenues and expenses of the Commission for the fiscal year with the difference – the net income or loss – being used to determine the net change in position for the fiscal year. That change combined with the previous year's end net position total reconciles to the net position total at the end of this fiscal year.

The statement of cash flows reports cash and investment activities for the fiscal year resulting from operating activities and capital and related activities. The net result of these activities added to the beginning of the year cash and investment balance reconciles to the cash and investment balance of the current fiscal year.

The notes to the financial statements provide additional information that is essential to the understanding of the data provided in the basic financial statements and can be found on pages 12 through 29 of the report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information

Management's Discussion and Analysis - Unaudited

Condensed Financial Information

Condensed financial information as of and for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 3,592,675	\$ 2,891,317
Noncurrent assets, deferred outflows	697,570	831,052
Total assets	<u>4,290,245</u>	<u>3,722,369</u>
Current liabilities	1,810,428	1,322,011
Long-term liabilities, deferred inflows	1,905,988	1,967,885
Total liabilities	<u>3,716,416</u>	<u>3,289,896</u>
Total net position	<u>\$ 573,829</u>	<u>\$ 432,473</u>
Total operating revenues	<u>\$ 4,856,952</u>	<u>\$ 4,776,843</u>
Total operating expenses, excluding depreciation and OPEB	4,407,817	4,481,535
Depreciation	22,448	17,793
GASB 75 OPEB expense	285,331	-
Total operating expenses, including depreciation and OPEB	<u>4,715,596</u>	<u>4,499,328</u>
Change in net position	141,356	277,515
Beginning net position	<u>432,473</u>	<u>154,958</u>
Ending net position	<u>\$ 573,829</u>	<u>\$ 432,473</u>

Financial Highlights

The assets of the Commission exceed its liabilities at the close of the most recent fiscal year by \$263,152. Total net position decreased by \$169,321 for the year ended June 30, 2023. The expenses, except for depreciation, amortization, and OPEB are funded annually through assessments and a combination of federal, state and local assistance. The Central Massachusetts Regional Planning Commission's net position consists primarily of cash and accounts receivable and its OPEB liability.

Key factors in the change in net position are as follows:

- Contract revenue decreased by \$230,568 or 4.82%
- Total expenses, exclusive of depreciation and OPEB, decreased by \$76,918 or 1.71%
- Revenues from assessments from member communities were \$181,679

See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information

Management's Discussion and Analysis - Unaudited

Economic Factors and Next Year's Budget

Charged with improving the quality of life for those who live and work in the Region, CMRPC evolves with the Region's needs. Across sectors, calls to preserve Massachusetts' diverse character are on the rise. For our Region in particular, preservation and necessary growth must occur in tandem. As we pursue targeted economic development, regional housing needs and improved transportation infrastructure, we must also protect our unique resources, mitigate sprawl, and ensure environmental sustainability. In the coming years, we will be required to take an integrated, cross-sector planning approach.

CMRPC, together with our partners, will leverage these changes to strengthen Central Massachusetts. We will lead the charge while looking to our local governments, State officials, Federal, State and Local partners, nonprofits, business communities, and the public – for collaboration and support. CMRPC staff, delegates and various committees have continued to convene using Zoom and in-person hybrid meetings, providing for a safe environment and continuing to allow for public participation during remote weekly, bi-weekly, monthly, quarterly and annual meetings. CMRPC will continue to work with local, state and federal governments, along with our economic development partners to bring in resources to assist our communities during and after the pandemic. We expect post-pandemic challenges and opportunities throughout the next fiscal year.

As allowed by enabling legislation, community assessments have been approved by Commission Delegates, with assessments calculated at a level per capita based on the new certified 2020 Census population, and will be forwarded to municipalities for Town Meeting consideration.

All financial statements, footnote disclosures made, and schedules prepared to satisfy Governmental Accounting Standards Board (GASB) 68 requirements have been presented based on the Commission's opinion that it is in a special funding situation. No net pension liability for the current year nor prior period adjustment have been reported as, under a special funding situation, the responsibility for these items belongs to the nonemployer contributing entity. It is the Commission's opinion that it is, and has been for over forty years, in a special funding arrangement as defined by GASB 68. The Commission's position is contrary to that presented in the published Massachusetts State Employees' Retirement System report. The Commission has joined other similarly affected agencies and will continue to pursue legislative relief from this, and any other, assessment for employer contributions or reimbursements.

CMRPC's Administrative practices continue to provide steady support to staff, with a low indirect cost rate, healthy cash flow due to the planning staff's contracts and modest operating surplus before consideration of the Other Post Employee Benefits (OPEB) expense. During this past year, we have continued to grow our programs and staffing. Monthly financial reviews and policy directives from the Executive Committee have contributed greatly and its oversight has accounted for our sound financial position. We extend our sincere appreciation to commission Delegates and especially to the conscientious and devoted Executive Committee, for its leadership and support.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Net Position

June 30, 2023

ASSETS

Current Assets

Unrestricted cash and short term investments	\$ 2,604,981
Accounts Receivable	
Federal/State grants	511,871
Local contracts	236,906
Unbilled costs	194,821
Prepaid expense	44,096

Total current assets 3,592,675

Non-Current Assets:

Office Furniture and Equipment	158,809
Less: accumulated depreciation	(113,067)
Lease Asset	856,556
Less: accumulated amortization	(225,905)

Total non-current assets 676,393

Total assets 4,269,068

Deferred Outflows of Resources Related to OPEB plans 21,177

Total assets and Deferred Outflow of Resources \$ 4,290,245

LIABILITIES

Current Liabilities

Accounts payable	\$ 726,610
Accrued expenses	18,800
Accrued payroll	62,491
Deferred revenue	897,519
Lease liability	105,008

Total current liabilities 1,810,428

Long-term Liabilities

Compensated absences	150,348
Lease liability	558,612
Net OPEB liability (Note 11)	1,197,028

Total Long-term Liabilities 1,905,988

Total Liabilities 3,716,416

Commitments and Contingencies (Notes 12 and 15) -

NET POSITION

Invested in capital assets, net of related debt	12,773
Unrestricted	1,736,907
Unrestricted - OPEB (Note 16)	(1,175,851)

Total Net Position \$ 573,829

See accompanying notes to the financial statements

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2023

Operating Revenues:

Federal	\$ 2,116,409
State	1,423,632
Local contracts	751,237
Local assessments	181,679
Other local revenue	383,995

Total Operating Revenues 4,856,952

Other revenue

Pension Support from Nonemployer Contributing Entity (Note 12)	518,308
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Total Revenue 5,375,260

Operating Expenses

Direct salaries	1,748,570
Consultants	964,377
Travel	12,064
Supplies	11,953
Conferences/meetings	9,608
Other direct costs	28,797
OPEB expense	285,331
Indirect costs	1,654,896

Total Operating Expenses 4,715,596

Pension expense (Note 12)	518,308
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Total Expenses 5,233,904

Change in net position 141,356

Net position - beginning of year 432,473

Net position - end of year \$ 573,829

See accompanying notes to the financial statements

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Cash Flows

Year Ended June 30, 2023

Cash Flows From Operating Activities

Federal, state and local contracts	\$ 4,850,494
Other cash receipts	383,995
Payments to vendors	(1,564,407)
Payments to employees for services	(2,593,501)
	<hr/>
Net cash used by operating activities	1,076,581

Cash Flows from Financing Activities:

Purchase of fixed assets	(33,082)
Repayments of lease liability	(99,253)
Net OPEB adjustments	49,954
	<hr/>
Net cash used by capital and related financing activities	(82,381)

Change in cash and cash equivalents 994,200

Cash and cash equivalents - beginning of year 1,610,781

Cash and cash equivalents - end of year \$ 2,604,981

Reconciliation of increase in net position to net cash provided by operating activities:

Change in net position	\$ 141,356
Adjustments:	
Depreciation	22,448
OPEB expense	285,331
Revenue adjustments	(310,676)
Changes in assets and liabilities	
Receivables	309,491
Prepaid expenses	(16,649)
Payables	591,771
Accrued payroll	53,509
	<hr/>
Net cash used by operating activities	<u><u>\$ 1,076,581</u></u>

See accompanying notes to the financial statements

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Fiduciary Net Position

June 30, 2023

Assets

	<u>OPEB Trust</u>
Cash and short term investments	\$ -
Investments	
Model Port Moderate Fund	<u>884,782</u>
 Total current assets	 <u><u>\$ 884,782</u></u>

Net Position

Net position restricted for postemployment benefits other than pensions	<u><u>\$ 884,782</u></u>
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CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	<u>OPEB Trust</u>
Additions:	
Employer contributions	\$ -
Investment income	
Net increase in fair value of investments	85,399
Less: investment expenses	<u>(844)</u>
Net investment income	<u>84,555</u>
Total additions	<u>84,555</u>
Deductions:	
Benefit Payments	<u>16,385</u>
Total deductions	<u>16,385</u>
Change in net position	68,170
Net position, beginning of year	<u>816,612</u>
Net position, end of year	<u><u>\$ 884,782</u></u>

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 1. Nature of the Organization

The Central Massachusetts Regional Planning Commission was established as a public body corporate in accordance with Section 3, Chapter 40B of the General Laws of the Commonwealth of Massachusetts on July 30, 1963. The Commission was established primarily to assist a city or town to plan jointly with other cities and towns, and to promote with the greatest efficiency and economy the coordinated and orderly development of areas within its jurisdiction and the general welfare and prosperity of its citizens. The Commission members, alternates and advisory committee members receive no compensation other than reimbursements for certain allowable expenses. The Commission is directed by statute to make certain studies of the District's resources, possibilities and needs and, on the basis of such comprehensive study plans, to recommend undertakings for the physical, social and economic improvements of the District. The criteria provided in Government Accounting Standards Board (GASB) Statement No. 14, as modified, have been considered and there are no agencies which should be presented as component units in these financial statements of the Commission.

NOTE 2. Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Central Massachusetts Regional Planning Commission (the Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. The more significant of the Commission's accounting policies are described below:

The operations of the Commission are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the Commission are included in the Statements of Net Assets. The principal revenues of the Commission are revenues received from federal, state and local contracts. The Commission also recognizes as operating revenue the assessments received from member communities. Operating expenses for the Commission include the direct costs of performing the required services under the planning contracts, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund Component Unit: The Central Massachusetts Regional Planning Commission Other Post-Employment Benefits Trust (OPEB Trust) was established for the sole purpose of providing funding for post-employment health care and other benefits provided by the Commission. The OPEB Trust is presented using accrual basis of accounting and is reported as an OPEB trust fund in the fiduciary funds financial statement. The OPEB Trust did not issue a separate audited financial statement.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

B. Budget

The Commission must establish an operating budget each year so that the amounts reflect the sum of (a) the aggregate of all revenue projected to be received by the Commission, including available surplus funds less (b) the aggregate of all annual appropriations for expenditures. The budget for all operations of the Commission is prepared by the Executive Director and is acted upon by the full Commission. The budget is prepared on the accrual basis.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid deposits with an original maturity of three months or less when purchased. These deposits are fully collateralized or covered by federal deposit insurance except as stated in Note 3. The carrying amount of the cash equivalents is fair value.

D. Compensated Absences

Employees of the Commission are entitled to paid vacation and paid sick days, depending on job classification, length of service and other factors. The Commission's policy is to recognize the costs of vacation time when earned, not when paid. Accordingly, a liability entitled Compensated Absences is shown on the accompanying Statement of Net Position. The balance at June 30, 2023 was \$150,348.

E. Capital Assets and Depreciation

Fixed assets are recorded at cost. Depreciation is computed by using the straight-line method based upon the estimated useful lives of the assets. Assets acquired under federal or state grants and contracts are recorded at cost, are capitalized directly to net assets and are depreciated over their estimated useful lives using the straight-line method. Depreciation on general fixed assets is charged to operations as an indirect cost. This charge amounted to \$22,448 for the year ended June 30, 2023. Depreciation on grant assets is charged directly against net assets. Capital assets are defined as assets with initial costs exceeding \$1,000. Expenditures for repair and maintenance are expensed.

F. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Concentration of Credit Risk

Financial instruments which potentially subject the Commission to concentrations of credit risk consist principally of accounts receivable. The Commission's primary accounts receivable are due from Massachusetts State Agencies. The Commission places its cash investments with high credit banks and the Massachusetts Municipal Depository Trust. Management routinely assesses the financial strength of the institutions as a means to minimize this risk. Management considers credit risks to be minimal.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

H. Allocation of Indirect Expenses

Indirect expenses are allocated to contracts at the end of each month based upon the ratio of direct salaries for each grant or contract to total direct salaries for the month.

I. Pensions

For purposes of measuring the Commission's net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees Retirement System (MSERS) and additions to/deductions from the MSERS's fiduciary position have been determined on the same basis as they are reported by MSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Deferred Outflows/Inflows of Resources

The Commission accounts for certain transactions that result in the consumption or acquisition of one period that are applicable to future periods as deferred outflows and inflows, respectively, to distinguish them from assets and liabilities. For fiscal 2023, the Commission has reported deferred outflows that are related to its pension plan.

K. Statement of Net Position

The statement of net position presents all of the Commission's assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed of the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two preceding categories.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

L. Implementation of GASB Pronouncements

During fiscal 2023, the following GASB Pronouncements were adopted and implemented, when necessary, by the Commission. The adoption of these statements did not have a material impact on the Commission's financial statements.

- No. 91 – *Conduit Debt Obligations*
- No. 94 – *Public-Private and Public-Private Partnerships and Availability Payment Agreements*
- No. 96 – *Subscription-Based Information Technology Arrangements*
- No. 99 – *Omnibus 2022*
- No. 100 – *Accounting Change and Error Corrections*
- No. 101 – *Compensated Absences*

The GASB has not issued any further statements which require adoption subsequent to June 30, 2023.

M. Adoption of New Lease Standard

Effective July 1, 2021, the Commission adopted GASB 87 – *Leases*. GASB 87 affects all state and local government agencies that enter into lease arrangements, with certain exclusions. Under GASB 87, an entity recognizes lease assets and lease obligations on its Statement of Net Position for all leases with a term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

On July 1, 2021, the Commission recorded in its July 1, 2021 Statement of Net Position a lease asset and a lease obligation for operating leases in the amount of \$856,556. No additional leases were capitalized in the fiscal year ended June 30, 2023.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. The Commission selected the Prime Bank Loan Rate of 3.25% as determined by the U.S. Federal Reserve as of the effective date of the lease.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 3. Unrestricted Cash and Short-Term Investments

The following represents essential risk information about the Commission's deposits and investments.

A. Investment Policy

State and local statutes place certain limitations on the nature of deposits and investments available to the Commission. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

B. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not currently have a deposit policy for custodial risk. As of June 30, 2023, \$-0- of the government's bank balance of \$625,658 was exposed to custodial credit risk as uninsured and uncollateralized.

C. Interest Rate Risk

As of June 30, 2023, the Commission's primary short-term investment was in the State Treasurer's investment pool, MMDT. The fair value of the MMDT investment at June 30, 2023 was \$1,843,120 and its average maturity is less than one year.

D. Credit Risk

As of June 30, 2023, the Commission's investment in the state investment pool, MMDT, was not rated.

E. Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Because MMDT is measured at net asset value, it is not required to be measured within the fair value hierarchy described above.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

F. Liquidity

MMDT does not place any limitations or restrictions on participant withdrawals.

G. OPEB Trust Investment Summary

(a) Investment Summary

The OPEB Trust investments at June 30, 2023 are presented below. All investments are presented by investment type.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Model Port Moderate Fund	<u>\$ 884,782</u>	<u>884,782</u>	<u>-</u>
Total investments	<u><u>\$ 884,782</u></u>	<u><u>884,782</u></u>	<u><u>-</u></u>

(b) Credit Risk

As of June 30, 2023, the OPEB Trust's investment in fixed income mutual funds were rated at AA+ and the investments in money market mutual funds were not rated.

As of June 30, 2023, the OPEB Trust's investments were not exposed to custodial or concentration credit risk.

NOTE 4. Accounts Receivable

All grant amounts and their related receivables are subject to final audit by the applicable Federal and State grantor agencies with the possibility of claims of overpayment being made by those agencies. Management believes that no significant liabilities will arise from audits to be performed. The Federal government has a reversionary interest in the unused balances of advance payments, any funds improperly applied, and in property and facilities purchased or otherwise made available under the grant. At June 30, 2023 all accounts receivable were deemed to be collectable.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment	\$ 103,799	\$ 25,924	\$ 31,037	\$ 98,686
Furniture and fixtures	38,889	2,456	-	41,345
Capital leases	12,687	-	12,687	-
Grant Fixed Assets	17,755	4,701	8,549	13,907
Software	4,870	-	-	4,870
Total Capital Assets	178,000	33,081	52,273	158,808
Less Accumulated Depreciation for:				
Equipment	82,085	14,288	31,037	65,336
Furniture and fixtures	33,744	4,269	-	38,013
Capital leases	12,687	-	12,687	-
Grant Fixed Assets	11,399	2,267	8,549	5,117
Software	2,976	1,624	-	4,600
Total Accumulated Depreciation	142,891	22,448	52,273	113,066
Capital Assets, being depreciated, net	35,109	10,633	-	45,742
Capital Assets, being amortized				
Lease Asset	856,556	-	-	856,556
Less Accumulated Amortization for:				
Lease Asset	112,953	112,952	-	225,905
Capital Assets, being amortized, net	743,603	(112,952)	-	630,651
Less related debt				
Lease Liability				663,620
Capital Assets, being amortized, net				(32,969)
Total Capital Assets, net				\$ 12,773

NOTE 6. Local Assessments

The Commission received local matching funds of \$181,679 through an assessment of its member communities. These funds are distributed to the active grants during the period based upon costs incurred and the required matching formula.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 7. Lease Commitments

Effective November 28, 2017 the Commission entered into a lease for 4,887 square feet of office space at 1 Mercantile Street in Worcester, Massachusetts. The Rent Commencement Date for the lease is three months after initial occupancy. The lease is for a period of ten years from the Rent Commencement Date. There is an option to extend the lease to January 31, 2030. The initial base rent is \$112,401 for the initial year. The lease calls for annual increases of \$0.50 a square foot.

Amounts recognized as lease assets are included in Note 5 – Capital Assets. Lease liabilities are included in the current and long-term debt sections in the Statement of Net Position. Total lease cost presented in the Statement of Revenues, Expenses and Changes in Net Position and Schedule of Indirect Costs for the year ended June 30, 2023 came to \$136,281. The components of total lease cost are \$112,952 of amortization of lease assets and \$23,329 of interest on the lease liability.

Maturity analysis and reconciliation to the Statement of Net Position

A summary of future lease payments reconciled to the lease obligations recorded at June 30, 2023 follows:

2024	\$ 125,026
2025	127,469
2026	129,913
2027	132,356
2028	134,392
Beyond 2028	78,396
Total minimum lease payments	<u>727,552</u>
Less effects of discounting	63,932
Lease obligation recorded at June 30, 2022	<u>663,620</u>
Less current portion	105,008
Long-term lease obligations	<u>\$ 558,612</u>

NOTE 8. Employee Termination Liabilities

In accordance with its personnel policies, the Commission is liable to its employees at time of separation for accrued vacation time.

NOTE 9. Risk Management

In conjunction with its normal operations, the Commission is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences, tort/liability claims, errors and omissions claims and professional liability claims. As a result of these exposures, the Commission has developed a comprehensive risk management program. There have been no significant reductions in coverage from the prior year.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 10. Completed Grants

The Schedule of Cumulative Revenues and Expenditures and Computation of Project Grant on Completed Projects does not include those grants or projects that are contracted for using the lump-sum method of payment whereby there is no additional funds due or payback necessary when the work is finished.

NOTE 11. Other Postemployment Benefits

The Commission established an Other Post-Employment Benefits (OPEB) Irrevocable Trust. The trust was established for the sole purpose of providing for the advance funding of future costs of retired employee health insurance and other benefits provided to retirees. During the fiscal year ended June 30, 2018, the Commission implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.

A. Net OPEB Liability

The Commission’s net OPEB liability was measured as of June 30, 2023 for the year ended June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

B. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/22	\$ 1,759,471	\$ 816,612	\$ 942,859
Changes for the year:			
Service cost	174,991	-	174,991
Interest	134,849	-	134,849
Effect of economic gains/losses	28,884	-	28,884
Benefit payments	(16,385)	(16,385)	-
Net investment income	-	85,399	(85,399)
Administrative expense	-	(844)	844
Net Changes	322,339	68,170	254,169
Balances at 6/30/23	\$ 2,081,810	\$ 884,782	\$ 1,197,028

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

Sensitivity of the total OPEB liability to changes in the discount rate. In the event the discount rate were 1 percent higher or lower than forecast and employee contributions were to increase at the forecast rates, the total OPEB liability as of June 30, 2023 would change as follows:

	<u>1% decrease</u> 6.00%	Current discount rate <u>7.00%</u>	<u>1% increase</u> 8.00%
Net OPEB liability (Asset)	\$ 1,570,771	\$ 1,197,028	\$ 896,634

Sensitivity of the total OPEB liability to changes in the healthcare trend. In the event that healthcare trend rates were 1 percent higher or lower than forecast and employee contributions were to increase at the forecast rates, the total OPEB liability as of June 30, 2023 would change as follows:

	<u>1% decrease</u>	Baseline trend <u> </u>	<u>1% increase</u>
Net OPEB liability (Asset)	\$ 838,090	\$ 1,197,028	\$ 1,055,060

C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Commission recognized OPEB expense of \$285,331. At June 30, 2023, the Commission reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	<u>\$ 21,177</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 2,503
2025	(2,197)
2026	26,350
2027	(5,479)

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 12. Retirement Plans

General Information about the Pension Plan

This footnote is required by GASB 68 and is presented in its entirety for informational purposes only as the state has the responsibility for the net pension liability and annual contributions based on the Commission's position noted below.

A. Plan Description

Effective July 1, 1965 the Commission established a contributory retirement system for its employees pursuant to Section 28 (4) of Chapter 32 of the General Laws. The Commission has become a member of the MSERS. MSERS is a public employees retirement system (PERS) that administers a cost-sharing, multiple-employer, defined benefit pension plan. The Commission has traditionally not been required to contribute since their admission and is reporting the plan's activities as a "special funding situation" as defined in GASB 68.

The Retirement System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of Massachusetts General Laws (MGL) assigns authority to establish and amend benefit provisions of the plan. Management of MSERS is vested in the Massachusetts State Retirement Board. The Retirement System issues a publicly available financial report, which can be obtained through the Commonwealth of Massachusetts, Public Employee Retirement Administration Commission, One Ashburton Place, Boston, Massachusetts 02108.

B. Benefits Provided

MSERS provides retirement, disability, cost of living adjustments, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after to April 1, 2012, retirement allowances are calculated on the basis of the last five years or any consecutive five years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service level of compensation, and group classification. The authority for amending these provisions rests with the Legislature.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

C. Funding Policy

Plan members are required to contribute to the Retirement System at rates ranging from 5% to 11% of annual covered compensation. The Commission is required to pay into the Retirement System its share of the systemwide actuarially determined contribution plus administration costs, which are apportioned among the employers, based on active covered payroll. The Commonwealth reimburses the Retirement System for a portion of benefit payments attributed to cost-of-living increases granted prior to July 1, 1998. Chapter 32 of the MGL governs the contributions of plan members and the Commission. Through the year ended June 30, 2023 the Commission has not contributed to the Retirement System. For the year ended June 30, 2022 the Commission's "total actual required contribution" of \$518,308 was assumed by parties other than the Commission through the special funding arrangement referred to above.

Pension Liabilities, Pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Commission has a liability of \$5,122,319 for its proportionate share of the net pension liability. The presentation of this amount is for disclosure purposes only and has not been recorded on the Commission's financial statements as it will be funded under the special funding arrangement referred to above. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Update procedures were used to roll forward the total pension liability to June 30, 2022. The Commission's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Commission's proportion of net pension liability was 0.03683 percent.

Since MSERS performs an actuarial valuation bi-annually, there are no reported amounts for changes in benefit terms differences between expected and actual experience and changes in assumptions as of June 30, 2022.

In the MSERS retirement system report for the year ended June 30, 2022, in addition to assets, the statement of fiduciary net position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of fiduciary net position that applies to a future period (s) and so will not be recognized as an outflow of resources (deduction) until then.

In addition to liabilities, the statement of fiduciary net position will sometimes report a separate section for deferred inflow of resources. This separate financial element, *deferred inflow of resources*, represents an acquisition of net position that applies to future period (s) and so will not be recognized as an inflow of resources (addition) until that time. MSERS netted the inflows and outflows of the system and reported them as deferred inflows.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

For the year ended June 30, 2023, the Commission recognized pension expense of \$709,930 offset by a corresponding amount labeled as other revenue – pension support from non-employer contributing entity. At June 30, 2023 the Commission reported had net inflows related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on pension plan investments	\$ 127,420	\$ 199,926
Changes of assumptions	141,026	-
Net differences between projected and actual investment earnings	-	27,308
Changes in proportions	726,958	-
	\$ 995,404	\$ 227,234

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Outflows	Inflows
Year ended June 30:		
2024	\$ 736,300	\$ 168,085
2025	(1,420,242)	(324,217)
2026	(5,308,589)	(1,211,862)
2027	6,987,935	1,595,228

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

A. Actuarial Assumptions

The total pension liability in the January 1, 2022 actuarial valuation and the related update to June 30, 2022 (the measurement date), were determined using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Individual entry age normal cost method
Asset valuation method	Uses a corridor approach where the actuarial value of assets cannot be less than 90% nor greater than 110% of the market value.
Inflation	2.5 percent
Salary increases	Based on analysis of past experience but range from 4.0% to 9.0% depending on group and length of service.
Investment rate of return	7.00% per year of net investment expenses.
Cost of living adjustments	3.0% cost of living increase per year on the first \$13,000 of allowance each year.
Mortality rates:	
Pre-retirement	The RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2020 and set forward 1 year for females.
Post-retirement	The RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2020 and set forward 1 year for females.
Disability	The RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2020 and set forward 1 year.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

Investment assets of MSERS are with the Pension Reserve Investment Trust (PRIT) Fund. The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PTIT's target asset allocation of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	38.00%	4.20%
Core Fixed Income	15.00%	0.50%
Private Equity	15.00%	30.00%
Portfolio Completion Strategies	10.00%	2.70%
Real Estate	10.00%	3.30%
Value Added Fixed Income	8.00%	3.70%
Timber/Natural Resources	4.00%	3.90%
Total	100.00%	

B. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net pension was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

C. Sensitivity of the Commission’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Commission’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Commission's proportionate share of the net pension liability	\$ 7,065,792	\$ 5,122,319	\$ 3,479,134

Other Pension Plans

The Commission also administers a deferred compensation plan through which employees can participate in a voluntary, payroll-deducted retirement program created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death approved or unforeseeable emergency. All amounts of compensation deferred, property purchased with those amounts, and all income attributable to those amounts are held in trust for the exclusive benefit of participants and their beneficiaries.

NOTE 13. Health Benefits

Health, dental, vision and life insurance benefits for employees are provided through the Group Insurance Commission of the Commonwealth of Massachusetts. As part of the Commission’s membership in this organization it will also provide health benefits to former employees who have retired. The Commission will pay a minimum of 75% of premiums. The Commission also purchases statutory workers compensation insurance. In fiscal 2018 the Commission adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting by Employees for Postemployment Benefits Other than Pensions*.

NOTE 14. Matching Contributions

The Commission has not identified any matching contributions for the year ended June 30, 2023 which qualify under its grant agreements in accordance with the Uniform Guidance. These amounts, if any, are not recorded in the financial statements. They represent amounts identified by third parties meeting the criteria for matching contributions as stated in the Uniform Guidance which do not meet the revenue recognition criteria under generally accepted accounting principles.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 15. Change in Accounting Estimate

During 2023, the Commission was informed by the Massachusetts Department of Transportation that it would no longer need to track or return grant funds due to any changes from the approved provisional indirect rate to the final indirect rate. For over 20 years the Commission had been tracking these changes which amount to a liability in the amount of \$310,676 as of June 30, 2023. This liability was reversed and is included in other local revenues in the accompanying statement of revenues, expenses and changes in net position as of June 30, 2023,

NOTE 16. Contingencies

State Retirement Dispute

The Commission has received notification from the State Board of Retirement of a potential assessment in the amount of \$930,437 for reimbursement of the Commission's proportionate share of retiree benefits paid to former employees for the calendar years 2019 through 2022. The Commission has not recorded this liability. The dispute with the State started in Fiscal 2014 for 2013 calendar year payments made on behalf of the Commission by the State. The Commission joined the State Retirement System effective January 1, 1972 and has never been assessed nor made employer contributions to the System nor have they ever been required to reimburse the state for specific benefits paid. The State contends that under Massachusetts General Law, Chapter 32, Section 4, subsections a-c, the Commission is to be treated as a nonspecial funding situation. It is the Commission's opinion that it is, and has been for over forty years, in a special funding arrangement as defined by GASB 68. The Commission's position is contrary to that presented in the published Massachusetts State Employees' Retirement System report.

The Commission has joined other similarly affected agencies in pursuing legislative relief from this, and any other, assessment for employer contributions or reimbursements. There are presently other Regional Planning Agencies established under the same statutes as CMRPC that are deemed to be in a special funding arrangement. It is the Commission's intention to vigorously pursue a legislative resolution that will result in the determination that it is in a special funding situation. The Commission's ability to continue as a going concern could be at risk as they do not have the ability to recover either required contributions or reimbursement assessments under present, and anticipated, federal and state contracts. This would also impact their ability to fund OPEB liabilities referred to in Note 11.

All financial statements, footnote disclosures made, and schedules prepared to satisfy GASB 68 requirements have been presented based on the Commission's opinion that it is in a special funding situation. No net pension liability for the current year nor prior period adjustment have been reported as, under a special funding situation, the responsibility for these items belongs to the non-employer contributing entity.

NOTE 17. Unrestricted Net Position – OPEB

The balance in the Unrestricted Net Position – OPEB on the Statement of Net Position, reflects the effect of the net OPEB liability required by GASB 75 that is listed as a noncurrent liability. This requirement was effective with the fiscal year ended June 30, 2018.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2023

NOTE 18. Subsequent Events

The Commission has evaluated events subsequent to June 30, 2021 through March 28, 2024, the date on which the financial statements were available for issuance, and determined that there are no material items that would require recognition or disclosure in the Commission's financial statements.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (unaudited)

Schedule of the Commission's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years

	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered-employee payroll	Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of total pension liability
2023	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information

Measurement Date

The amounts presented in this schedule were determined as of June 30, 2022.

Schedule Presentation

Per paragraph 138 of GASB Statement No. 68, the Commission is not required to retrospectively present its 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

Changes Information

Since MSERS performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of June 30, 2022.

Other

The Commission has taken the position that it is subject to a special funding situation, as defined by GASB 68, and therefore has not reported the net pension liability on its financial statements as contributions against the net pension liability are the responsibility of the state. This reporting is consistent with the position taken in Note 12.

The accompanying notes are an integral part of the financial statements

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (unaudited)

Schedule of Employer Contributions

Last 10 Fiscal Years

	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of its covered-employee payroll
2023	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information

Schedule Presentation

Per paragraph 138 of GASB Statement No. 68, the Commission is not required to retrospectively present its 10 year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

Contributions

The Commission has taken the position that it is subject to a special funding situation, as defined in GASB 68, and therefore is not required to make contributions to the plan. The contributions referred to above are those made by the State as pension support from a non-employer contributing entity as the Commission has no required contribution. This reporting is consistent with the position taken in Note 12.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (Unaudited)

Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

	2023	2022	2021
Total OPEB liability			
Service cost	\$ 174,991	\$ 125,673	\$ 118,054
Interest	134,849	46,008	36,262
Benefit payments	(16,385)	(46,661)	-
Effect of economic gains/losses	28,884	2,123,726	2,138,215
Effect of Assumptions, Changes, or Inputs	-	(2,264,677)	(1,879,138)
Differences between expected and actual experience	-	-	-
Net change in total OPEB liability	322,339	(15,931)	413,393
Total OPEB liability - beginning	1,759,471	1,775,402	1,362,009
Total OPEB liability - ending (a)	<u>\$ 2,081,810</u>	<u>\$ 1,759,471</u>	<u>\$ 1,775,402</u>
Plan fiduciary net position			
Contributions - employer	\$ -	\$ 34,632	\$ -
Net investment income	85,399	(103,863)	194,194
Benefit payments	(16,385)	(46,661)	-
Administrative expenses	(844)	(945)	(799)
Net change in plan fiduciary net position	68,170	(116,837)	193,395
Plan fiduciary net position - beginning	816,612	933,449	740,054
Plan fiduciary net position - ending (b)	<u>\$ 884,782</u>	<u>\$ 816,612</u>	<u>\$ 933,449</u>
Commission's net OPEB liability - ending (a) - (b)	<u>\$ 1,197,028</u>	<u>\$ 942,859</u>	<u>\$ 841,953</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.50%	46.41%	52.58%
Covered-employee payroll	\$ 2,593,501	\$ 2,315,094	\$ 2,061,375
Commission's net OPEB liability as a percentage of covered-employee payroll	46.15%	40.73%	40.84%

Notes to Required Supplementary Information

Per paragraph 62 of GASB Statement No. 74, the Commission is not required to retrospectively present its 10 year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 74.

See accompanying independent auditors' report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (Unaudited)

Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 109,058	\$ 92,247	\$ 64,585
Interest	91,135	68,179	61,590
Benefit payments	(18,539)	-	-
Effect of economic gains/losses	40,373	122,259	-
Effect of Assumptions, Changes, or Inputs	-	97,302	-
Differences between expected and actual experience	-	-	(71,464)
Net change in total OPEB liability	<u>222,027</u>	<u>379,987</u>	<u>54,711</u>
Total OPEB liability - beginning	<u>1,139,982</u>	<u>759,995</u>	<u>705,284</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,362,009</u></u>	<u><u>\$ 1,139,982</u></u>	<u><u>\$ 759,995</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 32,567	\$ 50,000	\$ 56,000
Net investment income	28,533	39,106	40,199
Benefit payments	(18,539)	-	-
Administrative expenses	(707)	(627)	(552)
Net change in plan fiduciary net position	<u>41,854</u>	<u>88,479</u>	<u>95,647</u>
Plan fiduciary net position - beginning	<u>698,200</u>	<u>609,721</u>	<u>514,074</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 740,054</u></u>	<u><u>\$ 698,200</u></u>	<u><u>\$ 609,721</u></u>
Commission's net OPEB liability - ending (a) - (b)	<u><u>\$ 621,955</u></u>	<u><u>\$ 441,782</u></u>	<u><u>\$ 150,274</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	54.34%	61.25%	80.23%
Covered-employee payroll	\$ 1,810,454	\$ 1,771,984	\$ 1,743,828
Commission's net OPEB liability as a percentage of covered-employee payroll	34.35%	24.93%	8.62%

Notes to Required Supplementary Information

Per paragraph 62 of GASB Statement No. 74, the Commission is not required to retrospectively present its 10 year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 74.

See accompanying independent auditors' report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (Unaudited)

Schedule of OPEB Contributions

Last 10 Fiscal Years

	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of its covered-employee payroll
2023	\$ 266,933	\$ -	\$ 266,933	\$ 2,593,501	10.29%
2022	\$ 248,581	\$ 46,661	\$ 201,920	\$ 2,315,094	10.74%
2021	\$ 193,356	\$ -	\$ 193,356	\$ 2,061,375	9.38%
2020	\$ 168,052	\$ 32,567	\$ 135,485	\$ 1,810,454	9.28%
2019	\$ 144,572	\$ 50,000	\$ 94,572	\$ 1,771,984	8.16%
2018	\$ 104,994	\$ 56,000	\$ 48,994	\$ 1,743,828	6.02%

Notes to Required Supplementary Information

Per paragraph 62 of GASB Statement No. 74, the Commission is not required to retrospectively present its 10 year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 74.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (Unaudited)

Schedule of Investment Returns - OPEB Trust

	Last 10 Fiscal Years				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	12.08%	(11.13%)	26.24%	4.13%	5.35%
	<u>2018</u>				
Annual money-weighted rate of return, net of investment expense	7.61%				

Notes to Required Supplementary Information

Per paragraph 62 of GASB Statement No. 74, the Commission is not required to retrospectively present its 10 year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 74.

See accompanying independent auditors' report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Budgetary Comparison Schedule

Year Ended June 30, 2023

	Final Budget	Actual Activity	Variance
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Grants and contracts	\$ 4,453,338	\$ 4,291,278	\$ (162,060)
Local assessments	181,711	181,679	(32)
Other income	20,000	383,995	363,995
Total Revenues	<u>4,655,049</u>	<u>4,856,952</u>	<u>201,903</u>
Expenses			
Direct salaries	1,954,702	1,748,570	206,132
Equipment	-	7,677	(7,677)
Consultants	990,000	964,377	25,623
Conferences/meetings	15,000	9,608	5,392
Travel	20,000	12,064	7,936
Supplies	-	11,953	(11,953)
Software	-	17,766	(17,766)
Other direct costs	45,500	3,354	42,146
* OPEB expense	-	285,331	(285,331)
Indirect costs	1,629,847	1,654,896	(25,049)
Total Expenses	<u>4,655,049</u>	<u>4,715,596</u>	<u>(60,547)</u>
Excess of Revenues over Expenses - Budgetary	<u>\$ -</u>	<u>\$ 141,356</u>	<u>\$ 141,356</u>

Notes to schedule:

* Management did not budget for unfunded OPEB revenues or expenses due to its inability to estimate these items

See accompanying independent auditor's report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Revenues and Expenditures Allocated by Contract/Activity

Year Ended June 30, 2023

	Local Programs	SHSP FY19	SHSP FY20	SHSP FY21	MassDOT 118962	MassDOT 114669
Revenues:						
Federal grants	\$ 343,236	\$ 3,073	\$ 49,891	\$ 77,059	\$ 648,545	\$ 235,220
State grants	1,135,585	-	-	-	162,136	58,805
Local contracts	751,237	-	-	-	-	-
Local assessments	181,679	-	-	-	-	-
Other local revenues	383,995	-	-	-	-	-
	<u>2,795,732</u>	<u>3,073</u>	<u>49,891</u>	<u>77,059</u>	<u>810,681</u>	<u>294,025</u>
Expenditures:						
Direct salaries	882,970	1,492	23,872	38,277	411,381	148,120
Travel	4,616	-	158	15	3,191	2,304
Equipment	5,648	-	-	-	2,029	-
Consultants	643,315	-	-	-	-	-
Conferences/meetings	7,507	-	-	-	770	1,055
Computer software	4,721	-	-	-	1,750	2,149
Supplies	10,975	-	-	-	896	82
Legal	1,206	-	-	-	645	130
Other direct costs	285,878	-	-	-	676	-
Indirect costs	835,667	1,412	22,593	36,227	389,343	140,185
	<u>2,682,503</u>	<u>2,904</u>	<u>46,623</u>	<u>74,519</u>	<u>810,681</u>	<u>294,025</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 113,229</u>	<u>\$ 169</u>	<u>\$ 3,268</u>	<u>\$ 2,540</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Revenues and Expenditures Allocated by Contract/Activity

Year Ended June 30, 2023

	WRTA	EPA BF00A00169	EPA 5D00A0115	EDA 01-69-15341	DPH Webster Contact tracing	DPH Northbridge Contact Tracing
Revenues:						
Federal grants	\$ 268,426	\$ 28,314	\$ 1,877	\$ 114,310	\$ 203,573	\$ 142,885
State grants	67,106	-	-	-	-	-
Local contracts	-	-	-	-	-	-
Local assessments	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>335,532</u>	<u>28,314</u>	<u>1,877</u>	<u>114,310</u>	<u>203,573</u>	<u>142,885</u>
Expenditures:						
Direct salaries	159,152	856	964	54,825	13,321	13,340
Travel	1,741	-	-	39	-	-
Equipment	-	-	-	-	-	-
Consultants	-	26,648	-	-	177,495	116,919
Conferences/meetings	-	-	-	276	-	-
Computer software	1,863	-	-	7,283	-	-
Supplies	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Other direct costs	-	-	-	-	150	-
Indirect costs	150,626	810	913	51,887	12,607	12,626
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>313,382</u>	<u>28,314</u>	<u>1,877</u>	<u>114,310</u>	<u>203,573</u>	<u>142,885</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 22,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Revenues and Expenditures Allocated by Contract/Activity

Year Ended June 30, 2023

	N Brookfield 19 CDBG	Leicester 19 CDBG	Warren CDBG	Leicester 20 CDBG	Barre CDBG	Millibury 20 CDBG
Revenues:						
Federal grants	\$ 966	\$ 1,006	\$ 41,677	\$ 11,148	\$ 48,141	\$ 31,819
State grants	-	-	-	-	-	-
Local contracts	-	-	-	-	-	-
Local assessments	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	966	1,006	41,677	11,148	48,141	31,819
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:						
Direct salaries	496	395	20,741	-	24,337	2,039
Travel	-	9	158	-	18	18
Equipment	-	-	-	-	200	-
Consultants	-	-	-	11,148	-	27,560
Conferences/meetings	-	-	-	-	-	-
Computer software	-	-	-	-	-	-
Supplies	-	-	1,066	-	528	227
Legal	-	226	-	-	-	-
Other direct costs	-	-	82	-	25	-
Indirect costs	470	374	19,630	-	23,033	1,930
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	966	1,004	41,677	11,148	48,141	31,774
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 45
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See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Revenues and Expenditures Allocated by Contract/Activity

Year Ended June 30, 2023

	Millbury 21 CDBG	N Brookfield 20 CDBG	Dudley CDBG	Brookfield CDBG	N Brookfield CDBG	Southbridge CDBG
Revenues:						
Federal grants	\$ 41,411	\$ 20,596	\$ 48,119	\$ 45,383	\$ 29,246	\$ 1,840
State grants	-	-	-	-	-	-
Local contracts	-	-	-	-	-	-
Local assessments	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	41,411	20,596	48,119	45,383	29,246	1,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:						
Direct salaries	20,822	867	22,260	22,848	14,780	944
Travel	46	-	185	72	-	-
Equipment	-	-	150	-	187	-
Consultants	-	18,089	2,377	-	-	-
Conferences/meetings	-	-	-	-	-	-
Computer software	-	-	-	-	-	-
Supplies	650	-	705	839	266	-
Legal	161	819	-	-	-	-
Other direct costs	25	-	25	-	25	-
Indirect costs	19,707	821	21,067	21,624	13,988	893
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	41,411	20,596	46,769	45,383	29,246	1,837
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ -	\$ 1,350	\$ -	\$ -	\$ 3
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See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Revenues and Expenditures Allocated by Contract/Activity

Year Ended June 30, 2023

	DCR 2022 Trails	DCR 2019 Trail	DLTA FY22	DLTA FY23	DLTA Augmentation	Total
Revenues:						
Federal grants	\$ 14,870	\$ 7,014	\$ -	\$ -	\$ -	\$ 2,116,409
State grants	-	-	133,677	169,809	57,275	1,423,632
Local contracts	-	-	-	-	-	751,237
Local assessments	-	-	33,231	3,208	1,075	181,679
Other local revenues	-	-	-	-	-	383,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	14,870	7,014	166,908	173,017	58,350	4,856,952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:						
Direct salaries	7,622	5,996	82,610	88,075	29,516	1,748,570
Travel	35	-	865	185	-	12,064
Equipment	-	-	-	-	-	7,677
Consultants	-	-	5,000	-	-	964,377
Conferences/meetings	-	-	239	1,030	-	9,608
Computer software	-	-	-	370	900	17,766
Supplies	-	-	-	-	-	11,953
Legal	-	-	-	-	-	1,981
Other direct costs	-	-	-	-	-	286,704
Indirect costs	7,213	5,675	78,184	83,357	27,934	1,654,896
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	14,870	11,671	166,898	173,017	58,350	4,715,596
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ (4,657)	\$ 10	\$ -	\$ -	\$ 141,356
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See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Indirect Cost Rate

Year Ended June 30, 2023

	<u>Direct Labor</u>	<u>Other Direct Costs</u>	<u>Indirect Costs</u>	<u>Unreimbursed Costs</u>	<u>Total Expenditures</u>
Expenditures					
Salaries	\$ 1,748,570	\$ -	\$ 547,295	\$ -	\$ 2,295,865
Fringe benefits - salaries	-	-	351,144	-	351,144
Fringe benefits - insurance	-	-	297,881	-	297,881
Fringe benefits - parking	-	-	31,734	-	31,734
Payroll taxes	-	-	44,142	-	44,142
Consultants	-	964,377	5,012	-	969,389
Lease expense	-	-	136,281	-	136,281
Supplies	-	11,953	14,729	-	26,682
Equipment	-	7,677	4,873	-	12,550
Conferences & meetings	-	9,608	26,977	-	36,585
Travel	-	12,064	2,521	-	14,585
Software	-	17,766	39,464	-	57,230
Repairs & maintenance	-	-	44,039	-	44,039
Professional fees	-	1,981	17,526	-	19,507
Other direct costs	-	1,373	-	-	1,373
Memberships	-	-	7,313	-	7,313
Insurance	-	-	16,088	-	16,088
Postage	-	-	1,012	-	1,012
Telephone	-	-	14,384	-	14,384
Office expense	-	-	5,854	-	5,854
Equipment rental	-	-	5,099	-	5,099
Utilities	-	-	3,702	-	3,702
Recruitment	-	-	3,948	-	3,948
Marketing	-	-	11,430	-	11,430
Depreciation	-	-	22,448	-	22,448
OPEB expense	-	-	-	285,331	285,331
	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,331</u>	<u>285,331</u>
 Total Expenditures	 <u>\$ 1,748,570</u>	 <u>\$ 1,026,799</u>	 <u>\$ 1,654,896</u>	 <u>\$ 285,331</u>	 <u>\$ 4,715,596</u>

Indirect Cost Rate = Indirect Costs/Direct Labor

$$\frac{\$ 1,654,896}{\$ 1,748,570} = 94.64\%$$

See accompanying independent auditor's report

ROLAND P. LAMBALOT, P.C.

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

To the Commissioners of the
Central Massachusetts Regional Planning Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Massachusetts Regional Planning Commission's (the Commission) compliance with the types of compliance requirements identified as subject to an audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2023. The 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 Commission complied, in all material respects, with the types of 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit on 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs 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.

We are required to be independent of the 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 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 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 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 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 judgement made by a reasonable user of the report on compliance about the 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 judgement 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 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 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 Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance, 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

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 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.

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

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.

This 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.

Roland P. Lambalot, PC

Methuen, Massachusetts
March 28, 2024

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Economic Development Assistance</u>				
Direct Program				
Economic Adjustment Assistance	11.307	N/A	-	114,310
<u>Dept of Housing & Urban Development</u>				
Pass through programs				
Community Development Block Grants	14.228	Barre	-	48,141
Community Development Block Grants	14.228	Brookfield	-	45,383
Community Development Block Grants	14.228	Dudley	-	48,119
Community Development Block Grants	14.228	Leicester 19	-	1,006
Community Development Block Grants	14.228	Leicester 20	-	11,148
Community Development Block Grants	14.228	Millbury 20	-	31,819
Community Development Block Grants	14.228	Millbury 21	-	41,411
Community Development Block Grants	14.228	No. Brookfield 19	-	966
Community Development Block Grants	14.228	No. Brookfield 20	-	20,596
Community Development Block Grants	14.228	No. Brookfield 21	-	29,246
Community Development Block Grants	14.228	Southbridge	-	1,840
Community Development Block Grants	14.228	Warren	-	41,677
Sub-total #14.228			-	321,352
<u>Department of Transportation</u>				
Pass through programs				
Recreational Trails Program	20.219	DCR 2022 Trails	-	14,870
Recreational Trails Program	20.219	DCR 2019 Trails	-	7,014
Sub-total #20.219			-	21,884

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of Transportation</u>				
Pass through programs				
Massachusetts Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	118962	-	648,545
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	114669	-	<u>235,220</u>
Sub-total #20.505			-	883,765
Direct program				
Federal Transit - Formula Grants	20.507	N/A	-	268,426
<u>Environmental Protection Agency</u>				
Direct program				
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	-	28,314
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	-	<u>1,877</u>
Sub-total #66.818			-	30,191
<u>Department of Health and Human Services</u>				
Pass through program				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Webster	-	203,573
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Northbridge	-	<u>142,885</u>
Sub-total #93.323			-	346,458
<u>Department of Homeland Security</u>				
Pass through program				
Executive Office of Public Safety and Security				
Homeland Security Grant Program	97.067	SHSP21	-	77,059
Homeland Security Grant Program	97.067	SHSP20	-	49,891
Homeland Security Grant Program	97.067	SHSP19	-	<u>3,073</u>
Sub-total #97.067			-	130,023
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$2,116,409</u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

Note 1 - Entity

The Central Massachusetts Regional Planning Commission was established as a public body corporate in accordance with Section 3, Chapter 40B of the General Laws of the Commonwealth of Massachusetts on July 30, 1963. The Commission was established primarily to assist a city or town to plan jointly with other cities and towns, and to promote with the greatest efficiency and economy the coordinated and orderly development of areas within its jurisdiction and the general welfare and prosperity of its citizens.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) has been prepared using the accrual basis of accounting and includes federal, state, and local expenditures. The schedule includes the federal award activity of the Commission under programs of the federal government for the year ended June 30, 2023. 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 Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission.

Note 3 - Summary of Significant Accounting Policies

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 4 – Indirect Cost Rates

The Commission has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

ROLAND P. LAMBALOT, P.C.

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

To the Commissioners of the
Central Massachusetts Regional Planning Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of Central Massachusetts Regional Planning Commission (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of the 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of This Report

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

Roland P. Lambalot, PC

Methuen Massachusetts
March 28, 2024

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.156(a)? yes no

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported