

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

DIRECTORY OF PRINCIPAL OFFICIALS
FOR THE YEAR JUNE 30, 2022

OFFICERS

Jesse Rutherford, Chairperson
Dale Herring, Vice Chairperson
Keith Smith, Treasurer

COMMISSIONERS

City of Charlottesville

Michael Payne*
Lyle Solla-Yates

Fluvanna County

Tony O'Brien*
Keith Smith - Treasurer

Louisa County

Rachel Jones*
Tommy Barlow*

Albemarle County

Ned Gallaway*
Jim Andrews*

Greene County

Dale Herring*, Vice Chairperson
Andrea Wilkinson

Nelson County

Jesse Rutherford*, Chairperson
Dylan Bishop

* Denotes local elected official

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Thomas Jefferson Planning District Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of June 30, 2022, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Thomas Jefferson Planning District Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

As described in Note 15 to the financial statements, in 2022, the Thomas Jefferson Planning District Commission adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Thomas Jefferson Planning District Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Thomas Jefferson Planning District Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Thomas Jefferson Planning District Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Thomas Jefferson Planning District Commission's basic financial statements. The accompanying supporting schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules and the schedule of expenditures of federal awards is 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 Draft, 2022, on our consideration of Thomas Jefferson Planning District 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 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 Thomas Jefferson Planning District Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Thomas Jefferson Planning District Commission's internal control over financial reporting and compliance.

Charlottesville, Virginia
Draft, 2022

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022
CHRISTINE JACOBS, EXECUTIVE DIRECTOR**

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Its purpose is to provide an overview of the financial activities of the Thomas Jefferson Planning District Commission (TJPDC) based on currently known facts, decisions, and/or conditions.

USING THIS REPORT AND FINANCIAL STATEMENTS

The annual report consists of the management's discussion and analysis, financial statements on government-wide and fund basis, supporting schedules, compliance reports, and the schedule of expenditures of federal awards. The government-wide financial statements present financial information for all activities of the TJPDC. The fund-basis financial statements concentrate on separate sets of self-balancing accounts.

FINANCIAL HIGHLIGHTS

For FY22, TJPDC had total revenues of \$4,274,965 and total expenditures of \$4,218,164 resulting in a general fund balance increase of \$56,801. Included in revenues and expenditures are \$736,642 in HOME pass-through funds, \$115,899 in Housing Preservation Grant (HPG) pass-through, and \$1,450,644 in Blue Ridge Cigarette Tax Board revenues and expenses. The FY22 audit calculates the indirect cost rate based on actual indirect costs divided by the total staff salary and fringe costs applied to projects for the year. That calculated rate is 79.5%, compared to 55% in FY21.

The General Fund

The General Fund is the general operating fund of the Commission. It is used to account for and report financial resources outside of the grant-funded programs that make up most of the budget. These consist of locality contributions, locally funded projects, state allocation, interest earned, and rental revenue from the Water Street Center and office spaces.

The following table (Table 1) is a summary of the General Fund's revenues and expenditures for the years ended June 30, 2022, and 2021:

TABLE 1 - GENERAL FUND REVENUE AND EXPENDITURES

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change From FY 2021</u>
Revenue.....	\$ 1,775,222	\$ 365,978	\$ 1,409,244
Expenditures	<u>1,718,421</u>	<u>240,066</u>	<u>1,478,355</u>
Excess revenue over expenditures.....	\$ 56,801	\$ 125,912	\$ (69,111)
Net change in fund balance.....	\$ 56,801	\$ 125,912	\$ (69,111)
Fund balance, beginning.....	<u>869,407</u>	<u>743,495</u>	
Fund balance, ending.....	<u>\$ 926,208</u>	<u>\$ 869,407</u>	

FINANCIAL HIGHLIGHTS: (CONTINUED)

The General Fund: (Continued)

During FY22, General Fund revenues increased by \$1,409,244 from \$365,978 in FY21 to \$1,775,222 in FY22. Expenditures increased \$1,478,355 from \$240,066 in FY21 to \$1,718,421 in FY22. Excess revenue over expenditures for FY22 was \$56,801, \$69,111 less than the FY21 change of \$125,912.

Primary changes between FY21 and FY22 were:

- The TJPDC serves as the administrator for the newly formed Blue Ridge Cigarette Tax Board (BRCTB). \$1,450,644 in local funding was associated with the BRCTB.
- Local contracts in FY22 included the local match for the Albemarle Transit Expansion Study and the Regional Transit Vision Plan. New local contracts initiated in FY22 include the Regional Transit Governance Study.
- Revenue from the use of money and property increased from \$14,832 in FY21 to \$27,969 in FY22, due to an increase in our interest earned and an increase in rentals of the Water Street Center by outside groups post-COVID-19.
- State funding from the Department of Housing and Community Development (DHCD) increased to \$89,971 in FY22 compared to \$75,971 in FY21.
- The TJPDC received a \$10,000 grant from Virginia Housing to develop a Strategic Plan for the Central Virginia Regional Housing Partnership.
- Administrative expenses in FY22 (less the local Cigarette Tax monies) were \$267,777 compared to \$240,066 in FY21, a slight increase due to the filling of the vacant Chief Operating Officer position. Other than personnel-related expenses, other operational expenses decreased from the previous year due to the purchase of a new server in FY21 and cost-cutting associated with a review of all existing equipment and service contracts.

Special Revenue Funds

Special Revenue Funds are the grant funds and other revenues dedicated to specific programs and projects. Special Revenue Funds income accounts for the vast majority of funds coming to the TJPDC. For FY22, both the transportation and HOME programs were greater than \$750,000 in federal funding and were classified as major programs.

FINANCIAL HIGHLIGHTS: (CONTINUED)

Special Revenue Funds: (Continued)

A summary of the Commission's Statement of Activities is presented below on a full accrual basis.

TABLE 2 - STATEMENT OF ACTIVITIES

	FY 2022	FY 2021	Change From FY 2021
Federal Grant Revenues	\$ 1,319,639	\$ 3,311,545	\$ (1,991,906)
Non-Federal Grant Revenues	1,295,998	505,678	790,320
Special Fund Revenues	\$ 2,615,637	\$ 3,817,223	\$ (1,201,586)
General Fund Revenues	\$ 1,775,227	\$ 365,983	\$ 1,409,244
Total Revenues	\$ 4,390,864	\$ 4,183,206	\$ 207,658
Current Operation Expenses	\$ 3,376,123	\$ 1,757,568	\$ 1,618,555
Pass-Through Funds	852,541	2,308,837	(1,456,296)
Total Expenses	\$ 4,228,664	\$ 4,066,405	\$ 162,259
Excess of Revenues over/(under)			
Expenses	\$ 162,200	\$ 116,801	\$ 45,399
Capital Outlays and Depreciation, net	(101,192)	(589)	(100,603)
Change in Net Position	\$ 61,008	\$ 116,212	\$ (55,204)

During the fiscal year ended June 30, 2022, Special Revenue Funds income totaled \$2,615,637, a decrease of \$1,201,586 (31%) from FY21's total of \$3,817,223. Pass-through funds were \$852,541 compared to \$2,308,837 in FY21. FY22 Special Fund Revenues consisted of:

- \$809,158 for transportation funded through the Virginia Department of Transportation, the Virginia Department of Rail and Public Transportation, and local match contributions. This included funds for the Charlottesville-Albemarle Metropolitan Planning Organization (MPO), Rural Transportation, Rideshare, the Albemarle Transit Expansion Study, and the Regional Transit Vision Plan.
- CARES Act revenue for the Rent and Mortgage Relief Program and the Nelson County Small Business Grant program were not administered in FY22, accounting for a large portion of the decrease in special fund revenues.
- \$829,745 for the HOME and HOME-ARP program funded through the US Department of Housing and Urban Development (HUD). Of which, \$93,098 was used for administrative expenses.
- \$860,840 for other governmental funds, including USDA's Housing Preservation Grant, the new DHCD Virginia Telecommunications Initiative (VATI) program, Hazard Mitigation Planning, the Legislative Liaison program, the Central Virginia Regional Housing Partnership, the new Virginia Eviction Reduction Pilot Program, the new Virginia Housing Development Grant, and the Watershed Implementation Plan.

YEAR-END ANALYSIS OF THE COMMISSION

During FY21, the Commission's net position increased by \$116,212. A summary of the Commission's Statement of Net Position is presented below:

TABLE 3 - STATEMENT OF NET POSITION

	FY 2022	FY 2021	Change From FY 2021
Current and Other Assets	\$ 2,582,412	\$ 1,546,750	\$ 1,035,662
Capital Assets, net	308,553	17,249	291,304
Total Assets	<u>\$ 2,890,965</u>	<u>\$ 1,563,999</u>	<u>\$ 1,326,966</u>
Deferred Outflows of Resources.....	\$ 79,116	\$ 79,189	\$ (73)
Total Assets and Deferred Outflows	<u>\$ 2,970,081</u>	<u>\$ 1,643,188</u>	<u>\$ 1,326,893</u>
Long-term Liabilities.....	\$ 269,327	\$ 52,665	\$ 216,662
Current Liabilities	1,195,103	\$ 420,363	\$ 774,740
Total Liabilities	<u>\$ 1,464,430</u>	<u>\$ 473,028</u>	<u>\$ 991,402</u>
Deferred Inflows of Resources.....	\$ 303,697	\$ 29,214	\$ 274,483
Investment in Capital Assets	\$ (2,294)	\$ 17,249	\$ (19,543)
Restricted Net Position	580,565	290,746	289,819
Unrestricted Net Position	623,683	832,951	(209,268)
Total Net Position	<u>\$ 1,201,954</u>	<u>\$ 1,140,946</u>	<u>\$ 61,008</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 2,970,081</u>	<u>\$ 1,643,188</u>	<u>\$ 1,326,893</u>

Total Liabilities and Net Position shows a snapshot of receivables and payables on June 30, 2022; the change from FY21 reflects a \$61,008 increase in net position. Liabilities increased due to the following:

- Accounts payable increased by \$592,683 due to payables associated with the VA Housing Development Grant and Cigarette Taxes payable to the participating localities. Corresponding receivables were also recorded.
- There is now a lease liability due to the implementation of GASB 87 of \$221,997 that was not in FY21. A corresponding right to use asset was also recorded.

ORIGINAL BUDGET VS FINAL BUDGET

Budget requests to local governments were submitted between October 2020 and January 2021. In accordance with the Bylaws, the Commission adopted the original FY22 operating budget at their May 6, 2021, meeting; this was used for the submission to the Virginia Department of Housing and Community Development (DHCD) along with the FY22 Work Program. The Commission adopted the final amended budget at their March 3, 2022, meeting, reflecting updated projections of revenues and expenditures. The March 3rd budget was used for the financial reporting to the Commission for FY22.

ORIGINAL BUDGET VS FINAL BUDGET: (CONTINUED)

Federal revenues increased significantly between the original budget and the final budget primarily due to the Emergency Rent and Mortgage Relief (RMRP) funding awarded from the Virginia Department of Housing and Community Development (DHCD) and the administration of Nelson County's Small Business Grant Program using Federal CARES Act funding. State grants decreased slightly due to restrictions on RideShare programming and advertising due to the COVID-19 pandemic. Revenues from the use of money decreased significantly between the two budgets due to the anticipated decrease in rentals of the Water Street Center due to COVID. Expenditures varied significantly between the original and final budget for several reasons. Administrative expenses were reduced significantly with the resignation of the former Executive Director. Further, an administrative position was held open and vacant during the tenure of the Interim Executive Director during the leadership transition. Finally, expenditures for the DHCD RMRP program accounted for a significant \$2,170,345 increase.

Local Contributions: The Commission approved equalized member assessments for FY21 based on the 2019 Provisional Weldon Cooper Population Estimates and a \$0.62 per capita rate and adopted the Projected FY21 budget at their October 3, 2019 meeting to serve as the basis for budget requests to the member localities. The FY21 budget requests were slightly higher than FY20, due to population increases. The total request for Legislative Liaison was based on a per capita rate of \$0.40, a change instituted with the FY18 budget. The Solid Waste total of \$10,500 was unchanged from FY20, with small changes among the localities due to relative changes in population. RideShare requests were ever so slightly higher for the five participating localities due to a required match for the state funding. An assessment for RideShare was included in the budget submission to Greene County, however, Greene County chose not to participate in the program. The budget requests also included \$10,500 for the Rivanna River Basin Commission (RRBC) for localities within the watershed (Charlottesville, Albemarle, Fluvanna and Greene) with all four localities providing the requested funding for the RRBC for FY21, as well as a request for \$50,000 for the Regional Transit Partnership for the urban localities (Charlottesville and Albemarle).

FINAL BUDGET VS ACTUAL RESULTS

A summary of the Commission's Final Budget (see Exhibit 7 for detail) is presented below:

TABLE 4 - BUDGET TO ACTUAL

	Budget	Actual	% of Budget
REVENUES (INFLOWS)			
Federal grants.....	\$ 2,280,496	\$ 467,098	20.48%
Federal pass-through.....	733,267	852,541	116.27%
State grants.....	681,735	862,691	126.54%
Localities.....	2,118,929	614,017	28.98%
Miscellaneous sources.....	18,750	1,478,618	7885.96%
	<u>\$ 5,833,177</u>	<u>\$ 4,274,965</u>	<u>73.29%</u>
EXPENDITURES (OUTFLOWS)			
Operating expenses.....	\$ 5,021,656	\$ 3,365,623	67.02%
Pass-through expenses.....	733,267	852,541	116.27%
	<u>\$ 5,754,923</u>	<u>\$ 4,218,164</u>	<u>73.30%</u>

FINAL BUDGET VS ACTUAL RESULTS: (CONTINUED)

FY22 total revenues were about 73.29% of budgeted revenues. Actual revenues were less than budgeted revenues for several reasons:

- Delays with executing local and state contracts for the Virginia Telecommunications Initiative (VATI) resulted in significantly reduced federal revenues. (\$1,825,222 was budgeted for VATI with only \$54,859 realized).
- Federal pass-throughs were greater than the budgeted amount due to increased spending by sub-recipients of HOME funds.
- Actual state revenues were 26.5% greater than budgeted due to reimbursements from VA Housing for earlier-than-predicted spending by sub-recipients on the new VA Housing Development Grant in the amount of \$302,228.
- If you take out the local funds expected from the VATI program (\$1,450,644), locality revenues had a less than 3% variance between the budgeted and actual amounts (\$634,619 vs \$614,017).
- The greatest variance in Expenditures was in Operating Expenses due to Cigarette Tax Revenues. For reporting purposes, the TJPDC reported tax payments to the jurisdictions as pass-through revenue in the budget, however, those payments are now recorded as contractual as an administrative expense (and not pass-through).
- Local revenue for the DHCD VERP grant was less than expected due to slower-than-anticipated spending by sub-recipients in that program.
- In general, unrealized revenues carry forward to FY23 (except for certain MPO funds which roll-over into FY24 and RideShare funds, which are unrecoverable). Expenditures for TJPDC operations (including Cigarette Tax payments to the participating local governments), represent 79.8% of the budget.

Basic Financial Statements

Government-wide Financial Statements

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Statement of Net Position
As of June 30, 2022

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 972,641
Receivables, net	287,336
Due from other governments:	
Federal	290,275
State	430,379
Prepaid expenses	21,216
Total current assets	<u>\$ 2,001,847</u>
Noncurrent assets:	
Net pension asset	\$ 580,565
Capital assets (net of depreciation):	
Leasehold improvements, leased building, vehicles, furniture and equipment	308,553
Total noncurrent assets	<u>\$ 889,118</u>
Total assets	<u>\$ 2,890,965</u>
Deferred Outflows of Resources:	
Pension deferrals	\$ 57,387
Group life insurance OPEB deferrals	21,729
Total deferred outflows of resources	<u>\$ 79,116</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,970,081</u></u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 638,607
Compensated absences, current portion	30,594
Lease payable, current portion	88,870
Unearned revenue	437,032
Total current liabilities	<u>\$ 1,195,103</u>
Noncurrent liabilities:	
Net group life insurance OPEB liability	\$ 39,701
Lease payable, net of current portion	221,977
Compensated absences, net of current portion	7,649
Total noncurrent liabilities	<u>\$ 269,327</u>
Total liabilities	<u>\$ 1,464,430</u>
Deferred Inflows of Resources:	
Pension deferrals	\$ 281,666
Group life insurance OPEB deferrals	22,031
Total deferred inflows of resources	<u>\$ 303,697</u>
Net Position:	
Investment in capital assets	\$ (2,294)
Restricted - Net pension asset	580,565
Unrestricted	623,683
Total net position	<u>\$ 1,201,954</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 2,970,081</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
			Charges for Services	Operating Grants and Contributions	
Primary Government					
Governmental activities					
Passed-through to other agencies	\$ 852,541	\$ -	\$ -	\$ 852,541	\$ -
Programs administration:					
Office	2,048,668	(334,454)	-	-	(1,714,214)
Department of Transportation	576,942	120,136	-	697,078	-
Department of Housing and Urban Development	57,173	35,930	-	93,098	(5)
Department of Homeland Security	40,063	17,409	-	57,472	-
Environmental Protection Agency	35,397	23,321	-	58,718	-
Department of Housing and Community Development	420,328	46,351	-	466,679	-
US Department of Agriculture	129,246	8,710	-	137,956	-
Virginia Department of Rail and Public Transportation	111,341	52,731	-	164,072	-
Legislative Liaison	58,157	29,866	-	88,023	-
Total governmental activities	\$ 4,329,856	\$ -	\$ -	\$ 2,615,637	\$ (1,714,219)
General Revenues					
Intergovernmental revenue not restricted to specific programs					\$ 296,609
Other local taxes - Cigarette tax					1,450,644
Revenue from use of money					27,974
Total general revenues					\$ 1,775,227
Change in net position					\$ 61,008
Net position, beginning of year					1,140,946
Net position, end of year					\$ 1,201,954

The accompanying notes to financial statements are an integral part of this statement.

Fund Financial Statements

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Balance Sheet
Governmental Funds
As of June 30, 2022

	General Fund	Department of Transportation	HOME Department of Housing and Urban Development	CARES ACT	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 972,641	\$ -	\$ -	\$ -	\$ -	\$ 972,641
Receivables (net of allowance for uncollectibles):						
Accounts	287,336	-	-	-	-	287,336
Due from other governments:						
Federal	-	53,999	129,452	-	106,824	290,275
State	-	65,802	358,445	-	6,132	430,379
Due from other funds	212,548	85,932	-	-	-	298,480
Prepaid items	21,216	-	-	-	-	21,216
Total assets	\$ 1,493,741	\$ 205,733	\$ 487,897	\$ -	\$ 112,956	\$ 2,300,327
Liabilities:						
Accounts payable and accrued expenses	\$ 336,879	\$ -	\$ 301,728	\$ -	\$ -	\$ 638,607
Due to other funds	-	-	185,524	-	112,956	298,480
Unearned revenue	230,654	205,733	645	-	-	437,032
Total liabilities	\$ 567,533	\$ 205,733	\$ 487,897	\$ -	\$ 112,956	\$ 1,374,119
Fund Balance:						
Nonspendable:						
Prepaid items	\$ 21,216	\$ -	\$ -	\$ -	\$ -	\$ 21,216
Committed:						
Capital reserve	411,094	-	-	-	-	411,094
Unassigned	493,898	-	-	-	-	493,898
Total fund balance	\$ 926,208	\$ -	\$ -	\$ -	\$ -	\$ 926,208
Total liabilities and fund balance	\$ 1,493,741	\$ 205,733	\$ 487,897	\$ -	\$ 112,956	\$ 2,300,327

The accompanying notes to financial statements are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of June 30, 2022

Total fund balance for governmental funds (Exhibit 3) \$ 926,208

Total net position reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Depreciable capital assets, net of accumulated depreciation	\$ 308,553	
Total capital assets		308,553

The net pension asset is not an available resource and, therefore, is not reported in the funds.		580,565
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Items related to measurement of the net pension and GLI OPEB liability are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and GLI expense over future years.

Pension deferrals - Deferred outflows		57,387
Group life insurance OPEB deferrals - Deferred outflows		21,729
Pension deferrals - Deferred inflows		(281,666)
Group life insurance OPEB deferrals - Deferred inflows		(22,031)

Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Balances of long-term liabilities affecting net position are as follows:

Net group life insurance OPEB liability	\$ (39,701)	
Lease payable	(310,847)	
Compensated absences	(38,243)	
Total long-term liabilities		(388,791)

Total net position of governmental activities (Exhibits 1 and 2)	\$	<u>1,201,954</u>
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The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2022

	General Fund	Department of Transportation	HOME Department of Housing and Urban Development
Revenues:			
Federal Grants:			
Commission	\$ -	\$ 217,678	\$ 93,098
Pass-Through	-	-	736,642
State Grants	89,971	334,090	-
Other:			
Localities	206,638	257,390	-
Other local taxes - Cigarette tax	1,450,644	-	-
Revenue from the use of money and property	27,969	-	5
Total revenues	\$ 1,775,222	\$ 809,158	\$ 829,745
Expenditures:			
Current:			
Administrative	\$ 1,718,421	\$ -	\$ -
Department of Transportation	-	645,086	-
Department of Housing and Urban Development	-	-	829,745
Department of Homeland Security	-	-	-
Environmental Protection Agency	-	-	-
Department of Housing and Community Development	-	-	-
Virginia Housing Development Authority	-	-	-
US Department of Agriculture	-	-	-
Virginia Department of Rail and Public Transportation	-	164,072	-
Legislative Liason	-	-	-
Total expenditures	\$ 1,718,421	\$ 809,158	\$ 829,745
Excess (deficiency) of revenues over (under) expenditures	\$ 56,801	\$ -	\$ -
Net changes in fund balance	\$ 56,801	\$ -	\$ -
Fund balance at beginning of year	869,407	-	-
Fund balance at end of year	\$ 926,208	\$ -	\$ -

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2022

	CARES ACT	Other Governmental Funds	Total Governmental Funds
Revenues:			
Federal Grants:			
Commission	\$ -	\$ 156,322	\$ 467,098
Pass-Through	-	115,899	852,541
State Grants	-	438,630	862,691
Other:			
Localities	-	149,989	614,017
Other local taxes - Cigarette tax	-	-	1,450,644
Revenue from the use of money and property	-	-	27,974
Total revenues	\$ -	\$ 860,840	\$ 4,274,965
Expenditures:			
Current:			
Administrative	\$ -	\$ -	\$ 1,718,421
Department of Transportation	-	51,992	697,078
Department of Housing and Urban Development	-	-	829,745
Department of Homeland Security	-	57,472	57,472
Environmental Protection Agency	-	58,718	58,718
Department of Housing and Community Development	-	466,679	466,679
Virginia Housing Development Authority	-	-	-
US Department of Agriculture	-	137,956	137,956
Virginia Department of Rail and Public Transportation	-	-	164,072
Legislative Liason	-	88,023	88,023
Total expenditures	\$ -	\$ 860,840	\$ 4,218,164
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 56,801
Net changes in fund balance	\$ -	\$ -	\$ 56,801
Fund balance at beginning of year	-	-	869,407
Fund balance at end of year	\$ -	\$ -	\$ 926,208

The accompanying notes to financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balance - total governmental funds (Exhibit 5) \$ 56,801

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	-
Depreciation expense	(101,192)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this adjustment consist of the change in deferred inflows of resources related to the measurement of the net pension asset and net group life insurance OPEB liability.

Change in deferred inflows of resources related to measurement of net pension asset	(262,258)
Change in deferred inflows of resources related to measurement of net group life insurance OPEB liability	(12,225)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Details of this adjustment are as follows:

Principal retired on lease payable	81,649
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Change in net pension asset	289,819
Change in net group life insurance OPEB liability	4,523
Change in deferred outflows of resources related to measurement of net pension asset	(7,850)
Change in deferred outflows of resources related to measurement of net group life insurance OPEB liability	7,777
Change in compensated absences	3,964

Change in net position of governmental activities (Exhibit 2)	\$ 61,008
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The accompanying notes to financial statements are an integral part of this statement.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Thomas Jefferson Planning District Commission (Commission) conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the Commission and its component units. There are no such component units that are required to be included in the Commission's financial statements.

The Commission has been organized by the governing authorities of the Counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson and the City of Charlottesville pursuant to the Regional Cooperation Act for the purpose of promoting the orderly and efficient development of the physical, social, and economic elements of Planning District Number Ten by planning, encouraging, and assisting governmental subdivisions to plan for the future.

B. Basic Financial Statements – Government-wide Statements

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Commission's general administrative services are classified as governmental activities. The Commission has no business-type activities at this time.

In the government-wide statement of net position, both the governmental and business-type activities columns (if any) are presented on a consolidated basis by column and are reported on a full accrual economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in three parts - net investment in capital assets, restricted net position, and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Commission's functions. The functions are also supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (intergovernmental revenues, interest income, etc.).

The Commission allocates indirect costs using a specific percentage of use method.

This government-wide focus is on the sustainability of the Commission as an entity and the change in the Commission's net position resulting from the current year's activities.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Commission are reported in individual funds in the fund statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balance, revenues, and expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Commission:

Governmental Funds:

The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

1. *General Fund* is the general operating fund of the Commission. It is used to account for and report all financial resources except those required to be accounted for in another fund.
2. *Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenses for specified purposes.

Major and Nonmajor Funds:

All funds are classified as either major or nonmajor. The following criteria are used when determining the fund types:

1. The General Fund is always classified as major.
2. All other major funds have assets, liabilities, revenues, or expenditures that are at least 10% of the corresponding element total (i.e., assets, liabilities, etc.) for all funds of that category or type (i.e., total governmental or enterprise funds). In addition, the same element that met the 10% criterion is at least 5% of the corresponding element total for all governmental and enterprise funds combined.

The Commission's funds are classified as follows:

Fund	Brief Description
Major:	
General	See above for description.
Special Revenue Funds:	
Department of Transportation	Accounts for and reports revenues and expenses restricted for the purposes of various projects funded by the Department of Transportation.
HOME Department of Housing and Urban Development	Accounts for and reports revenues and expenses restricted for the purpose of HOME program.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Basic Financial Statements – Fund Financial Statements: (Continued)

Major and Nonmajor Funds: (Continued)

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
CARES ACT	Accounts for and reports revenues and expenses restricted for the CARES ACT Funding.
<i>Nonmajor-Other Governmental Funds:</i>	
<i>Special Revenue Funds:</i>	
Virginia Department of Rail and Public Transportation	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Rail and Public Transportation.
Department of Homeland Security	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Department of Homeland Security.
Environmental Protection Agency	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Environmental Protection Agency.
Virginia Housing Development Authority	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Housing Development Authority.
Virginia Department of Agriculture	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Agriculture.
Legislative Liaison	Accounts for and reports revenues and expenses for the Legislative Liaison Program.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. *Accrual* - Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
2. *Modified Accrual* - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after the year end. Expenses are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that debt service expenditures as well as expenditures related to compensated absences, and claims and judgments are recognized when due.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Budgets and Budgetary Accounting

The following procedures are used by the Commission in establishing the budgetary data reflected in the required supplementary information:

1. Prior to due dates for budget submissions to localities, the Executive Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. After the budget is approved by the Commission, it is presented to the local governing bodies within its jurisdiction for approval of appropriations to the Commission.
3. The budget amounts depend on the staff securing grants and contracts throughout the year; therefore, appropriate budget revisions are proposed and approved by the Commission during the year. The Commission adopts a working budget for the fiscal year beginning July 1 at their May meeting, per the Bylaws. The Commission adopts the final budget for use in financial reporting at the March, FY22 meeting.
4. The approved budget is utilized as a management control device.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. All budgetary data presented in the accompanying financial statements represents both the original and revised budgets as of June 30.

F. Use of Estimates

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

G. Cash and Cash Equivalents

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

State statutes authorize the Commission to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Receivables and Payables

Outstanding balances between funds at the end of the fiscal year are reported as due to/from other funds. No allowance for uncollectibles is included in the receivables, due to the limited exposure related to the contractual nature of governmental receivables.

I. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Net Position

Net Position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

K. Net Position Flow Assumption

Sometimes the Commission funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

L. Capital Assets

Property and equipment are recorded at the original cost. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

Office furniture and equipment	3 - 10 years
Vehicle	5 years
Website	3 years
Leasehold improvements	Remaining life of lease

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

M. Unearned Revenue

The Commission reports unearned revenue on its statement of net position. Unearned revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Commission before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Commission has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension asset and net OPEB liability and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has one type of item that qualifies for reporting in this category. Certain items related to the measurement of the net pension asset and net OPEB liability are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

O. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission’s Retirement Plan and the additions to/deductions from the Commission’s Retirement Plan’s net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). 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.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

P. OPEB

Group Life Insurance

For purposes of measuring the net GLI Plan OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Plan OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Fund Balance

The Commission reports fund balance in the required classifications. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

R. Legislative Liaison

The Liaison reports regularly to the local governments during the General Assembly session and when studies are undertaken by the General Assembly and are pertinent to local government interests. The Liaison prepares a Legislative Program in consultation with the localities who subsequently adopt the Program.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized. No deposits exceed FDIC insurance limits.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Commission does not have a policy related to credit risk of debt securities.

The Commission’s rated debt investments as of June 30, 2022 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

Rated Debt Investments' Values		
Rated Debt Investments	Fair Quality Ratings	
	AAAm	AAf
Virginia Investment Pool	\$ 936,994	\$ -
Total	\$ 936,994	\$ -
Investment maturities in years:		
Investment Type	Fair Value	Less Than 1 Year
Virginia Investment Pool	\$ 936,994	\$ 936,994
Total	\$ 936,994	\$ 936,994

Redemption Restrictions: Commission is limited to two withdrawals per month.

Fair Value Measurements: Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Commission has measured fair value of the above investments at the net asset value (NAV).

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 3—ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS:

Accounts and due from other governments are as follows:

Federal Government:		
Department of Transportation	\$	53,915
Department of Housing and Urban Development		129,535
Department of Homeland Security		24,071
Department of Housing and Community Development		54,859
Environmental Protection Agency		27,895
Total Federal Government	\$	<u>290,275</u>
State:		
Department of Transportation	\$	35,606
Department of Homeland Security		6,132
Virginia Housing Development Authority		327,659
Department of Housing and Community Development		30,756
Department of Rail and Public Transportation		30,226
Total State	\$	<u>430,379</u>
Accounts Receivable:		
Stanardsville TAP	\$	685
VAPDC-ED		13,515
Cigarette tax		250,769
Other		22,367
Total Accounts Receivable	\$	<u>287,336</u>

NOTE 4—INTERFUND OBLIGATIONS:

Interfund obligations arise due to timing differences between the receipt of restricted funds and their use.

	Interfund Receivable	Interfund Payable
General Fund	\$ 212,548	\$ -
Department of Transportation	85,932	-
HOME Department of Housing and Urban Development	-	185,524
Nonmajor Governmental Funds	-	112,956
Total	<u>\$ 298,480</u>	<u>\$ 298,480</u>

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 5—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021 as restated	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital assets, being depreciated:				
Office furniture and equipment	\$ 74,555	\$ -	\$ -	\$ 74,555
Vehicle	31,734	-	31,734	-
Website	19,978	-	-	19,978
Leased building	392,496	-	-	392,496
Leasehold improvements	11,993	-	-	11,993
Total capital assets being depreciated	\$ 530,756	\$ -	\$ 31,734	\$ 499,022
Less accumulated depreciation for:				
Office furniture and equipment	\$ 67,598	\$ 4,791	\$ -	\$ 72,389
Vehicle	31,734	-	31,734	-
Website	9,686	4,049	-	13,735
Leased building	-	92,352	-	92,352
Leasehold improvements	11,993	-	-	11,993
Total accumulated depreciation	\$ 121,011	\$ 101,192	\$ 31,734	\$ 190,469
Total capital assets being depreciated, net	\$ 409,745	\$ (101,192)	\$ -	\$ 308,553
Governmental activities capital assets, net	\$ 409,745	\$ (101,192)	\$ -	\$ 308,553

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Office administration	\$ 101,192
Total governmental activities	\$ 101,192

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 6—COMPENSATED ABSENCES:

The Commission employees earn sick leave at the rate of ten hours per month and may accumulate a maximum of 480 hours (60 days). No benefits or pay are received for unused sick leave upon termination. The amount of annual leave earned by an employee each month, with the exception of the Executive Director, depends upon the number of years the permanent full-time and part-time staff were employed by the Commission, as noted below. The Executive Director's leave is set by the Commission as part of the employment contract.

<u>Years of Services</u>	<u>Days Per Month</u>	<u>Days of Annual Leave Per Year</u>
0-5	1	12
6-10	1 ^{1/4}	15
Over 10	1 ^{1/2}	18

An employee may accumulate a maximum of 30 days of annual leave. At the time of separation of employment, the employee will be compensated for the accumulated leave balance. Accrued annual leave was \$38,243 as of June 30, 2022. The following is a summary of changes in accrued annual leave for the year ended June 30, 2022:

<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
\$ <u>42,207</u>	\$ <u> </u>	\$ <u>3,964</u>	\$ <u>38,243</u>

NOTE 7—OFFICE LEASE:

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. The Commission recognizes a lease liability and an intangible right-to-use lease asset (leased asset) in the financial statements. On October 1, 2020, the Commission entered into a noncancellable five-year lease agreement for office space. The lease agreement requires 60 monthly payments that increase each year with a discount rate of 4.00%.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 7—OFFICE LEASE: (CONTINUED)

The lease payable activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021, <u>as restated</u>	Issuance/ <u>Increases</u>	Retirement/ <u>Decreases</u>	Balance June 30, 2022	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Lease Payable	\$ 392,496	\$ -	\$ 81,649	\$ 310,847	\$ 88,870
Total Governmental Activities	\$ 392,496	\$ -	\$ 81,649	\$ 310,847	\$ 88,870

The future principal and interest payments as of June 30, 2022 were as follows:

Year Ending June 30,	Lease Payable	
	Principal	Interest
2023	\$ 88,870	\$ 10,805
2024	95,164	7,172
2025	101,800	3,269
2026	25,013	175
Total	\$ 310,847	\$ 21,421

NOTE 8—COMMITMENTS/CONTINGENT LIABILITIES:

Federal programs in which the Commission participates were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements.

Additionally, the federal government may subject grant programs to additional compliance tests, which could result in disallowed expenditures. In the opinion of management, any future disallowances of grant program expenditures would be immaterial.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Thomas Jefferson Planning District Commission are covered by a VRS Retirement Plan after six months of employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.

- a. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- b. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	9
Inactive members:	
Vested inactive members	7
Non-vested inactive members	8
Active members active elsewhere in VRS	<u>12</u>
Total inactive members	27
Active members	<u>11</u>
Total covered employees	<u><u>47</u></u>

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Commission's contractually required employer contribution rate for the year ended June 30, 2022 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$0 and \$3,474 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Asset

The net pension asset is calculated separately for each employer and represents that particular employer's total pension asset, less that employer's fiduciary net position. For Thomas Jefferson Planning District Commission, the net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System 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 target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

* The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 1,784,699	\$ 2,075,445	\$ (290,746)
Changes for the year:			
Service cost	\$ 57,333	\$ -	\$ 57,333
Interest	117,798	-	117,798
Changes of assumptions	91,465	-	91,465
Differences between expected and actual experience	39,495	-	39,495
Contributions - employer	-	-	-
Contributions - employee	-	31,700	(31,700)
Net investment income	-	565,573	(565,573)
Benefit payments, including refunds of employee contributions	(79,082)	(79,082)	-
Administrative expenses	-	(1,416)	1,416
Other changes	-	53	(53)
Net changes	\$ 227,009	\$ 516,828	\$ (289,819)
Balances at June 30, 2021	\$ 2,011,708	\$ 2,592,273	\$ (580,565)

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Commission using the discount rate of 6.75%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Commission's			
Net Pension Liability (Asset)	\$ (320,096)	\$ (580,565)	\$ (792,781)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Commission recognized pension expense of (\$23,185). At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,307	\$ -
Change in assumptions	40,080	-
Net difference between projected and actual earnings on pension plan investments	-	281,666
Employer contributions subsequent to the measurement date	-	-
Total	\$ 57,387	\$ 281,666

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 9—PENSION PLAN: (CONTINUED)

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

\$0 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ (8,752)
2024	(64,515)
2025	(65,587)
2026	(85,425)
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 10—DEFERRED COMPENSATION PLAN:

During the year ended June 30, 1998, the employees of the Commission adopted a Section 457 Deferred Compensation Plan. The Commission delegates administrative and investment responsibilities for its 457 Plan assets to a third-party administrator. The Commission does not have to report these assets on their financial statements.

Employee contributions to this plan for the year ended June 30, 2022 were \$23,750. There were no matching contributions.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 11–UNEARNED REVENUE:

The details of unearned revenue at June 30, 2021 are as follows:

<u>Fund Name</u>	<u>Amount</u>
General Fund	\$ 230,654
Department of Transportation	205,733
HOME Department of Housing and Urban Development	645
	<u>\$ 437,032</u>

NOTE 12–LITIGATION:

As represented by management, there were no lawsuits pending which would materially affect the Commission's financial position as of the date of these financial statements.

NOTE 13–COST ALLOCATION BASIS - INDIRECT COSTS AND FRINGE BENEFITS:

Indirect costs are those costs which are not readily identifiable within a particular program but, nevertheless, are necessary to the general operation and the conduct of the activities it performs. Allocations from the General Fund and to the Special Revenue Funds are made based on a ratio of indirect costs to the individual program's direct costs associated with salaries and fringe benefits (personnel costs). The rate is determined by a relation of total administrative costs to program salary costs. Program salary costs are calculated as follows:

Total personnel costs (salaries and fringes)
Less: Administrative personnel costs
Less: Contractual personnel costs

This ratio is calculated on an annual basis. The rate used during the fiscal year ended June 30, 2022 was 66%, for billing purposes.

The actual indirect cost rate for the fiscal year ended June 30, 2022 was 80% and was calculated as follows:

Indirect costs	\$ 486,682	= 80%
Individual programs' personnel costs	<u>612,074</u>	

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$2,999 and \$3,805 for the years ended June 30, 2021 and June 30, 2020, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2022, the entity reported a liability of \$35,990 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.00340% as compared to 0.00270% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$2,931. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,528	\$ 303
Net difference between projected and actual earnings on GLI OPEB program investments	-	9,476
Change in assumptions	2,189	5,432
Changes in proportion	12,013	6,820
Employer contributions subsequent to the measurement date	<u>2,999</u>	<u>-</u>
Total	<u>\$ 21,729</u>	<u>\$ 22,031</u>

\$2,999 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (651)
2024	(210)
2025	(881)
2026	(2,542)
2027	983
Thereafter	-

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation: Locality - General employees	3.5%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Plan
Total GLI OPEB Liability	\$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	\$	<u>1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's 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 target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation, at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 (Continued)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate (Continued)

assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Commission's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 58,005	\$ 39,701	\$ 24,920

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15—ADOPTION OF ACCOUNTING PRINCIPLE:

The Commission implemented provisions of Governmental Accounting Standards Board Statement No. 87, Leases, during the fiscal year ended June 30, 2022. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. There was no restatement as a result of this implementation.

REQUIRED SUPPLEMENTARY INFORMATION

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Schedule of Revenues, Expenditures and Change in Fund Balance -
 Budget and Actual - Governmental Funds
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Federal Grants:				
Commission	\$ 189,888	\$ 2,280,496	\$ 467,098	\$ (1,813,398)
Pass-Through	1,003,182	733,267	852,541	119,274
State Grants	479,636	681,735	862,691	180,956
Other:				
Localities	634,619	2,118,929	614,017	(1,504,912)
Other local taxes - Cigarette tax	-	-	1,450,644	1,450,644
Revenue from the use of money	12,000	18,750	27,974	9,224
Total revenues	\$ 2,319,325	\$ 5,833,177	\$ 4,274,965	\$ (1,558,212)
Expenditures				
Current:				
Administrative	\$ 1,610,223	\$ 5,021,656	\$ 1,718,421	\$ 3,303,235
Department of Transportation	-	-	697,078	(697,078)
Department of Housing and Urban Development	608,954	608,954	829,745	(220,791)
Department of Homeland Security	-	-	57,472	(57,472)
Environmental Protection Agency	-	-	58,718	(58,718)
Department of Housing and Community Development	100,148	124,313	466,679	(342,366)
Virginia Housing Development Authority	-	-	-	-
US Department of Agriculture	-	-	137,956	(137,956)
Virginia Department of Rail and Public Transportation	-	-	164,072	(164,072)
Legislative Liaison	-	-	88,023	(88,023)
Total expenditures	\$ 2,319,325	\$ 5,754,923	\$ 4,218,164	\$ 1,536,759
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 78,254	\$ 56,801	\$ (21,453)
Net change in fund balance	\$ -	\$ 78,254	\$ 56,801	\$ (21,453)
Fund balance, beginning of year	869,407	869,407	869,407	-
Fund balance, end of year	\$ 869,407	\$ 947,661	\$ 926,208	\$ (21,453)

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 57,333	\$ 49,884	\$ 45,609	\$ 47,097
Interest	117,798	115,583	109,185	102,465
Differences between expected and actual experience	39,495	(58,224)	8,945	4,016
Changes in assumptions	91,465	0	51,616	-
Benefit payments, including refunds of employee contributions	(79,082)	(69,767)	(55,827)	(59,339)
Net change in total pension liability	\$ 227,009	\$ 37,476	\$ 159,528	\$ 94,239
Total pension liability - beginning	1,784,699	1,747,223	1,587,695	1,493,456
Total pension liability - ending (a)	\$ 2,011,708	\$ 1,784,699	\$ 1,747,223	\$ 1,587,695
Plan fiduciary net position				
Contributions - employer	\$ -	\$ 2,390	\$ 2,951	\$ 9,937
Contributions - employee	31,700	24,828	29,018	29,495
Net investment income	565,573	39,709	131,859	137,364
Benefit payments, including refunds of employee contributions	(79,082)	(69,767)	(55,827)	(59,339)
Administrative expense	(1,416)	(1,362)	(1,299)	(1,180)
Other	53	(47)	(83)	(122)
Net change in plan fiduciary net position	\$ 516,828	\$ (4,249)	\$ 106,619	\$ 116,155
Plan fiduciary net position - beginning	2,075,445	2,079,694	1,973,075	1,856,920
Plan fiduciary net position - ending (b)	\$ 2,592,273	\$ 2,075,445	\$ 2,079,694	\$ 1,973,075
Commission's net pension liability (asset) - ending (a) - (b)	\$ (580,565)	\$ (290,746)	\$ (332,471)	\$ (385,380)
Plan fiduciary net position as a percentage of the total pension liability	128.86%	116.29%	119.03%	124.27%
Covered payroll	\$ 704,693	\$ 544,700	\$ 632,061	\$ 634,356
Commission's net pension liability (asset) as a percentage of covered payroll	-82.39%	-53.38%	-52.60%	-60.75%

Information prior to the 2014 valuation is not available. However,

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 43,503	\$ 56,311	\$ 50,141	\$ 69,411
Interest	102,011	96,363	94,691	87,524
Differences between expected and actual experience	(21,557)	(14,126)	(61,088)	-
Changes in assumptions	(58,077)	-	-	-
Benefit payments, including refunds of employee contributions	(59,462)	(56,246)	(63,463)	(45,653)
Net change in total pension liability	<u>\$ 6,418</u>	<u>\$ 82,302</u>	<u>\$ 20,281</u>	<u>\$ 111,282</u>
Total pension liability - beginning	<u>1,487,038</u>	<u>1,404,736</u>	<u>1,384,455</u>	<u>1,273,173</u>
Total pension liability - ending (a)	<u><u>\$ 1,493,456</u></u>	<u><u>\$ 1,487,038</u></u>	<u><u>\$ 1,404,736</u></u>	<u><u>\$ 1,384,455</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 9,145	\$ 18,635	\$ 20,868	\$ 37,157
Contributions - employee	25,481	24,742	27,522	32,439
Net investment income	204,382	29,062	73,203	218,230
Benefit payments, including refunds of employee contributions	(59,462)	(56,246)	(63,463)	(45,653)
Administrative expense	(1,183)	(1,033)	(1,005)	(1,145)
Other	(181)	(12)	(16)	11
Net change in plan fiduciary net position	<u>\$ 178,182</u>	<u>\$ 15,148</u>	<u>\$ 57,109</u>	<u>\$ 241,039</u>
Plan fiduciary net position - beginning	<u>1,678,738</u>	<u>1,663,590</u>	<u>1,606,481</u>	<u>1,365,442</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 1,856,920</u></u>	<u><u>\$ 1,678,738</u></u>	<u><u>\$ 1,663,590</u></u>	<u><u>\$ 1,606,481</u></u>
Commission's net pension liability (asset) - ending (a) - (b)	<u>\$ (363,464)</u>	<u>\$ (191,700)</u>	<u>\$ (258,854)</u>	<u>\$ (222,026)</u>
Plan fiduciary net position as a percentage of the total pension liability	124.34%	112.89%	118.43%	116.04%
Covered payroll	\$ 539,257	\$ 517,609	\$ 563,802	\$ 615,185
Commission's net pension liability (asset) as a percentage of covered payroll	-67.40%	-37.04%	-45.91%	-36.09%

Schedule of Employer Contributions - Pension Plan
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ -	\$ -	\$ -	\$ 555,407	0.00%
2021	3,474	3,474	-	704,693	0.49%
2020	4,812	4,812	-	544,700	0.88%
2019	8,299	8,299	-	632,061	1.31%
2018	10,718	10,718	-	634,356	1.69%
2017	11,001	11,001	-	539,257	2.04%
2016	19,773	19,773	-	517,609	3.82%
2015	21,536	21,536	-	563,802	3.82%
2014	37,157	37,157	-	615,185	6.04%
2013	42,416	42,416	-	702,256	6.04%

Current year contributions are from Thomas Jefferson Planning District Commission's records and prior year contributions are from the VRS actuarial valuation performed each year.

Notes to Required Supplementary Information - Pension Plan
For the Year Ended June 30, 2022

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of the Commission's Share of Net OPEB Liability
 Group Life Insurance Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2021	0.00340% \$	35,990 \$	704,693	5.11%	67.45%
2020	0.00270%	44,224	544,700	8.12%	52.64%
2019	0.00323%	52,561	632,061	8.32%	52.00%
2018	0.00333%	51,000	634,356	8.04%	51.22%
2017	0.00292%	44,000	539,257	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions

Group Life Insurance Plan

For the Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ 2,999	\$ 2,999	\$ -	\$ 555,407	0.54%
2021	3,805	3,805	-	704,693	0.54%
2020	2,832	2,832	-	544,700	0.52%
2019	3,287	3,287	-	632,061	0.52%
2018	3,324	3,324	-	634,356	0.52%
2017	2,822	2,822	-	539,257	0.52%

Schedule is intended to show information for 10 years. Information prior to the 2017 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
 Group Life Insurance Plan
 For the Year Ended June 30, 2022

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

OTHER SUPPLEMENTARY INFORMATION

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Supporting Schedules

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Schedule of Expenditures - General Fund
For the Year Ended June 30, 2022

Administrative

Current Operating:

Salaries and fringe	\$	413,779
Cigarette stamps		8,171
Contractual		67,063
Insurance		6,563
Subscriptions and publications		156
Dues		5,053
Advertising		6,864
Supplies		5,912
Copier		2,458
Meetings		381
Rent		95,558
Janitorial service		2,050
Postage		1,686
Travel		3,502
Professional development		8,520
Telephone		5,558
Audit and legal		16,337
Indirect costs allocation		(336,669)
Cigarette tax distribution to localities		1,389,338
Equipment use and maintenance		16,141
Total expenditures	\$	<u>1,718,421</u>

Schedule of Indirect Costs
For the Year Ended June 30, 2022

Administrative

Current operating:

Personnel	\$	277,678
Postage		1,686
Subscriptions and publications		156
Supplies		5,838
Travel		2,432
Audit/legal services		14,037
Advertising		6,864
Professional meetings and development		4,564
Contractual services		55,719
Dues		4,918
Insurance/bonding		5,854
Printing and copier		2,293
Rent		71,478
Janitorial		2,050
Equipment repair/maintenance/use		25,245
Meeting expenses		312
Telephone		5,558
Total indirect costs	\$	<u><u>486,682</u></u>

Schedule of Individual Programs' Personnel Costs
For the Year Ended June 30, 2022

Total Salaries and Fringes:

Salaries	\$	775,648
Fringe benefits		<u>159,330</u>
Total Salaries and Fringes	\$	<u>934,978</u>

Less Administrative Personnel Costs:

Administration	\$	277,678
Network support		<u>-</u>

Total Administrative Personnel Costs	\$	<u>277,678</u>
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Less Contractual Personnel Costs:

Stanardsville TAP	\$	7,750
Hazard mitigation		<u>37,476</u>

Total Contractual Personnel Costs	\$	<u>45,226</u>
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Total Individual Programs' Personnel Costs	\$	<u><u>612,074</u></u>
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Calculation of indirect cost rate:

Indirect Costs /		486,682
Individual Programs' Personnel Costs		<u>612,074</u>

Indirect cost rate		<u><u>80%</u></u>
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Schedule of Grant Contracts
For the Year Ended June 30, 2022

Grant or Contract	Grant- Contract Start Date	Grant- Contract End Date	Grant- Contract Total	Year to Date FY22	Grant- Contract To Date	Budgeted Amount For Fy22	Grant- Contract Remaining
MPO-FTA	07/01/21	06/30/22	\$ 98,647	\$ 75,130	\$ 75,130	\$ 23,517	\$ -
MPO-PL	07/01/21	06/30/22	190,065	103,673	103,673	86,392	-
HOME TJPDC	07/01/21	06/30/22	62,395	62,395	62,395	-	-
HOME PASS-THROUGH	07/01/21	06/30/22	736,641	736,641	736,641	-	-
HOME ARPA	10/01/21	06/30/22	30,380	30,380	30,380	-	-
HOUSING HPG	07/01/21	06/30/22	22,056	22,056	22,056	-	-
HPG PASS-THROUGH	07/01/21	06/30/22	115,899	115,899	115,899	-	-
STATE SUPPORT TO PDC	07/01/21	06/30/22	89,971	89,971	89,971	-	-
TJPDC CORPORATION	07/01/21	06/30/22	35	35	35	-	-
RIDESHARE	07/01/21	06/30/22	152,293	152,293	152,293	-	-
RURAL TRANSPORTATION	07/01/21	06/30/22	58,000	58,000	58,000	-	-
RTP-TDM	07/01/21	06/30/22	50,000	37,697	37,697	12,303	-
REGIONAL TRANSIT GRANT	01/01/21	06/30/22	34,138	28,332	33,377	761	-
REGIONAL TRANSIT GRANT PASS -THROUGH	01/01/21	06/30/22	315,862	243,153	243,153	72,709	-
ALBEMARLE TRANSIT GRANT	01/01/21	12/31/21	14,950	12,559	14,950	-	-
ALBEMARLE TRANSIT GRANT PASS -THROUGH	01/01/21	12/31/21	84,858	82,837	84,858	-	-
HAZARD MITIGATION	07/01/21	06/30/22	64,000	40,729	49,164	14,836	-
VA HOUSING	07/01/21	06/30/22	35,048	35,048	35,048	-	-
VA HOUSING PASS-THROUGH	07/01/21	06/30/22	500	500	500	-	-
VATI ADMIN	04/01/22	04/01/25	54,859	54,859	54,859	-	-
VATI PASS-THROUGH	04/01/22	04/01/25	1,750,000	-	-	1,750,000	-
LEGISLATIVE LIAISON	07/01/21	06/30/22	102,981	88,026	88,026	14,955	-
VAPDC-ED	07/01/21	06/30/22	52,440	52,440	52,440	-	-
SOLID WASTE	07/01/21	06/30/22	20,260	20,260	20,260	-	-
AFFORDABLE HOUSING	07/01/21	06/30/22	4,500	4,500	4,500	-	-
RRBC	07/01/21	06/30/22	18,551	18,551	18,551	-	-
WIP PHASE IV	06/01/19	12/31/21	58,000	58,000	58,000	-	-
WIP PHASE V	06/01/21	01/01/22	58,000	22,419	22,419	35,581	-
REGL HSG PLAN	07/01/21	06/30/22	20,000	20,000	20,000	-	-
MEMBER PER CAPITA	07/01/21	06/30/22	159,620	159,620	159,620	-	-
OFFICE LEASES - RENT	07/01/21	06/30/22	25,200	25,200	25,200	-	-
STANARDSVILLE TAP	04/06/15	10/01/20	36,500	7,751	31,250	5,250	-
VERP	07/01/21	10/30/21	17,500	11,146	11,146	6,354	-
VERP PASS-THROUGH	07/01/21	10/30/21	279,234	62,658	62,658	216,576	-
BLUE RIDGE CIGARATTE TAX BOARD	07/01/21	06/30/22	50,714	50,714	50,714	-	-
BLUE RIDGE CIGARATTE TAX PASS-THROUGH	07/01/21	06/30/22	1,143,844	1,143,844	1,143,844	-	-
BANK INTEREST	07/01/21	06/30/22	2,767	2,767	2,767	-	-
TOTAL			\$ 6,010,708	\$ 3,730,083	\$ 3,771,474	\$ 2,239,234	\$ -

* Funds are available for completion of the project.

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COMPLIANCE



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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*

**To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia**

We have audited, in accordance with the 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 *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Thomas Jefferson Planning District Commission's basic financial statements and have issued our report thereon dated Draft, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Thomas Jefferson Planning District Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Thomas Jefferson Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Thomas Jefferson Planning District Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thomas Jefferson Planning District Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Charlottesville, Virginia
Draft, 2022

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Thomas Jefferson Planning District Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Thomas Jefferson Planning District Commission's major federal programs for the year ended June 30, 2022. Thomas Jefferson Planning District Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Thomas Jefferson Planning District Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Thomas Jefferson Planning District Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Thomas Jefferson Planning District Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Report on Compliance for Each Major Federal Program (Continued)

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Thomas Jefferson Planning District Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Thomas Jefferson Planning District Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Thomas Jefferson Planning District Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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.

Charlottesville, Virginia
Draft, 2022

DRAFT

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Primary Government:				
Department of Housing and Urban Development:				
Direct Payments:				
HOME Investment Partnerships Program	14.239	N/A	\$ 799,359	\$ 736,642
ARPA - HOME Investment Partnerships Program	14.239	N/A	30,381	-
Total Department of Housing and Urban Development			\$ 829,740	\$ 736,642
Department of Transportation:				
Pass-Through Payments:				
Virginia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	EN07-039-118,P101, C501	\$ 150,439	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	FTA VA-80-0019-00	67,239	-
Total Department of Transportation			\$ 217,678	\$ -
Environmental Protection Agency:				
Direct Payments:				
Chesapeake Bay Program	66.466	N/A	\$ 46,955	\$ -
Department of Agriculture:				
Direct Payments:				
Rural Housing Preservation Grants	10.433	N/A	\$ 137,956	\$ 115,899
Department of Homeland Security:				
Pass-Through Payments:				
Virginia Department of Housing and Community Development				
Broadband Grant	97.039	Not Available	\$ 54,859	\$ -
Department of Homeland Security:				
Pass-Through Payments:				
Virginia Department of Emergency Management				
Hazard Mitigation Grant	97.039	Not Available	\$ 32,451	\$ -
Total Expenditures of Federal Awards			\$ 1,319,639	\$ 852,541

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Thomas Jefferson Planning District Commission under programs of the federal government for the year ended June 30, 2022. 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 of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Thomas Jefferson Planning District Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Thomas Jefferson Planning District Commission.

Note 2 - Summary of Significant Accounting Policies

(1) 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.

(2) Pass-through entity identifying numbers are presented where available.

(3) The Commission did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3 - Subrecipients

Of the federal expenditures presented in the Schedule, the Commission provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount provided to subrecipients
14.239	HOME Investment Partnerships Program	\$ 736,642
10.433	Rural Housing Preservation Grants	<u>115,899</u>
	Total	<u>\$ 852,541</u>

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the Commission's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

Department of Transportation	\$ 217,678
HOME Department of Housing and Urban Development	829,740
Other Governmental Funds	<u>272,221</u>
Total primary government	<u>\$ 1,319,639</u>

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 1,319,639

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
14.239	HOME Investment Partnerships Program

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

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Audit Findings

There are no prior year audit findings.