

LAKE CHAMPLAIN-LAKE GEORGE
REGIONAL PLANNING BOARD

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2020

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 7
Financial Statements:	
Statement of Net Position	8
Statement of Revenue, Expenses and Changes in Net Position	9
Statement of Cash Flows	10 - 11
Notes to Financial Statements	12 - 25
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability	26
Schedule of the Board's Pension Contributions	27
Schedule of Changes in the Board's Total OPEB Liability and Related Ratios	28
Other Supplementary Information:	
Combining Statement of Net Position - Revolving Loan Funds	29
Combining Statement of Revenue, Expenses and Changes in Net Position - Revolving Loan Funds	30
Schedule of Expenditures of Federal Awards	31
Notes to Schedule of Expenditures of Federal Awards	32
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	33 - 34
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	35 - 36
Schedule of Findings and Questioned Costs	37
Status of Prior Year Audit Findings	38

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lake Champlain-Lake George Regional Planning Board:

Report on the Financial Statements

We have audited the accompanying financial statements of Lake Champlain-Lake George Regional Planning Board (the Board), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Board'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.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board'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 Board'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 financial position of Lake Champlain-Lake George Regional Planning Board as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, and the additional information on pages 26 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The other supplementary information on pages 29 and 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are 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. 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 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 14, 2021, on our consideration of the Board'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 14, 2021

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Management's Discussion and Analysis

December 31, 2020

OVERVIEW

This section of the Lake Champlain-Lake George Regional Planning Board's (the Board) annual financial report provides an overview of the entity and presents an analysis of the Board's financial performance during the year ended December 31, 2020. This information is presented in conjunction with the audited basic financial statements, which follow this section.

The Board is a joint venture comprised of several Upstate New York Counties. It was formed on October 11, 1967 under Article 12-B, Section 239-b of the General Municipal Law. The Board's objective is to promote economic development within Warren, Washington, Clinton, Essex and Hamilton counties. Additionally, the Board serves as the host agency for the Adirondack/Glen Falls Transportation Council, which is responsible for developing and maintaining both a regional transportation plan and a transportation improvement program for the area's major highway and transit facilities.

The Board groups funds into two categories, operating and revolving loan, for financial reporting purposes. All projects which are specifically funded by governmental grants as well as all general revenue and expenses which are not allocable to the revolving loan funds are reported through the operating fund.

The revolving fund loan was established in 1985 with a grant from the Economic Development Administration and matching grants from local governments. Additional funding from these sources was obtained in subsequent years. These funds are used to make loans to area businesses whose loan applications have been rejected by financial institutions. The loans are intended to save existing jobs or to create new jobs.

FINANCIAL HIGHLIGHTS

- Net position increased by 3.9% from \$1,318,779 to \$1,370,342.
- Revenue increased by 17.1% from \$949,568 to \$1,111,483.
- Expenses increased by 17.9% from \$898,721 to \$1,059,920.

Additional comparative financial information for the years 2020 and 2019 can be found in the tables which follow.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Management's Discussion and Analysis, Continued

TABLE 1
Condensed Statement of Net Position

	<u>2020</u>	<u>2019</u>	<u>Increase (decrease)</u>	<u>Percent variance</u>
Assets:				
Cash and equivalents	\$ 1,126,896	759,740	367,156	48.3%
Other current assets	268,198	261,460	6,738	2.6%
Loans receivable, net of allowances for loan losses	<u>1,382,248</u>	<u>1,656,103</u>	<u>(273,855)</u>	<u>(16.5%)</u>
Total assets	2,777,342	2,677,303	100,039	3.7%
Deferred outflows of resources	<u>512,714</u>	<u>195,840</u>	<u>316,874</u>	<u>161.8%</u>
Total assets and deferred outflows of resources	\$ <u>3,290,056</u>	<u>2,873,143</u>	<u>416,913</u>	<u>14.5%</u>
Liabilities:				
Accounts payable	16,984	21,366	(4,382)	(20.5%)
Other liabilities	144,930	108,950	35,980	33.0%
Net pension liability	512,092	94,255	417,837	443.3%
Total OPEB liability	<u>688,279</u>	<u>763,966</u>	<u>(75,687)</u>	<u>(9.9%)</u>
Total liabilities	1,362,285	988,537	373,748	37.8%
Deferred inflows of resources	<u>557,429</u>	<u>565,827</u>	<u>(8,398)</u>	<u>(1.5%)</u>
Total liabilities and deferred inflows of resources	1,919,714	1,554,364	365,350	23.5%
Net position	<u>1,370,342</u>	<u>1,318,779</u>	<u>51,563</u>	<u>3.9%</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>3,290,056</u>	<u>2,873,143</u>	<u>416,913</u>	<u>14.5%</u>

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS

- **Assets** - Cash and equivalents increased by \$367,156 or 48.3% to \$1,126,896. The increase is primarily related to increased collection efforts of loans receivable, with two loans issued in 2020. Loans receivables decreased by \$273,855 or (16.5%). The decrease is primarily related to increased collection efforts resulting in \$385,316 in payments received in the current year, offset by the loans issued in the amount of \$111,461.
- **Deferred outflows of resources** - Deferred outflows of resources increased by \$316,874 or 161.8% as a result of changes in assumptions and other inputs related to the Board's participation in the Warren County Retiree Medical Plan (the Plan) and the New York State and Local Retirement System (the System).
- **Liabilities** - Accounts payables and other liabilities increased by \$31,598 due to timing of cash disbursements in relation to year-end. The net pension liability increased by \$417,837 or 443.3% as a result of changes of assumptions and other inputs related to the Board's participation in the System. Other postemployment benefits decreased by \$75,687 or 9.9% due to changes of assumptions or other inputs for the Board's participation in the Plan.
- **Deferred inflows of resources** - Deferred inflows of resources decreased by \$8,398 or 1.5%.
- **Net position** - Net position increased by \$416,913 or 14.5% as a result of operations.

TABLE 2
Condensed Statement of Revenue, Expenses and Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>Increase (decrease)</u>	<u>Percent variance</u>
Revenue:				
Grants	\$ 640,422	617,644	22,798	3.7%
Loan interest	90,415	78,077	12,338	15.8%
Overhead and administrative	153,217	100,501	52,716	52.5%
Other income	<u>227,409</u>	<u>153,346</u>	<u>74,063</u>	<u>48.3%</u>
Total revenue	<u>1,111,483</u>	<u>949,568</u>	<u>161,915</u>	<u>17.1%</u>
Expenses:				
Salaries and wages	400,578	337,036	63,542	18.9%
Payroll taxes and fringe benefits	177,655	109,948	67,707	61.6%
Operating expenses	481,687	418,966	62,721	15.0%
Provision for loan allowance	<u>-</u>	<u>32,771</u>	<u>(32,771)</u>	<u>(100.0%)</u>
Total expenses	<u>1,059,920</u>	<u>898,721</u>	<u>161,199</u>	<u>17.9%</u>
Change in net position	\$ <u>51,563</u>	<u>50,847</u>	<u>716</u>	<u>1.4%</u>

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Management's Discussion and Analysis, Continued

- **Revenue** - Total revenue increased by \$161,915 or 17.1%. This is primarily related to an increase in interfund revenue. The remaining portion of the increase is attributable to overhead and administrative increasing by \$52,716 or 52.5%.
- **Expenses** - Total expenses increased by \$161,199 or 17.9%. This is primarily related to an increase of \$67,707 in payroll taxes and fringe benefits due to increased expenses from the ERS Pension System.

ECONOMIC FACTORS

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Board and its future results and financial position is not presently determinable.

REQUEST FOR INFORMATION

This financial report is intended to provide a general overview of the Board's financial position and to illustrate the Board's accountability for the revenue it receives. If you have any questions about this report or need additional financial information, contact Beth Gilles, Executive Director at (518) 668-5773.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Statement of Net Position
December 31, 2020

<u>Assets and Deferred Outflows of Resources</u>	Operating fund	Revolving loan funds	<u>Total</u>
Current assets:			
Cash and equivalents - unrestricted	\$ 148,486	85,403	233,889
Receivables:			
Grants receivable	127,386	-	127,386
Loans receivable, current portion	-	337,851	337,851
Interest receivable	-	3,944	3,944
Interfund receivables	85,403	-	85,403
Other receivables	49,321	-	49,321
Prepaid expenses	<u>2,144</u>	<u>-</u>	<u>2,144</u>
Total current assets	412,740	427,198	839,938
Other assets:			
Loans receivable, net of current portion and net of allowance of \$505,534	-	1,044,397	1,044,397
Cash and equivalents - restricted	<u>-</u>	<u>893,007</u>	<u>893,007</u>
Total other assets	<u>-</u>	<u>1,937,404</u>	<u>1,937,404</u>
Total assets	<u>412,740</u>	<u>2,364,602</u>	<u>2,777,342</u>
Deferred outflows of resources			
Pension	354,301	-	354,301
Other postemployment benefits (OPEB)	<u>158,413</u>	<u>-</u>	<u>158,413</u>
Total deferred outflows of resources	<u>512,714</u>	<u>-</u>	<u>512,714</u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>			
Current liabilities:			
Accounts payable	16,984	-	16,984
Due to other governments	10,038	-	10,038
Accrued expenses	49,489	-	49,489
Interfund payables	<u>-</u>	<u>85,403</u>	<u>85,403</u>
Total current liabilities	<u>76,511</u>	<u>85,403</u>	<u>161,914</u>
Long-term liabilities:			
Net pension liability - ERS	512,092	-	512,092
Total OPEB liability	<u>688,279</u>	<u>-</u>	<u>688,279</u>
Total long-term liabilities	<u>1,200,371</u>	<u>-</u>	<u>1,200,371</u>
Total liabilities	<u>1,276,882</u>	<u>85,403</u>	<u>1,362,285</u>
Deferred inflows of resources:			
Pension	36,002	-	36,002
Other postemployment benefits (OPEB)	515,259	-	515,259
Deferred revenue	<u>6,168</u>	<u>-</u>	<u>6,168</u>
Total deferred inflows of resources	<u>557,429</u>	<u>-</u>	<u>557,429</u>
Net position (deficit):			
Restricted	-	893,007	893,007
Unrestricted	<u>(908,857)</u>	<u>1,386,192</u>	<u>477,335</u>
Total position (deficit)	<u>\$ (908,857)</u>	<u>2,279,199</u>	<u>1,370,342</u>

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Statement of Revenue, Expenses and Changes in Net Position
Year ended December 31, 2020

	<u>Operating fund</u>	<u>Revolving loan funds</u>	<u>Total</u>
Revenue:			
Grants	\$ 640,442	-	640,442
Interest income	-	396	396
Overhead reimbursement	142,253	7,735	149,988
Administrative income	3,229	-	3,229
In-kind revenue	37,445	-	37,445
Program income	-	365	365
Loan interest	-	90,415	90,415
Interfund revenue	189,203	-	189,203
Total revenue	<u>1,012,572</u>	<u>98,911</u>	<u>1,111,483</u>
Expenses:			
Salaries and wages	400,578	-	400,578
Payroll taxes and fringe benefits	177,655	-	177,655
Overhead and administrative	233,104	-	233,104
In-kind expense	37,445	-	37,445
Professional fees	-	21,935	21,935
Interfund expense	-	189,203	189,203
Total expenses	<u>848,782</u>	<u>211,138</u>	<u>1,059,920</u>
Change in net position	163,790	(112,227)	51,563
Net position at beginning of year	<u>(1,072,647)</u>	<u>2,391,426</u>	<u>1,318,779</u>
Net position at end of year	<u>\$ (908,857)</u>	<u>2,279,199</u>	<u>1,370,342</u>

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Statement of Cash Flows
Year ended December 31, 2020

	<u>Operating fund</u>	<u>Revolving loan funds</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from grants	\$ 672,645	-	672,645
Cash received from interest	-	100,118	100,118
Cash received (paid) to overhead and administrative	101,581	(180,707)	(79,126)
Cash paid to employees and fringe benefits for services	(554,939)	-	(554,939)
Cash paid to suppliers for goods and services	<u>(23,332)</u>	<u>(22,065)</u>	<u>(45,397)</u>
Net cash provided by (used in) operating activities	<u>195,955</u>	<u>(102,654)</u>	<u>93,301</u>
Cash flows from capital and related financing activities - cash (paid to) received from related parties	<u>(113,830)</u>	<u>113,830</u>	<u>-</u>
Cash flows from investing activities:			
Cash paid to borrowers for new loans	-	(111,461)	(111,461)
Cash received for loan payments	<u>-</u>	<u>385,316</u>	<u>385,316</u>
Net cash provided by investing activities	<u>-</u>	<u>273,855</u>	<u>273,855</u>
Net change in cash and equivalents	82,125	285,031	367,156
Cash and equivalents at beginning of year	<u>66,361</u>	<u>693,379</u>	<u>759,740</u>
Cash and equivalents at end of year	<u>\$ 148,486</u>	<u>978,410</u>	<u>1,126,896</u>
Supplemental schedule of cash flow information - classification of cash and equivalents:			
Unrestricted	\$ 148,486	85,403	233,889
Restricted	<u>-</u>	<u>893,007</u>	<u>893,007</u>
	<u>\$ 148,486</u>	<u>978,410</u>	<u>1,126,896</u>

(Continued)

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Statement of Cash Flows, Continued

	<u>Operating fund</u>	<u>Revolving loan funds</u>	<u>Total</u>
Cash flows from operating activities:			
Change in net position	\$ 163,790	(112,227)	51,563
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:			
Changes in:			
Grants receivable	32,203	-	32,203
Loan interest receivable	-	9,703	9,703
Other receivables	(18,067)	-	(18,067)
Prepaid expenses	1,862	-	1,862
Deferred outflows of resources - pension	(277,627)	-	(277,627)
Deferred outflows of resources - OPEB	(39,247)	-	(39,247)
Accounts payable	(4,252)	(130)	(4,382)
Due to other governments	179	-	179
Accrued expenses	3,362	-	3,362
Total OPEB liability	(75,687)	-	(75,687)
Net pension liability	417,837	-	417,837
Deferred inflows of resources - pension	(14,103)	-	(14,103)
Deferred inflows of resources - OPEB	6,897	-	6,897
Deferred revenue	(1,192)	-	(1,192)
	\$ 195,955	(102,654)	93,301
Net cash provided by (used in) operating activities	\$ 195,955	(102,654)	93,301

See accompanying notes to financial statements.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Lake Champlain-Lake George Regional Planning Board (the Board) was formed on October 11, 1967 under Article 12-B, Section 239-b of the General Municipal Law. The Board's objectives are to promote economic development within Warren, Washington, Clinton, Essex and Hamilton counties. These objectives are primarily accomplished by the use of various Federal and New York State grants and matching funds from the member counties to provide loans generally to new or existing businesses located within the Board's region. Additionally, the Board serves as the host agency for the Adirondack/Glen Falls Transportation Council (A/GFTC), which is responsible for developing and maintaining both a regional transportation plan and a transportation improvement program for the area's major highway and transit facilities.

The financial reporting entity consists of a joint venture comprised of five counties formed to promote economic development for which the Board is responsible.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

Net position of the Board and changes therein are classified as follows:

Net investment in capital assets - Capital assets, net of accumulated depreciation from outstanding principle balances of debt, if any, attributable to the acquisition, construction or improvement of those assets. The Board has no capital assets.

Restricted - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Board or the passage of time. The Board has restricted net position for cash and equivalents available for issuance of new loans.

Unrestricted - Consists of all other net position without constraints.

The accounts of the Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenue and expenses. Resources are allocated to individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in two fund categories as follows:

Operating Fund - The operating fund is the primary fund of the Board. It is used to account for all financial resources not required to be accounted for in a separate fund.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

Revolving Loan Funds - The revolving loan funds are used to account for loans receivable, interest revenue earned on loans, the fund's allowable direct expenses and allocated overhead expenses.

(d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(e) Cash and Equivalents

For purposes of the statement of cash flows, the Board considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(f) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off.

(g) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has three items that qualify for reporting in this category. The first item is related to the New York State and Local Retirement System (the System) reported in the Board's statement of net position. This represents the effect of the net change in the Board's proportion of the collective net pension asset or liability and difference during the measurement period between the Board's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is the Board contributions to the pension system subsequent to the measurement date. The third item is changes in assumptions related to the total OPEB liability.

Deferred inflows of resources represents an acquisition increase in net position that applies to future periods. The Board will not recognize the related revenues until a future event occurs. The Board has three types of items that qualify for reporting in this category. The first item is related to the System reported in the Board's statement of net position, and represents the change in the proportion between the Board's contributions and proportionate share of contributions. The second item represents the change of assumptions or other inputs, changes in benefit terms, and difference between expected and actual experience related to the total OPEB liability. The third item is primarily an overpayment from New York State Department of Transportation that since has been refunded.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Subsequent Events

The Board has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Board and its future results and financial position is not presently determinable.

(2) Cash and Equivalents

State statutes govern the Board's investment policies. In addition, the Board has its own written investment policy. The statutes and policies require that Board funds be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State.

Collateral is required for demand deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies as well as obligations of the State and its municipalities and school districts.

Cash and equivalents at year-end were entirely covered by Federal Depository Insurance or by collateral held by the Board's custodial banks in the Board's name. All deposits are carried at cost. The table below described cash and equivalents balances and related collateralization.

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash balances	\$ <u>1,126,896</u>	1,126,896
Less insured (FDIC)		(398,486)
Less collateralized in the Board's name		<u>(728,410)</u>
		\$ <u> -</u>

(3) Loans Receivable

(a) Program Description

Loans receivable represent the balance on loans made available under revolving loan fund grant programs. These loans are made available through Title IX of the Public Works and Economic Development Act as assistance to eligible Economic Development Districts under the Sudden and Severe Economic Dislocation Program.

Interest and fee income earned on the revolving loans may be used for operating expenses of the Board.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(3) Loans Receivable, Continued

(a) Program Description, Continued

Loans made by the Board require that a financial institution would not, under similar circumstances, make a loan.

(b) Allowance for Loan Losses

An allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is impaired. Recoveries on loans previously charged off are credited directly to the allowance for loan losses. The allowance is an estimated amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectable, based on evaluations of the collectability of loans and prior loan loss experience.

Changes in the allowance for loan losses are summarized as follows:

Balance at January 1, 2020	\$ 505,534
Additions to provision	-
Reductions to provision	<u>-</u>
Balance at December 31, 2020	\$ <u>505,534</u>

The allowance balance was not changed in 2020 due to uncertainties resulting from COVID-19.

Loans are placed on nonaccrual status when management believes, after considering economic conditions, business conditions and collection efforts that the loans are impaired or collection of interest is doubtful. Interest income on nonaccrual loans is recognized only to the extent cash payments are received.

(c) Loan Interest

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Interest accrues on loans receivable at 5.0% - 6.5% per annum as detailed in the terms of each loan.

(4) Concentration of Credit Risk

Financial instruments that potentially subject the Board to credit risk are loans receivable from various businesses within the Board's service area. These loans are secured by various types of collateral to minimize the risk to the Board. Loans are considered past due when a payment as detailed in the loan agreement is not paid timely. Loans receivable which are considered collectable and are still accruing finance charges totaled \$1,382,248 at December 31, 2020. Loans receivable not accruing interest because management has determined that collection of interest is doubtful totaled \$505,534 at December 31, 2020.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(5) Compensated Absences

Certain Board employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at their current rate of pay. These liabilities are recognized within accrued liabilities in the statement of net position. At December 31, 2020, the Board recognized a liability of \$35,377.

(6) Pension Plans

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System

The Board participates in the New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net position and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The GLIP is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 6.0 percent of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems fiscal year ending March 31.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(6) Pension Plans, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Board reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Board's proportionate share of the net pension liability was based on a projection of the Board's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Board.

Measurement date	3/31/2020
Net pension liability	\$512,092
Board's proportion of the System's net pension liability	0.0019338%
Changes in proportionate share from prior year	0.0006035

For the year ended December 31, 2020, the Board recognized pension expense of \$158,691 for the System in the statements of revenue, expenses and changes in net position. At December 31, 2020 the Board's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,139	-
Changes of assumptions	10,311	8,903
Net difference between projected and actual investment earnings on pension plan investments	262,523	-
Changes in proportion and differences between the Board's contributions and proportionate share of contributions	2,303	27,099
Board's contributions subsequent to the measurement date	<u>49,025</u>	<u>-</u>
Total	\$ <u>354,301</u>	<u>36,002</u>

Board contributions subsequent to the March 31, 2020 measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(6) Pension Plans, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

<u>Year ending</u>	
2021	\$ 39,101
2022	66,228
2023	90,155
2024	73,790
Thereafter	<u>-</u>
	\$ <u>269,274</u>

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	6.8%
Salary increases	4.2%
Inflation rate	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(6) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Asset class:		
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies (1)	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation - indexed bonds	<u>4.00%</u>	0.50%
	<u>100.00%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position 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.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's proportionate share of the net pension liability	\$ <u>(939,833)</u>	<u>(512,092)</u>	<u>(118,140)</u>

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(6) Pension Plans, Continued

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)
Measurement date	3/31/2020
Employers' total pension liability	\$ (194,596)
Plan fiduciary net position	<u>168,115</u>
Employers' net pension liability	\$ <u>(26,481)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	86.39%

(g) Contributions to the Pension Plan

Board contributions are paid monthly to Warren County. Warren County contributions are paid annually based on the System's fiscal year which ends on March 31st. Warren County retirement contributions as of December 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through March 31, 2021, based on paid employee wages multiplied by Warren County's contribution rate, by tier. The Board's proportionate share of this amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(7) Other Postemployment Benefits

(a) Plan Description

The Board participates in Warren County's Retiree Medical Plan (the Plan). Warren County (the County) administers the Plan as a single-employer defined benefit other postemployment benefit (OPEB) plan.

In general, the County provides health insurance coverage for retired employees and their survivors. Substantially all of the County's employees, as well as those of the Board, may become eligible for this benefit if they retire with 10 years of service with the County.

The Plan can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(b) Changes in the Total OPEB Liability

Total OPEB liability as of January 1, 2020	\$ 763,966
Changes for the year:	
Service cost	80,202
Interest	31,135
Changes of benefit terms	(63,898)
Differences between expected and actual experience	(196,526)
Changes in assumptions or other inputs	109,817
Benefit payments	<u>(36,417)</u>
Total OPEB liability as of December 31, 2020	\$ <u>688,279</u>

(c) Employees covered by benefit terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive members	4
Active members	<u>5</u>
	<u>9</u>

(d) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Board recognized OPEB benefits of \$82,934. At December 31, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	450,490
Changes of assumptions or other inputs	<u>158,413</u>	<u>64,769</u>
Total	\$ <u>158,413</u>	<u>515,259</u>

Board contributions subsequent to the December 31, 2020 measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(d) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

<u>Year ending</u>	
2020	\$ 92,119
2021	92,119
2022	92,119
2023	70,529
2024	<u>9,960</u>
	\$ <u>356,846</u>

(e) Total OPEB Liability

The Board's total OPEB liability of \$688,279 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

(f) Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Discount rate	2.12%
Healthcare cost trend rates	5.40% decreasing to an ultimate rate of 4.04%

Mortality rates were based on the Pub-2010 table. Mortality improvements are projected using MP-2020 Mortality Improvement Scale.

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ (570,663)	(688,279)	(843,340)

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(7) Other Postemployment Benefits, Continued

(h) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB liability	\$ <u>(813,569)</u>	<u>(688,279)</u>	<u>(589,636)</u>

(8) Interfund Activity

During the course of normal operations, the Board will utilize funds from various other funds in order to finance certain operations. Interfund transactions for the year ended December 31, 2020 were as follows:

	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>	<u>Interfund</u> <u>Revenue</u>	<u>Interfund</u> <u>Expense</u>
Operating fund	\$ 85,403	-	189,203	-
RLF I	-	17,847	-	58,784
RLF II/III	-	37,597	-	78,053
RLF IV	-	<u>29,959</u>	-	<u>52,366</u>
Total	\$ <u>85,403</u>	<u>85,403</u>	<u>189,203</u>	<u>189,203</u>

(9) Commitments and Contingencies

(a) Leases

The Board leases office facilities at Lower Amherst Street from the Town of Lake George on a year to year basis; lease expense for 2020 was \$5,520. An in-kind contribution of rent totaling \$37,445 is included as a component of in-kind revenue and expense in the statement of revenue, expenses and changes in net position.

The Board, as part of its transportation council activities, entered into a five year lease that commenced on February 1, 2015. This lease is for 1,139 square fee of office space from Empire Theater Plaza, LLC at 11 South Street, Glens Falls, New York; lease expense for 2020 was \$19,693 including utilities. During 2020 this lease was extended through 2029. Minimum rents due under leases are as follows:

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(9) Commitments and Contingencies, Continued

(a) Leases, Continued

2021	\$ 19,693
2022	19,693
2023	20,284
2024	20,284
2025	20,284
2026-2029	<u>83,568</u>
	\$ <u>183,806</u>

(b) Grant Programs

The Board participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Board believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Board's financial position or results of operations.

Additionally, a material part of the Board's funding is dependent upon a few grants. The loss of any one would have a material adverse effect on the Board. For the year ended December 31, 2020, the New York State Department of Transportation (NYSDOT) accounted for 32% of the Board's total revenue.

(10) Host Agreement Adirondack/Glen Falls Transportation Council

The Board has entered into an agreement with the A/GFTC. Under this agreement the Board acts as the "Host Agency" for the A/GFTC providing financial management services. This includes payment of their operating expenses, providing payroll services and submitted approved expenditures to New York State Department of Transportation for reimbursement. This agreement was for the ten year period beginning April 1, 2012 continuing through March 31, 2022. Total revenue relating to this agreement amounted to \$359,452 for the year ended December 31, 2020.

(11) Related Party Transactions

The Lake Champlain-Lake George Regional Development Corp. (RDC) share certain members of its Board of Directors and therefore is considered a related party to the Board. In addition the Board shares office space and personnel with the RDC and administers the IRP and to provide other services, in which the Board charges the RDC for these services. During the year ended December 31, 2020 the Board did not charge the RDC for administrative fees.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Financial Statements, Continued

(12) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
 Required Supplementary Information
 Schedule of the Board's Proportionate Share of the Net Pension Liability
 Year ended December 31, 2020

	The System					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.0019338%	0.0013303%	0.0012689%	0.0012510%	0.0011651%	0.0012463%
Board's proportionate share of the net pension liability	\$ 512,092	94,255	40,953	117,605	188,075	42,102
Board's covered payroll	\$ 400,578	285,134	271,635	300,684	299,187	291,903
Board's proportionate share of the net pension liability as a percentage of its covered payroll	127.84%	33.06%	15.08%	39.11%	62.86%	14.42%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Board is presenting information for those years for which information is available.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
 Required Supplementary Information
 Schedule of the Board's Pension Contributions
 Year ended December 31, 2020

	The System					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 63,418	44,148	41,472	39,436	37,295	42,840
Contributions in relation to the contractually required contribution	<u>63,418</u>	<u>44,148</u>	<u>41,472</u>	<u>39,436</u>	<u>37,295</u>	<u>42,840</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Board's covered payroll	\$ 400,578	285,134	271,635	300,684	299,187	291,903
Contributions as a percentage of covered payroll	15.83%	15.48%	15.27%	13.12%	12.47%	14.68%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Board is presenting information for those years for which information is available.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
 Required Supplementary Information
 Schedule of Changes in the Board's Total OPEB Liability and Related Ratios
 Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 80,202	52,350	43,905
Interest	31,135	45,237	39,909
Change of benefit terms	(63,898)	(7,722)	-
Differences between expected and actual experience	(196,526)	(506,404)	-
Changes in assumptions or other inputs	109,817	142,999	(127,828)
Benefit payments	<u>(36,417)</u>	<u>(21,380)</u>	<u>(26,449)</u>
Net change in total OPEB liability	(75,687)	(294,920)	(70,463)
Total OPEB liability - beginning	<u>763,966</u>	<u>1,058,886</u>	<u>1,129,349</u>
Total OPEB liability - ending	<u>\$ 688,279</u>	<u>763,966</u>	<u>1,058,886</u>
Covered payroll	\$ 245,456	274,287	242,818
Total OPEB liability as a percentage of covered payroll	280.41%	278.53%	436.08%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rates used:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	2.12%	4.11%	4.11%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Other Supplementary Information
Combining Statement of Net Position - Revolving Loan Funds
December 31, 2020

	RLF <u>Group I</u>	RLF <u>Group II/III</u>	RLF <u>Group IV</u>	<u>Total</u>
Current assets:				
Cash and equivalents - unrestricted	\$ 17,847	37,597	29,959	85,403
Receivables:				
Loans receivable, current portion	112,452	46,380	179,019	337,851
Interest receivable	<u>2,605</u>	<u>331</u>	<u>1,008</u>	<u>3,944</u>
Total current assets	132,904	84,308	209,986	427,198
Other assets:				
Loans receivable, net of current portion and allowance of \$505,534	683,361	57,592	303,444	1,044,397
Cash and equivalents - restricted	<u>365,267</u>	<u>256,502</u>	<u>271,238</u>	<u>893,007</u>
Total other assets	<u>1,048,628</u>	<u>314,094</u>	<u>574,682</u>	<u>1,937,404</u>
Total assets	<u>1,181,532</u>	<u>398,402</u>	<u>784,668</u>	<u>2,364,602</u>
Liabilities - interfund payables	<u>17,847</u>	<u>37,597</u>	<u>29,959</u>	<u>85,403</u>
Net position:				
Restricted	365,267	256,502	271,238	893,007
Unrestricted	<u>798,418</u>	<u>104,303</u>	<u>483,471</u>	<u>1,386,192</u>
Total net position	<u>\$ 1,163,685</u>	<u>360,805</u>	<u>754,709</u>	<u>2,279,199</u>

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Other Supplementary Information
Combining Statement of Revenue, Expenses and Changes in Net Position -
Revolving Loan Funds
Year ended December 31, 2020

	RLF <u>Group I</u>	RLF <u>Group II/III</u>	RLF <u>Group IV</u>	<u>Total</u>
Revenue:				
Interest income	\$ 189	73	134	396
Overhead reimbursement	962	-	6,773	7,735
Program income	-	187	178	365
Loan interest	<u>44,338</u>	<u>14,060</u>	<u>32,017</u>	<u>90,415</u>
Total revenue	<u>45,489</u>	<u>14,320</u>	<u>39,102</u>	<u>98,911</u>
Expenses:				
Professional fees	698	2,682	18,555	21,935
Interfund expense	<u>58,784</u>	<u>78,053</u>	<u>52,366</u>	<u>189,203</u>
Total expenses	<u>59,482</u>	<u>80,735</u>	<u>70,921</u>	<u>211,138</u>
Change in net position	(13,993)	(66,415)	(31,819)	(112,227)
Net position at beginning of year	<u>1,177,678</u>	<u>427,220</u>	<u>786,528</u>	<u>2,391,426</u>
Net position at end of year	<u>\$ 1,163,685</u>	<u>360,805</u>	<u>754,709</u>	<u>2,279,199</u>

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Schedule of Expenditures of Federal Awards
Year ended December 31, 2020

<u>Federal Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
U.S. Department of Commerce:				
Economic Development Support for Planning Organizations	11.302	N/A	\$ 118,743	-
Economic Adjustment Assistance Program:				
RLF Group I	11.307	N/A	1,003,132	-
RLF Group II/III	11.307	N/A	318,360	-
RLF Group IV	11.307	N/A	<u>869,329</u>	<u>-</u>
Total Economic Adjustment Assistance Program			<u>2,190,821</u>	<u>-</u>
Total U.S. Department of Commerce			<u>2,309,564</u>	<u>-</u>
U.S. Department of Transportation - Highway Planning and Construction Center - pass- through from New York State Department of Transportation - Federal Highway Planning and Construction Program				
	20.205	C033458-3900283	<u>359,452</u>	<u>-</u>
U.S. Department of Environmental Conservation - Water Quality Management Planning Program - pass-through from New York State Department of Environmental Conservation				
	66.454	C00008GG	<u>112,421</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,781,437</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Notes to Schedule of Expenditures of Federal Awards

December 31, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs administered by Lake Champlain-Lake George Regional Planning Board (the Board). All federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the schedule of expenditures of federal awards. At December 31, 2020, the amount reported as federal expenditures relating to the Economic Adjustment Assistance Program represents the amount of loans outstanding at the end of the year, plus the cash and investment balance, plus administrative expenses, plus unpaid principal on loans written off in 2020, multiplied by the federal share of the revolving loan fund.

(2) Basis of Accounting

The schedule of expenditures of federal awards is presented on the accrual basis of accounting as described in the notes to the financial statements.

(3) Indirect Costs

The Board does not use the 10% de minimis indirect cost rate.

(4) Economic Adjustment Assistance Program

The Board has included \$2,190,821 in loans funded with Economic Adjustment Assistance Program funds in the schedule of expenditures of federal awards. The resulting loan fund activity as required by the U.S. Department of Commerce for the year ended December 31, 2020 is as follows:

	Revolving Loan Funds			
	<u>RLF I</u>	<u>RLF II/III</u>	<u>RLF IV</u>	<u>Total</u>
Loan principal balances				
at end of year	\$ 971,772	149,101	766,909	1,887,782
Cash and investment balance	383,114	294,099	301,197	978,410
Administrative expenses	698	2,682	18,555	21,935
Unpaid principal on loans written off in 2020	-	-	-	-
Subtotal	1,355,584	445,882	1,086,661	2,888,127
Federal share	74.0%	71.4%	80.0%	75.9%
Federal award	\$ <u>1,003,132</u>	<u>318,360</u>	<u>869,329</u>	<u>2,190,821</u>

**INDEPENDENT AUDITORS' 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**

The Board of Directors
Lake Champlain-Lake George Regional Planning Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Lake Champlain-Lake George Regional Planning Board (the Board), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated April 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 14, 2021

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

The Board of Directors
Lake Champlain-Lake George Regional Planning Board:

Report on Compliance for Major Federal Program

We have audited the Lake Champlain-Lake George Regional Planning Board's (the Board) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Board's major federal program for the year ended December 31, 2020. The Board's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Board's major federal program 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 Board'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 the Board's major federal program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Board 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 Board's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 Board'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 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 material weaknesses. 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 14, 2021

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ Yes x No

2. Significant deficiency(ies) identified? _____ Yes x None reported

3. Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified? _____ Yes x No

5. Significant deficiency(ies) identified not considered to be material weakness(es)? _____ Yes x None reported

Type of auditors' report issued on compliance for each major program:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? _____ Yes x No

7. The Board's major program audited was:

Name of Federal Program

CFDA
Number

Economic Adjustment Assistance Program

11.307

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$750,000

9. Auditee qualified as low-risk auditee? _____ Yes x No

Part II - FINANCIAL STATEMENTS FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD
Status of Prior Year Audit Findings
Year ended December 31, 2020

There were no audit findings in the prior year financial statements (December 31, 2019).