

CENTRAL MASSACHUSETTS
REGIONAL PLANNING
COMMISSION

FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY
INFORMATION, AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Year Ended June 30, 2020

Table of Contents

Page

Independent Auditor's Report	1-3
Management's Discussion and Analysis – Required Supplementary Information	4-6
Basic Financial Statements	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Statement of Fiduciary Net Position	10
Statement of Changes in Fiduciary Position	11
Notes to Financial Statements	12-27
Required Supplementary Information (unaudited)	
Schedule of the Commission's Proportionate Share of the Net Pension Liability	28
Schedule of Employer Contributions – Pension	29
Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios	30
Schedule of OPEB Contributions	31
Schedule of Investment Returns – OPEB Trust	32
Supplementary Information	
Budgetary Comparison Schedule	33
Schedule of Revenue and Expenses Allocated by Contract/Activity	34-36
Schedule of Indirect Cost Rate	37
Schedule of Cumulative Revenue and Expenses and Computation of Project Grant on Completed Projects	38
Uniform Guidance Single Audit Reports:	
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	39-41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44-45
Schedule of Findings and Questioned Costs	46
Summary Schedule of Prior Audit Findings	47

ROLAND P. LAMBALOT, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
184 PLEASANT VALLEY STREET
METHUEN, MA 01844
TELEPHONE (978) 691-0050
FAX (978) 691-0066

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the
Central Massachusetts Regional Planning Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Central Massachusetts Regional Planning Commission (the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Commission as of June 30, 2020 and the respective changes in financial position and cash flows for thereof for year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

State Board of retirement Dispute

The Commission has not recorded retirement plan liabilities and expenses relating to its participation in the Massachusetts State Employees Retirement System (MSERS). Please see Note 15. Contingencies included in these financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 4 through 6) and certain pension and postemployment benefits information (located on pages 28 through 32), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses 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.

Other 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 supplementary information included on pages 33 through 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 25, 2021, 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 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 25, 2021

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, 2020. 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 27 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, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 1,844,654	\$ 1,615,596
Noncurrent assets, deferred outflows	58,699	38,012
Total assets	<u>1,903,353</u>	<u>1,653,608</u>
Current liabilities	454,942	398,884
Long-term liabilities	996,408	779,423
Total liabilities	<u>1,451,350</u>	<u>1,178,307</u>
Total net position	<u>\$ 452,003</u>	<u>\$ 475,301</u>
Total operating revenues	<u>\$ 3,411,691</u>	<u>\$ 2,757,774</u>
Total operating expenses, excluding depreciation and OPEB	3,259,615	2,555,950
Depreciation	12,432	12,389
GASB 75 OPEB expense	162,942	286,736
Total operating expenses, including depreciation and OPEB	3,434,989	2,855,075
Grant funded fixed asset activity	-	-
Change in net position	(23,298)	(97,301)
Beginning net position	475,301	572,602
Prior period adjustment	-	-
Ending net position	<u>\$ 452,003</u>	<u>\$ 475,301</u>

Financial Highlights

The assets of the Commission exceed its liabilities at the close of the most recent fiscal year by \$452,003. Total net position decreased by \$23,298 for the year ended June 30, 2020. 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 increased by \$653,917 or 23.71%
- Total expenses, exclusive of depreciation and OPEB, increased by \$703,665 or 27.53%
- Revenues from assessments from member communities were \$155,815

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. During our last quarter, we quickly adapted to the State's COVID-19 pandemic State of Emergency and Executive Orders. As non-essential employees, CMRPC staff quickly adapted to a remote work from home environment, continuing to offer support to all of our communities and partners. CMRPC staff, delegates and various committees have continued to convene using Zoom, 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 will also continue to offer our assistance to the 39 unaffiliated boards of health. We expect continued COVID-19 challenges and opportunities throughout the next fiscal year.

As allowed by enabling legislation, community assessments have been approved by Commission Delegates with a 2 ½ percent increase, 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 non-employer 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 and modest operating surplus before consideration of the Other Post Employee Benefits (OPEB) expense. 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, 2020

ASSETS

Current Assets

Unrestricted cash and short term investments	\$ 914,969
Accounts Receivable	
Federal/State grants	518,850
Local contracts	320,597
Unbilled costs	57,598
Prepaid expense	32,640
Total current assets	<u>1,844,654</u>

Non-Current Assets:

Office Furniture and Equipment	151,420
Less: accumulated depreciation	115,908
Total non-current assets	<u>35,512</u>
Total assets	<u>1,880,166</u>

Deferred outflows of resources related to OPEB plans	<u>23,187</u>
--	---------------

Total assets and deferred outflows of resources	<u><u>\$ 1,903,353</u></u>
--	----------------------------

LIABILITIES

Current Liabilities

Accounts payable	\$ 236,268
Accrued expenses	17,705
Accrued payroll	70,062
Deferred revenue	130,907
Total current liabilities	<u>454,942</u>

Long-term Liabilities

Compensated absences	88,506
Grants payable	285,947
Net OPEB liability (Note 11)	621,955
Total Long-term Liabilities	<u>996,408</u>

Total Liabilities	<u>1,451,350</u>
--------------------------	------------------

Commitments and Contingencies (Notes 12 and 15)	<u>-</u>
--	----------

NET POSITION

Invested in capital assets, net of related debt	35,512
Unrestricted	1,015,259
Unrestricted - OPEB (Note 16)	(598,768)
Total Net Position	<u><u>\$ 452,003</u></u>

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, 2020

Operating Revenues:

Federal	\$ 1,390,355
State	630,391
Local contracts	1,226,208
Local assessments	155,815
Other local revenue	8,922

Total Operating Revenues 3,411,691

Other revenue

Pension Support from Nonemployer Contributing Entity (Note 12)	884,948
---	---------

Total Revenue 4,296,639

Operating Expenses

Direct salaries	1,231,907
Equipment	812
Consultants	726,924
Conferences/meetings	10,715
Travel	16,802
Other direct costs	25,165
OPEB expense	162,942
Indirect costs	1,259,722

Total Operating Expenses 3,434,989

Pension expense (Note 12)	884,948
---------------------------	---------

Total Expenses 4,319,937

Change in net position (23,298)

Net position - beginning of year 475,301

Net position - end of year \$ 452,003

See accompanying notes to the financial statements

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows From Operating Activities

Federal, state and local contracts	\$ 3,414,341
Other cash receipts	8,922
Payments to vendors	(1,223,376)
Payments to employees for services	(1,891,846)
Net cash used by operating activities	<u>308,041</u>

Cash Flows from Financing Activities:

Purchase of fixed assets	<u>(15,889)</u>
Net cash used by capital and related financing activities	<u>(15,889)</u>

Change in cash and cash equivalents 292,152

Cash and cash equivalents - beginning of year 622,817

Cash and cash equivalents - end of year \$ 914,969

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

Change in net position	\$ (23,298)
Adjustments:	
Depreciation	12,432
OPEB expense	162,942
Changes in assets and liabilities	
Receivables	11,572
Prepaid expenses	(18,267)
Payables	139,141
Other accrued expenses	23,519
Net cash used by operating activities	<u><u>\$ 308,041</u></u>

See accompanying notes to the financial statements

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Fiduciary Net Position

June 30, 2020

Assets

	<u>OPEB Trust</u>
Cash and short term investments	\$ -
Investments	
Model Port Moderate Fund	<u>740,054</u>
 Total current assets	 <u><u>\$ 740,054</u></u>

Net Position

Net position restricted for postemployment benefits other than pensions	<u><u>\$ 740,054</u></u>
---	--------------------------

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2020

	<u>OPEB Trust</u>
Additions:	
Employer contributions	\$ 32,567
Investment income	
Net increase in fair value of investments	28,533
Less: investment expenses	<u>(707)</u>
Net investment income	<u>27,826</u>
Total additions	<u>60,393</u>
Deductions:	
Benefit Payments	<u>18,539</u>
Total deductions	<u>18,539</u>
Change in net position	41,854
Net position, beginning of year	<u>698,200</u>
Net position, end of year	<u><u>\$ 740,054</u></u>

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

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, 2020

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, 2020 was \$88,506.

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 \$12,432 for the year ended June 30, 2020. 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, 2020

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 2020, 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.

L. Implementation of GASB Pronouncements

In May of 2020, the GASB issued Statement #95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement postponed the required implementation of many of the upcoming Statements for one year or longer.

There were no GASB pronouncements required to be implemented in fiscal 2020 that impacted the Authority's financial statements.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

The GASB has issued the following statements which require adoption subsequent to June 30, 2020 and are applicable to the Authority. The Authority has not yet adopted these statements, and the implications on the Authority's fiscal practices and financial reports are being evaluated.

- No. 84 – *Fiduciary Activity* – effective FY2021
- No. 87 – *Leases* – effective FY2022
- No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period* – effective FY2022
- No. 90 – *Major Equity Interests* – effective FY2021
- No. 91 – *Conduit Equity Obligations* – effective FY2023
- No. 92 – *Omnibus 2020* – effective FY2022
- No. 93 – *Replacement of Interbank Offered Rates* – effective FY2022
- No. 94 – *Private-Public and Public-Public Partnership and Availability Payment Arrangements* – effective FY 2023
- No. 96 – *Subscription-Based Information Technology Arrangements* – effective FY2023
- No. 97 – *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment on GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32* – effective FY2022

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 have a deposit policy for custodial risk. As of June 30, 2020, \$0- of the government's bank balance of \$281,443 was exposed to custodial credit risk as uninsured and uncollateralized.

C. Interest Rate Risk

As of June 30, 2020, 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, 2020 was \$617,334 and its average maturity is less than one year.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

D. Credit Risk

As of June 30, 2020, 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.

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, 2020 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	\$ 740,054	740,054	-
Total investments	<u>\$ 740,054</u>	<u>740,054</u>	<u>-</u>

(b) Credit Risk

As of June 30, 2020, 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, 2020, 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, 2020 all accounts receivable were deemed to be collectable.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

NOTE 5. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Equipment	\$ 67,992	\$ 13,989	\$ -	\$ 81,981
Furniture and fixtures	40,574	1,900	-	42,474
Capital leases	12,687	-	-	12,687
Grant Fixed Assets	<u>14,278</u>	<u>-</u>	<u>-</u>	<u>14,278</u>
Total Capital Assets	<u>135,531</u>	<u>15,889</u>	<u>-</u>	<u>151,420</u>
Less Accumulated Depreciation for:				
Equipment	63,197	4,235	-	67,432
Furniture and fixtures	14,571	7,417	-	21,988
Capital leases	12,687	-	-	12,687
Grant Fixed Assets	<u>13,020</u>	<u>780</u>	<u>-</u>	<u>13,800</u>
Total Accumulated Depreciation	<u>103,475</u>	<u>12,432</u>	<u>-</u>	<u>115,907</u>
Capital Assets, net	<u>\$ 32,056</u>	<u>\$ 3,457</u>	<u>\$ -</u>	<u>\$ 35,513</u>

NOTE 6. Local Assessments

The Commission received local matching funds of \$155,815 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.

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. Additional rent consists of \$276 per month for office furniture, 2.61% of operating charge increase in excess of Base Year charges, and metered utilities.

Minimum future payments required as of June 30, 2020 are as follows:

2021	\$ 117,695
2022	120,139
2023	122,583
2024	125,026
2025	127,469
2026 and thereafter	393,002

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

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.

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, 2020 for the year ended June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

B. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/19	\$ 1,139,982	\$ 698,200	\$ 441,782
Changes for the year:			
Service cost	109,058	-	109,058
Interest	91,135	-	91,135
Effect of economic gains/losses	40,373	-	40,373
Effect of Assumptions, Changes, or Inputs	-	-	-
Employer contributions	-	32,567	(32,567)
Benefit payments	(18,539)	(18,539)	-
Net investment income	-	28,533	(28,533)
Administrative expense	-	(707)	707
Net Changes	<u>222,027</u>	<u>41,854</u>	<u>180,173</u>
Balances at 6/30/20	<u>\$ 1,362,009</u>	<u>\$ 740,054</u>	<u>\$ 621,955</u>

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, 2020 would change as follows:

	1% decrease <u>6.35%</u>	Current discount rate <u>7.35%</u>	1% increase <u>8.35%</u>
Net OPEB liability (Asset)	\$ 842,016	\$ 621,955	\$ 442,283

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, 2020 would change as follows:

	1% decrease <u> </u>	Baseline trend <u> </u>	1% increase <u> </u>
Net OPEB liability (Asset)	\$ 410,446	\$ 621,955	\$ 890,380

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

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

For the year ended June 30, 2020, the Commission recognized OPEB expense of \$162,942. At June 30, 2020, 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>\$ 23,187</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:

2021	\$ 6,261
2022	6,261
2023	5,966
2024	4,699

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.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

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.

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, 2019 the Commission has not contributed to the Retirement System. For the year ended June 30, 2019 the Commission's "total actual required contribution" of \$304,000 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, 2020, the Commission has a liability of \$4,467,476 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Update procedures were used to roll forward the total pension liability to June 30, 2019. 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, 2020, the Commission's proportion of net pension liability was 0.03053 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, 2019.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

In the MSERS retirement system report for the year ended June 30, 2019, 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.

For the year ended June 30, 2020, the Commission recognized pension expense of \$884,948 offset by a corresponding amount labeled as other revenue – pension support from non-employer contributing entity. At June 30, 2020 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	\$ 148,366	\$	58,102
Changes of assumptions	331,149		-
Net differences between projected and actual investment earnings	-		66,638
Changes in proportions	731,705		58,433
	<u>\$ 1,211,220</u>	\$	<u>183,173</u>

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

	Outflows		Inflows
Year ended June 30:			
2021	\$ 621,356	\$	93,968
2022	26,647		4,030
2023	251,934		38,100
2024	282,214		42,679
2025	29,069		4,396

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

A. Actuarial Assumptions

The total pension liability in the January 1, 2019 actuarial valuation and the related update to June 30, 2019 (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	3.0 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	7.25% 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-2016 and set forward 1 year for females.
Post-retirement	The RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward 1 year for females.
Disability	The RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward 1 year.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2017 to January 1, 2019.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

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, 2019 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	39.00%	4.90%
Core Fixed Income	15.00%	1.30%
Private Equity	13.00%	8.20%
Portfolio Completion Strategies	11.00%	3.90%
Real Estate	10.00%	3.60%
Value Added Fixed Income	8.00%	4.70%
Timber/Natural Resources	4.00%	4.10%
Total	100.00%	

B. Discount Rate

The discount rate used to measure the total pension liability was 7.25 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, 2020

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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Commission's proportionate share of the net pension liability	\$ 5,948,617	\$ 4,467,476	\$ 3,204,093

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, 2020 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, 2020

NOTE 15. Contingencies

The Commission has received notification from the State Board of Retirement of a potential assessment in the amount of \$1,492,453 for reimbursement of the Commission's proportionate share of retiree benefits paid to former employees for calendar years 2013 through 2019. The Commission has not recorded this liability. The Commission joined the State Retirement System effective July 1, 1965 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 16. 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.

NOTE 17. COVID-19

The COVID-19 pandemic, whose effects became first known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Commission's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Commission's funding sources, employees and vendors, all of which, at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Commission's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Notes to Financial Statements

June 30, 2020

Beginning in March 2020, the Commission has received and distributed \$783,290 from the Massachusetts Department of Public Health (DPH) to 39 unaffiliated Boards of Health, \$75,000 of this funding was from the Coronavirus Aid, Relief and Economic Security Act (CARES Act). In June, we received a \$50,000 DPH grant to administer the multiple rounds of competitive affiliate funding and to continue facilitating discussions with the Boards of Health.

NOTE 18. Subsequent Events

The Commission has evaluated events subsequent to June 30, 2020 through March 25, 2021, 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.

In July 2020, CMRPC was awarded a \$45,000 Small Business Relief Partnership Grant Program from the Massachusetts Attorney General's Office to distribute as competitive grants to the region's small businesses.

In July, we entered in to a \$56,000 contract with the Town of Leicester to administer a Community Development Block Grant CARES Act (CDBG-CV) grant on behalf of the Towns of Leicester, Brookfield, Dudley Millbury, North Brookfield and West Brookfield were awarded \$376,000 for microenterprise assistance, food assistance and services for seniors.

In March 2021, the Mass Downtown Initiative (MDI) awarded \$240,000 to CMRPC and the towns of Barre, Boylston, Dudley, Northbridge, Princeton, Uxbridge and West Brookfield for Local Rapid Recovery Planning (LRRP) which is part of the Baker-Polito Recovery Plan to revitalize downtowns, respond to the effects of COVID-19.

CMRPC is awaiting a decision on a CARES Act application submitted in November 2020 to the Economic Development Administration (EDA) in the amount of \$2.5 million.

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
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, 2019.

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, 2019.

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
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

	<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
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.

See accompanying independent auditors' report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Required Supplementary Information (Unaudited)

Schedule of Investment Returns - OPEB Trust

Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	4.13%	5.35%	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, 2020

	<u>Final Budget</u>	<u>Final Budget</u>	<u>Actual Activity</u>	<u>Variance</u>
Revenues				
Grants and contracts	\$ 2,849,050	\$ 3,099,050	\$ 3,246,954	\$ 147,904
Local assessments	159,076	159,076	155,815	(3,261)
Other income	<u>8,374</u>	<u>8,374</u>	<u>8,922</u>	<u>548</u>
Total Revenues	<u>3,016,500</u>	<u>3,266,500</u>	<u>3,411,691</u>	<u>145,191</u>
Expenses				
Direct salaries	1,375,500	1,375,500	1,231,907	143,593
Equipment	-	-	812	(812)
Consultants	230,000	480,000	726,924	(246,924)
Conferences/meetings	14,500	14,500	10,715	3,785
Travel	17,000	17,000	16,802	198
Supplies	3,000	3,000	3,221	(221)
Software	6,000	6,000	12,154	(6,154)
Other direct costs	5,000	5,000	9,790	(4,790)
* OPEB expense	-	-	162,942	(162,942)
Indirect costs	<u>1,365,500</u>	<u>1,365,500</u>	<u>1,259,722</u>	<u>105,778</u>
Total Expenses	<u>3,016,500</u>	<u>3,266,500</u>	<u>3,434,989</u>	<u>(168,489)</u>
Excess of Revenues over Expenses - Budgetary	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,298)</u>	<u>\$ (23,298)</u>

Notes to schedule:

* Management did not budget for unfunded OPEB expenses due to its inability to estimate these costs

See accompanying independent auditor's report.

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Revenues and Expenditures Allocated by Contract/Activity

Year Ended June 30, 2020

	Local Programs	SHSP FY18	MassDOT 108055	MassDOT 88916	MassDOT X013	MassDOT X011
Revenues:						
Federal grants	\$ -	\$ 107,771	\$ 532,160	\$ 167,617	\$ 21,542	\$ (10,160)
State grants	115,781	30,323	133,040	41,904	-	-
Local contracts	1,153,291	2,159	-	-	-	-
Local assessments	124,850	-	-	-	1,654	-
In-kind contributions	-	-	-	-	-	-
Other local revenues	8,922	-	-	-	-	-
	<u>1,402,844</u>	<u>140,253</u>	<u>665,200</u>	<u>209,521</u>	<u>23,196</u>	<u>(10,160)</u>
Total Revenues						
Expenditures:						
Direct salaries	312,812	65,738	323,401	99,995	11,454	-
Travel	3,954	845	2,656	4,224	30	-
Equipment	-	-	-	812	-	-
Consultants	631,625	-	-	-	-	-
Conferences/meetings	772	-	4,542	204	-	-
Computer software	7,144	-	1,785	-	-	-
Supplies	1,978	-	496	-	-	-
Legal	647	-	1,015	198	-	-
In-kind contributions	-	-	-	-	-	-
Other direct costs	163,071	5,147	602	1,836	-	-
Indirect costs	319,876	67,223	330,703	102,252	11,712	-
	<u>1,441,879</u>	<u>138,953</u>	<u>665,200</u>	<u>209,521</u>	<u>23,196</u>	<u>-</u>
Total Expenditures						
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (39,035)</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,160)</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, 2020

	WRTA	Brookfield CDBG	Brookfield CDBG	N Brookfield CDBG	Leicester CDBG	Dudley CDBG
Revenues:						
Federal grants	\$ 283,034	\$ 8,835	\$ 118,732	\$ 44,150	\$ 20,100	\$ 19,159
State grants	-	-	-	-	-	-
Local contracts	70,758	-	-	-	-	-
Local assessments	-	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>353,792</u>	<u>8,835</u>	<u>118,732</u>	<u>44,150</u>	<u>20,100</u>	<u>19,159</u>
Expenditures:						
Direct salaries	168,194	981	46,826	14,390	346	9,245
Travel	2,187	22	832	215	-	24
Equipment	-	-	-	-	-	-
Consultants	-	-	22,419	14,509	7,357	-
Conferences/meetings	225	-	595	-	-	-
Computer software	1,000	-	-	-	-	-
Supplies	-	-	177	296	-	255
Legal	-	-	-	-	-	157
In-kind contributions	-	-	-	-	-	-
Other direct costs	-	-	-	25	-	25
Indirect costs	171,991	1,003	47,883	14,715	354	9,453
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>343,597</u>	<u>2,006</u>	<u>118,732</u>	<u>44,150</u>	<u>8,057</u>	<u>19,159</u>
Excess (Deficiency) of Revenues						
over Expenditures	<u>\$ 10,195</u>	<u>\$ 6,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,043</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, 2020

	PDM HMGP	EPA BF00A00169	DLTA FY19	DLTA FY20	Total
Revenues:					
Federal grants	\$ 14,024	\$ 63,391	\$ -	\$ -	\$ 1,390,355
State grants	-	269	142,986	166,088	630,391
Local contracts	-	-	-	-	1,226,208
Local assessments	5,633	-	19,392	4,286	155,815
In-kind contributions	-	-	-	-	-
Other local revenues	-	-	-	-	8,922
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	19,657	63,660	162,378	170,374	3,411,691
Expenditures:					
Direct salaries	9,629	6,426	78,727	83,743	1,231,907
Travel	181	89	1,139	404	16,802
Equipment	-	-	-	-	812
Consultants	-	51,014	-	-	726,924
Conferences/meetings	-	2,296	1,507	574	10,715
Computer software	-	-	2,225	-	12,154
Supplies	-	-	-	19	3,221
Legal	-	-	-	-	2,017
In-kind contributions	-	-	-	-	-
Other direct costs	-	-	-	-	170,715
Indirect costs	9,847	6,571	80,505	85,634	1,259,722
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	19,657	66,396	164,103	170,374	3,434,989
Excess (Deficiency) of Revenues					
over Expenditures	<u>\$ -</u>	<u>\$ (2,736)</u>	<u>\$ (1,725)</u>	<u>\$ -</u>	<u>\$ (23,298)</u>

See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Indirect Cost Rate

Year Ended June 30, 2020

	<u>Direct Labor</u>	<u>Other Direct Costs</u>	<u>Indirect Costs</u>	<u>Unreimbursed Costs</u>	<u>Total Expenditures</u>
Expenditures					
Salaries	\$ 1,231,907	\$ -	\$ 469,032	\$ -	\$ 1,700,939
Fringe benefits - salaries	-	-	234,233	-	234,233
Fringe benefits - insurance	-	-	212,673	-	212,673
Retiree health insurance	-	-	-	-	-
Payroll taxes	-	-	33,604	-	33,604
Equipment	-	812	7,449	-	8,261
Consultants	-	726,924	2,569	-	729,493
Conferences & meetings	-	10,715	22,981	-	33,696
Travel	-	16,802	3,844	-	20,646
Supplies	-	3,221	11,479	-	14,700
Software	-	12,154	29,306	-	41,460
Rent	-	-	126,676	-	126,676
Repairs & maintenance	-	-	10,399	-	10,399
Professional fees	-	2,017	20,832	-	22,849
Memberships	-	1,836	12,906	-	14,742
Postage	-	102	2,581	-	2,683
Office expense	-	562	4,580	-	5,142
Training	-	5,147	-	-	5,147
Equipment rental	-	-	9,591	-	9,591
Insurance	-	-	12,721	-	12,721
Telephone	-	-	6,340	-	6,340
Utilities	-	-	3,707	-	3,707
Recruitment	-	126	6,375	-	6,501
Marketing	-	-	2,095	-	2,095
Interest expense	-	-	1,317	-	1,317
Depreciation	-	-	12,432	-	12,432
OPEB expense	-	-	-	162,942	162,942
	<u>\$ 1,231,907</u>	<u>\$ 780,418</u>	<u>\$ 1,259,722</u>	<u>\$ 162,942</u>	<u>\$ 3,434,989</u>
Total Expenditures	<u>\$ 1,231,907</u>	<u>\$ 780,418</u>	<u>\$ 1,259,722</u>	<u>\$ 162,942</u>	<u>\$ 3,434,989</u>

Indirect Cost Rate = Indirect Costs/Direct Labor

$$\frac{\$ 1,259,722}{\$ 1,231,907} = 102.26\%$$

See accompanying independent auditor's report

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Cumulative Revenues and Expenditures and Computation of

Project Grant on Completed Projects

At June 30, 2020

	MassDOT 88916
Resources:	
Federal / State grant	3,286,722
In-kind contributions	-
Local assessments	-
	<u> </u>
Total Revenues	<u><u>3,286,722</u></u>
Expenditures:	
Direct salaries	1,589,376
Direct costs	67,756
Indirect costs	1,629,590
	<u> </u>
Total Expenditures	<u><u>3,286,722</u></u>
Federal / State - Participation in Project Cost	100%
Pursuant to contracts, the Federal / State grant may not exceed the lesser of the percentage participation shown above or:	<u><u>3,506,256</u></u>
Accordingly, the Federal / State grant permissible is:	3,286,722
Less: Federal / State grant payments	<u><u>3,314,950</u></u>
Federal / State Grant Receivable (Payable)	<u><u>\$ (28,228)</u></u>

See accompanying independent auditor's report

ROLAND P. LAMBALOT, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

184 PLEASANT VALLEY STREET

METHUEN, MA 01844

TELEPHONE (978) 691-0050

FAX (978) 691-0066

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

To the Commissioners of the
Central Massachusetts Regional Planning Commission

Report on Compliance for Each Major Program

We have audited Central Massachusetts Regional Planning Commission's (the Commission) compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Program

In our opinion, the Commission complied, in all material respects, with the types 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, 2020.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated March 25, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Roland P. Lambalot, PC

Methuen, Massachusetts
March 25, 2021

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Dept of Housing & Urban Development</u>				
Pass through programs				
Community Development Block Grants	14.228	Brookfield	-	8,835
Community Development Block Grants	14.228	Brookfield	-	118,732
Community Development Block Grants	14.228	Dudley	-	19,159
Community Development Block Grants	14.228	Leicester	-	20,100
Community Development Block Grants	14.228	No. Brookfield	-	44,150
Sub-total CFDA #14.228			-	210,976
<u>Department of Transportation</u>				
Pass through programs				
Metropolitan Transportation Planning	20.505	88916	-	167,617
Metropolitan Transportation Planning	20.505	108055	-	532,160
Metropolitan Transportation Planning	20.505	80-0013	-	21,542
Metropolitan Transportation Planning	20.505	80-0011	-	(10,160)
Sub-total CFDA #20.205			-	711,159
Direct program				
Federal Transit - Formula Grants	20.507	N/A	-	283,034
<u>Environmental Protection Agency</u>				
Direct program				
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	-	63,391
<u>Department of Homeland Security</u>				
Pass through program				
Massachusetts Emergency Management Agency Hazard Mitigation Grant	97.039	PDM HMGP	-	14,024
Pass through program				
Executive Office				
Homeland Security Grant Program	97.067	SHSP18	-	107,771
Total Expenditures of Federal Awards			\$ -	\$1,390,355

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, 2020

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, 2020. 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.

CERTIFIED PUBLIC ACCOUNTANTS

184 PLEASANT VALLEY STREET

METHUEN, MA 01844

TELEPHONE (978) 691-0050

FAX (978) 691-0066

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, 2020, 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 25, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 25, 2021

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unqualified opinion on the financial statements of Central Massachusetts Regional Planning Commission.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in According with Government Auditing Standards.
3. No instances of noncompliance considered material to the financial statements of Central Massachusetts Regional Planning Commission which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance for Federal Awards.
5. The independent auditor's report on compliance for the major federal award programs for Central Massachusetts Regional Planning Commission expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 200.516 of the Uniform Guidance are reported in this schedule.
7. The program tested as a major program included: Metropolitan Transportation Planning, CFDA No. 20.505.
8. The threshold for distinguishing Types A and B programs was \$750,000
9. Central Massachusetts Regional Planning Commission was determined to be a low-risk auditee.

B. FINDING – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

None

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Summary Schedule of Prior Year Audits

June 30, 2020

There were no significant or material uncorrected prior year findings that affect the current year audit objectives.