Thomas Jefferson

Planning District Commission

Financial Report

Year Ended June 30, 2026

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2026

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

DIRECTORY OF PRINCIPAL OFFICIALS
FOR THE YEAR JUNE 30, 2026

OFFICERS

Keith Smith, Chairperson
Michael Payne, Vice Chairperson
Ned Gallaway, Treasurer

COMMISSIONERS

City of Charlottesville

Michael Payne*
Jen Fleisher*

Albemarle County

Ned Gallaway*
Mike Pruitt*

Fluvanna County

Tony O'Brien*
Keith Smith

Greene County

Tim Goolsby*
James Higgins

Louisa County

Manning Woodward*
Tommy Barlow*

Nelson County

Jesse Rutherford*
Ernie Reed*

* Denotes local elected official

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

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Independent Auditors' Report

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2026, 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, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of June 30, 2026, and the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 opinions.

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, *Government 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, *Government 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, budgetary comparison information, 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions 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,* are 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Draft, 2026, 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, 2026

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2026
CHRISTINE JACOBS, EXECUTIVE DIRECTOR
LAURA GREENE, FINANCE 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 FY26, TJPDC had total revenues of $40,653,954 and total expenditures of $40,578,183 resulting in a fund balance increase of $75,771 of which $54,014 is attributed to the BRCTB and $21,757 is the general fund balance increase. Included in revenues and expenditures are $1,353,327 in HOME and HOME-ARP pass-through, $87,619 in Housing Preservation Grant (HPG) pass-through, $3,279,809 in Blue Ridge Cigarette Tax Board revenues and expenses, and $33,271,991 in Virginia Telecommunication Initiative (VATI) Broadband revenues and expenses. The FY26 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 42%, compared to 50% in FY25.

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 a portion of the localities' contributions, locally funded projects, and state allocations; interest earned; and rental revenue from the use of 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, 2026, and 2025:

TABLE 1 - GENERAL FUND REVENUE AND EXPENDITURES

	FY 2026	FY 2025	Change From FY 2025
Revenue……	$ 170,496	$ 208,461	$ (37,965)
Expenditures ……	148,739	41,720	107,019
Excess revenue over expenditures……	$ 21,757	$ 166,741	$ (144,984)
Other financing sources - transfer in……	$ -	$ 609	$ (609)
Net change in fund balance……	$ 21,757	$ 167,350	$ (145,593)
Fund balance, beginning……	1,691,249	1,523,899	
Fund balance, ending……	$ 1,713,006	$ 1,691,249	

FINANCIAL HIGHLIGHTS: (CONTINUED)

The General Fund: (Continued)

During FY26, General Fund revenues decreased by $37,965 from $208,461 in FY25 to $170,496 in FY26. Expenditures increased $107,019 from $41,720 in FY25 to $148,739 in FY26. Net change in Fund balance for FY26 was $21,757, $145,593 less than the FY25 change of $167,350.

Primary changes between FY25 and FY26 were:

- Revenue from the use of money and property decreased $15,342 from $97,379 in FY25 to $82,037 in FY26, due to a decrease in interest earned and a decrease in rentals of the Water Street Center and sub-tenant rents due to the temporary closure of the spaces for renovations.

- Revenue from state allocations decreased $17,107 from $18,607 in FY25 to $1,500 in FY26; a portion of FY26 state allocation is deferred to support projects contained in the DHCD-approved TJPDC FY26 work plan that will roll into future years.

- Revenue from locality contribution allocations decreased by $5,516 from $92,475 in FY25 to $86,959 in FY26.

- The increase in administrative expenses can be attributed to several factors, which include but are not limited to the following: a lower indirect cost rate and allocation; the implementation of year two of the two-year classification and compensation study recommendation; office renovations were completed resulting in an increase in rental expense and a capital outlay of $39,575.

Special Revenue Funds

Special Revenue Funds are the grant funds and other revenues dedicated to specific programs and projects. Special Revenue Fund income accounts for the vast majority of funds received by the TJPDC. For FY25, Virginia Telecommunication Initiative (VATI) Broadband, through the Coronavirus State and Local Recovery Fund (SLRF), was classified as a major program because it met the threshold of $750,000 in federal funding. In FY26, VATI, through the SLRF and Coronavirus Capital Projects Fund (CPF), was classified as a major program because it met the threshold of $1,000,000 in federal funding.

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

TABLE 2 - STATEMENT OF ACTIVITIES

	FY 2026	FY 2025	Change From FY 2025
Federal Grant Revenues ……	$ 30,810,654	$ 37,836,788	$ (7,026,134)
Non-Federal Grant Revenues ……	9,672,804	7,405,420	2,267,384
Special Fund Revenues ……	$ 40,483,458	$ 45,242,208	$ (4,758,750)
General Fund Revenues ……	$ 170,496	$ 208,461	$ (37,965)
Total Revenues ……	$ 40,653,954	$ 45,450,669	$ (4,796,715)
Current Operation Expenses ……	$ 39,862,895	$ 44,667,806	$ (4,804,911)
Pass-Through Funds ……	1,391,837	519,069	872,768
Total Expenses ……	$ 41,254,732	$ 45,186,875	$ (3,932,143)
Excess of Revenues over/(under) Expenses ……	$ (600,778)	$ 263,794	$ (864,572)
Capital Outlays and Depreciation, net ……	680,357	(98,827)	779,184
Change in Net Position ……	$ 79,579	$ 164,967	$ (85,388)

FINANCIAL HIGHLIGHTS: (CONTINUED)

Special Revenue Funds: (Continued)

During the fiscal year ended June 30, 2026, Special Fund Revenues totaled $40,483,458, a decrease of $7,026,134 from FY25's total of $45,242,208. Pass-through funds were $1,391,837 compared to $519,069 in FY25. FY26 Special Fund Revenues consisted of:

- Transportation: $684,113 in federal funds, $278,019 in state funds, and $253,287 in local funds for transportation programs through the US Department of Transportation (Federal Highway Administration and Federal Transit Administration), Virginia Department of Transportation and the Virginia Department of Rail and Public Transportation. This included funds for the Charlottesville-Albemarle Metropolitan Planning Organization (MPO), Rural Transportation, Safe Streets & Roads for All, RideShare, Mobility Management, Commuter Assistance Program Strategic Plan, Rural Transit Assistance Program, Charlottesville-Albemarle Regional Transit Authority (CARTA), and CARTA Transit Service Prioritization and Implementation Feasibility Study.

- Housing: $1,501,862 in federal funds, $256,548 in state funds, $66,665 in local funds and $96,365 in program income for housing programs through the US Department of Housing and Urban Development (HUD), Virginia Housing Development Authority (VHDA) and the US Department of Agriculture (USDA). This includes funds for the HOME, HOME-ARP, USDA's Housing Preservation Grant (HPG), the Central Virginia Regional Housing Partnership (CVRHP), the CVRHP Housing Summit FY27, the CVRHP Housing Study, and the Virginia Housing Development Grant programs.

- Blue Ridge Cigarette Tax Board: $3,446,955 in local funds and $4,335 in interest income for the Blue Ridge Cigarette Tax Board.

- Virginia Telecommunication Initiative: $28,471,650 in federal funds, $4,321,366 in state funds and $680,971 in local funds through the US Department of Treasury and the Virginia Department of Housing and Community Development (DHCD) for the Virginia Telecommunication Initiative (VATI) Broadband program and through the US Department of Commerce for Broadband Equity, Access, and Deployment (BEAD) program.

- Environmental: $125,372 in federal funds, $14,053 in state funds, and $59,474 in local funds through the US Environmental Protection Agency (EPA). This includes funds for the Solid Waste Planning Unit (SWPU), the Regional Water Supply Program, the Rivanna River Basin Commission (RRBC), the Chesapeake Bay Watershed Implementation Plan (WIP), the Virginia Department of Environmental Quality's (DEQ) Septic and Rain Barrel pilots, and the Oak Hill Fund (OHF) Septic programs.

- Other Government Funds: $27,657 in federal funds, $4,209 in state funds, and $190,557 in local funds, for the Southeast Crescent Regional Commission (SCRC), the Virginia Association of Planning District Commissions (VAPDC), and the Legislative Services programs.

YEAR-END ANALYSIS OF THE COMMISSION

During FY26, the Commission's net position increased by $79,579. A summary of the Commission's Statement of Net Position is presented below:

TABLE 3 - STATEMENT OF NET POSITION

	FY 2026	FY 2025	Change From FY 2025
Current and Other Assets	$ 6,307,708	$ 11,072,549	$ (4,764,841)
Capital Assets, net	716,272	35,915	680,357
Total Assets	$ 7,023,980	$ 11,108,464	$ (4,084,484)
Deferred Outflows of Resources	$ 45,720	$ 122,070	$ (76,350)
Total Assets and Deferred Outflows	$ 7,069,700	$ 11,230,534	$ (4,160,834)
Long-term Liabilities	$ 593,667	$ 49,876	$ 543,791
Current Liabilities	4,100,699	$ 8,903,773	$ (4,803,074)
Total Liabilities	$ 4,694,366	$ 8,953,649	$ (4,259,283)
Deferred Inflows of Resources	$ 106,720	$ 87,850	$ 18,870
Investment in Capital Assets	$ 39,555	$ 10,902	$ 28,653
Restricted Net Position	631,167	550,725	80,442
Unrestricted Net Position	1,597,892	1,627,408	(29,516)
Total Net Position	$ 2,268,614	$ 2,189,035	$ 79,579
Total Liabilities, Deferred Inflows and Net	$ 7,069,700	$ 11,230,534	$ (4,160,834)

Total Liabilities and Net Position show a snapshot of receivables and payables on June 30, 2026. The change from FY25 reflects a $79,579 increase in net position. Assets and Liabilities decreased in part due to the following:

- Total current assets decreased by $4,845,283 primarily due to a decrease in receivables and an increase in prepaid items associated with the VATI program
- Total current liabilities decreased by 4,803,074, primarily due to payables and unearned revenue associated with the VATI program.
- Compensated absences increased by $12,970 due to staff utilizing less leave time than accrued in the fiscal year.
- Lease Liability increased due to a 5-year lease renewal effective January 1, 2026. TJPDC has 42 months of lease expense in long term liabilities.
- Deferred Revenue increase by $1,366,673, primarily due to prepaid items associated with the VATI program.

ORIGINAL BUDGET VS FINAL BUDGET

Budget requests to local governments were submitted between October 2024 and January 2025. In accordance with the Bylaws, the Commission adopted the original FY26 operating budget at their June 5, 2025, meeting. This budget was used for the annual contribution request to the Virginia Department of Housing and Community Development (DHCD) along with the required FY26 Work Program. The Commission adopted the final amended budget at their March 5, 2026, meeting, reflecting updated projections of revenues and expenditures, particularly in the VATI program. The March 5th budget was used for financial reporting to the Commission for FY26.

Federal Revenues: Projected federal revenues decreased $3,593,096 as a net result of the following: projections for the Safe Streets and Roads for All, HOME ARP, HPG, Mobility Management, DEQ Infrastructure Investment and Jobs Act (IIJA) Septic and Rain Barrel, and Regional Housing Study programs increased due to a combination of an higher award or unspent funds in FY25 that rolled into FY26; new awards were received for the Broadband Equity, Access, and Deployment (BEAD) and Rural Transit Assistance Program (RTAP) programs; projections for HOME and VATI decreased due to a decrease in pace in the construction of projects.

State Revenues: Projected state grants decreased $1,954,642 as the net result of the following: projected VATI revenue decreased due to a decrease in pace in the construction of projects; Virginia Housing Development Grant increased due to unspent funds in FY25 that rolled into FY26; and projected deferrals of the state DHCD allocation increased to support projects contained in the DHCD-approved TJPDC FY26 work plan that were projected to roll into future years.

Local Revenues: Projected local revenues decreased $2,140,765 as a net result of the following: reserve transfer decreased due to anticipated gains, VATI decreased due to a decrease in pace in the construction of projects; projected tax revenues from the Blue Ridge Cigarette Tax Board increased due Rappahannock County becoming a new member, Safe Streets and Roads for All increased to cover the required match for the unspent funds in FY25 that rolled into FY26. Additionally, projected rental space revenues decreased due to anticipated office renovations and projected interest income increased.

Local Contributions: The Commission approved equalized member assessments for FY26 based on the 2024 Provisional Weldon Cooper Population Estimates and a $0.68 per capita rate. The Commission adopted the Projected FY26 budget at their October 3, 2024, meeting to serve as the basis for budget requests to the member localities. The FY26 budget requests were slightly higher than FY25, due to population increases. The total request for Legislative Services was based on a per capita rate of $0.42, a change instituted with the FY18 budget. The Solid Waste total of $11,235 increased slightly from FY25, with small changes among the localities due to relative changes in population. RideShare total of $40,459 increased slightly from FY25 and were collected to cover the required match for the state funding. The budget requests also included $11,235 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 FY26, as well as a request for $53,500 for the Regional Transit Partnership/CARTA from the urban localities (Charlottesville and Albemarle) and a $53,501 request for the Central Virginia Regional Housing Partnership from all member jurisdictions. Local contributions fulfill the required local matches for the following programs to receive state and federal funding: Rural Transportation (RTAC), Charlottesville-Albemarle Metropolitan Planning Organization (CA-MPO), PATH Mobility Management, Chesapeake Bay Watershed Improvement Program (WIP), and Regional Water Supply Planning (Regional Planning Unit 1).

Operating Expenditures: Personnel Costs decreased $92,684 between the original and final budget. This is attributed to reduced costs due to staff vacancies to include the Chief Operating Officer restructured as Director of Regional Planning & Operations, (now filled), one transportation planner (now filled), one PATH Transportation Assistant (now filled).

Operating Expenditures: Projected direct costs decreased $96,331 between the original and final budget. This is attributed to the net difference between the increase in supply, advertising, meeting, dues, telephone, and janitorial expenditures and a decrease in projected contingency, subscriptions, legal, contractual, rent, and vehicle expenditures.

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……	$ 31,612,367	$ 29,418,817	93.06%
Federal pass-through……	1,206,047	1,391,837	115.40%
State grants……	4,185,992	4,875,695	116.48%
Localities……	1,651,124	1,337,913	81.03%
Miscellaneous sources……	3,466,931	3,629,692	104.69%
	$ 42,122,461	$ 40,653,954	96.51%
EXPENDITURES (OUTFLOWS)			
Operating expenses……	$ 40,805,933	$ 39,186,346	96.03%
Pass-through expenses……	1,206,047	1,391,837	115.40%
	$ 42,011,980	$ 40,578,183	96.59%

FY26 total revenues were 96.51% of budgeted revenues. Actual revenues from federal pass-through, state grants and miscellaneous sources were more than budgeted for the following reasons:

- Federal pass-through revenues were 115.40% of the budgeted amount due in part to HOME and HOME ARP program revenues being greater than expected due to outside partners completing make-ready work in an expedited manner. $649,028 of federal pass-through revenue is attributed to the HOME ARP program, $704,299 is attributed to the HOME program, $3,047 for Mobility Management and $44,193 for the DEQ and OHF Septic programs.

- State grants were 116.48% of the budgeted amount due in part to the VATI24 program revenues being greater than expected due to outside partners completing make-ready work in an expedited manner. (3,534,360 budgeted vs $4,321,366 actual).

- Miscellaneous revenues were 104.69% of the budgeted amount due in part to HOME Program Income (a revenue from the use of money) being recognized as miscellaneous revenue instead of Federal pass-through revenue as budgeted and revenues being greater than expected for the BRCTB.

Actual revenues from federal grants and local revenues were less than budgeted for the following reasons:

- Federal grants were 93.06% of the budgeted amount due in part to the VATI22 program revenues being less than expected due to outside partners not completing make-ready work as anticipated. The anticipated work that was not completed in FY26 will be completed in FY27.

- Local revenues for the VATI22 and CARTA Transit Service Prioritization and Implementation Feasibility Study programs were less than expected due to outside partners not completing make-ready work as anticipated and approved extensions on deliverables from consultants. The anticipated work that was not completed in FY26 will be completed in FY27.

FY26 total expenditures were 96.59% of budgeted revenues.

In general, unrealized revenues carry forward to FY27 (except for certain CA-MPO funds which roll over into FY28 and RideShare ($10,936) and Rural Transportation ($3,019) funds, which are unrecoverable).

Basic Financial Statements

Government-wide Financial Statements

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Exhibit 1**

Statement of Net Position
As of June 30, 2026

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	$ 2,294,218
Receivables, net	435,059
Due from other governments:	
Federal	288,723
State	1,331,365
Prepaid expenses	1,327,176
Total current assets	$ 5,676,541
Noncurrent assets:	
Net pension asset	$ 631,167
Capital assets (net of depreciation):	
Leasehold improvements, leased building, vehicles, furniture and equipment	716,272
Total noncurrent assets	$ 1,347,439
Total assets	$ 7,023,980
Deferred Outflows of Resources:	
Pension deferrals	$ 24,113
Group life insurance OPEB deferrals	21,607
Total deferred outflows of resources	$ 45,720
Total assets and deferred outflows of resources	$ 7,069,700
Liabilities:	
Current liabilities:	
Accounts payable	$ 2,063,536
Compensated absences, current portion	58,561
Lease liability, current portion	132,617
Unearned revenue	1,845,985
Total current liabilities	$ 4,100,699
Noncurrent liabilities:	
Net group life insurance OPEB liability	$ 34,927
Lease liability, net of current portion	544,100
Compensated absences, net of current portion	14,640
Total noncurrent liabilities	$ 593,667
Total liabilities	$ 4,694,366
Deferred Inflows of Resources:	
Pension deferrals	$ 95,665
Group life insurance OPEB deferrals	11,055
Total deferred inflows of resources	$ 106,720
Net Position:	
Net investment in capital assets	$ 39,555
Restricted - Net pension asset	631,167
Unrestricted	1,597,892
Total net position	$ 2,268,614
Total liabilities, deferred inflows of resources and net position	$ 7,069,700

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

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Exhibit 2**

Statement of Activities
For the Year Ended June 30, 2026

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Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary Government					
Governmental activities					
Passed-through to other agencies	$ 1,391,837	$ -	$ -	$ 1,391,837	$ -
Programs administration:					
Office	669,228	(530,334)	-	18,268	(120,626)
US Department of Transportation-FHWA, Virginia VDOT	333,445	124,940	-	458,385	-
US Department of Housing and Urban Development	179,861	55,238	-	138,734	(96,365)
US Department of Commerce, VA DHCD	1,343	438	-	1,781	-
US Environmental Protection Agency, Virginia DEQ	82,710	41,165	-	123,875	-
Southeast Cresent Regional Commission	23,276	7,627		30,903	-
US Department of Treasury, VA DHCD	33,416,834	55,372	-	33,472,206	-
Virginia Housing Development Authority	255,097	1,451	-	256,548	-
Blue Ridge Cigarette Tax Board	3,374,937	28,376	-	-	(3,403,313)
US Department of Agriculture	18,417	7,221	-	25,638	-
US Department of Transportation-FTA, Virginia DRPT	531,002	158,728	-	689,730	-
Other Local Programs	296,388	49,778	-	346,166	-
Total governmental activities	$ 40,574,375	$ -	$ -	$ 36,954,071	$ (3,620,304)

General Revenues	
Intergovernmental revenue not restricted to specific programs	$ 88,459
Other local taxes - Cigarette tax	3,446,955
Revenue from use of money	164,469
Total general revenues	$ 3,699,883
Change in net position	$ 79,579
Net position, beginning of year	2,189,035
Net position, end of year	$ 2,268,614

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

Fund Financial Statements

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Exhibit 3**

Balance Sheet
Governmental Funds
As of June 30, 2026

	General Fund	Transportation	Housing	Blue Ridge Cigarette Tax Board	Broadband	Environmental	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and cash equivalents	$ 1,906,577	$ -	$ 51,291	$ 335,430	$ 920	$ -	$ -	$ 2,294,218
Receivables (net of allowance for uncollectibles):								
Accounts	3,272	-	-	298,992	123,308	-	9,487	435,059
Due from other governments:								
Federal	-	90,908	52,848	-	60,031	62,268	22,668	288,723
State	-	69,713	6,487	-	1,255,165		-	1,331,365
Due from other funds	4,495	-	12,320	-	67,703	-	-	84,518
Prepaid items	20,311	-	-	-	1,306,865	-	-	1,327,176
Total assets	$ 1,934,655	$ 160,621	$ 122,946	$ 634,422	$ 2,813,992	$ 62,268	$ 32,155	$ 5,761,059
Liabilities:								
Accounts payable and accrued expenses	$ 44,253	$ 25,249	$ 80,272	$ 562,716	$ 1,348,663	$ 1,950	$ 433	$ 2,063,536
Due to other funds	-	24,542	-	17,692	-	31,689	10,595	84,518
Unearned revenue	177,396	110,830	42,674	-	1,465,329	28,629	21,127	1,845,985
Total liabilities	$ 221,649	$ 160,621	$ 122,946	$ 580,408	$ 2,813,992	$ 62,268	$ 32,155	$ 3,994,039
Fund Balance:								
Nonspendable:								
Prepaid items	$ 20,311	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,311
Committed:								
Capital reserve	382,447	-	-	-	-	-	-	382,447
Blue Ridge Cigarette Tax Board	-	-	-	54,014	-	-	-	54,014
Unassigned	1,310,248	-	-	-	-	-	-	1,310,248
Total fund balance	$ 1,713,006	$ -	$ -	$ 54,014	$ -	$ -	$ -	$ 1,767,020
Total liabilities and fund balance	$ 1,934,655	$ 160,621	$ 122,946	$ 634,422	$ 2,813,992	$ 62,268	$ 32,155	$ 5,761,059

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, 2026

Total net position reported for governmental activities in the statement of net position are different because:		
Total fund balance for governmental funds (Exhibit 3)		$ 1,767,020
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	$ 716,272	
Total capital assets		716,272
The net pension asset is not an available resource and, therefore, is not reported in the funds.		631,167
Items related to measurement of the net pension asset and net 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		24,113
Group life insurance OPEB deferrals - Deferred outflows		21,607
Pension deferrals - Deferred inflows		(95,665)
Group life insurance OPEB deferrals - Deferred inflows		(11,055)
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	$ (34,927)	
Lease liability	(676,717)	
Compensated absences	(73,201)	
Total long-term liabilities		(784,845)
Total net position of governmental activities (Exhibits 1 and 2)		$ 2,268,614

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, 2026

	General Fund	Transportation	Housing
Revenues:			
Federal Grants:			
Commission	$ -	$ 681,066	$ 157,265
Pass-Through	-	3,047	1,344,597
State Grants	1,500	278,019	256,548
Other:			
Localities	81,832	243,381	65,347
Other local taxes - Cigarette tax	-	-	-
Miscellaneous	5,127	9,906	1,318
Revenue from the use of money and property	82,037	-	96,365
Total revenues	$ 170,496	$ 1,215,419	$ 1,921,440
Expenditures:			
Current:			
Administrative	$ 148,739	$ -	$ -
US Department of Transportation-FHWA, Virginia VDOT	-	458,385	-
US Department of Housing and Urban Development	-	-	1,492,077
US Department of Homeland Security	-	-	-
US Department of Commerce, VA DHCD	-	-	-
US Environmental Protection Agency, Virginia DEQ	-	-	-
US Department of Treasury, VA DHCD	-	-	-
Virginia Housing Development Authority	-	-	256,548
Southeast Cresent Regional Commission	-	-	-
US Department of Agriculture	-	-	113,257
Blue Ridge Cigarette Tax Board	-	-	-
US Department of Transportation-FTA, Virginia DRPT	-	692,777	-
Other Local Programs	-	64,257	59,558
Total expenditures	$ 148,739	$ 1,215,419	$ 1,921,440
Excess (deficiency) of revenues over (under) expenditures	$ 21,757	$ -	$ -
Other financing sources (uses):			
Transfers in	$ -	$ -	$ -
Transfers (out)	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -
Net changes in fund balance	$ 21,757	$ -	$ -
Fund balance at beginning of year	1,691,249	-	-
Fund balance at end of year	$ 1,713,006	$ -	$ -

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, 2025

	Blue Ridge Cigarette Tax Board	Broadband	Environmental	Other Governmental Funds	Total Governmental Funds
Revenues:					
Federal Grants:					
Commission	$ -	$ 28,471,650	$ 81,179	$ 27,657	$ 29,418,817
Pass-Through	-	-	44,193	-	1,391,837
State Grants	-	4,321,366	14,053	4,209	4,875,695
Other:					
Localities	49,711	680,971	56,939	132,800	1,310,981
Other local taxes - Cigarette tax	3,397,244	-	-	-	3,397,244
Miscellaneous	-	-	2,535	57,757	76,643
Revenue from the use of money and property	4,335	-	-	-	182,737
Total revenues	$ 3,451,290	$ 33,473,987	$ 198,899	$ 222,423	$ 40,653,954
Expenditures:					
Current:					
Administrative	$ -	$ -	$ -	$ -	$ 148,739
US Department of Transportation-FHWA, Virginia VDOT	-	-	-	-	458,385
US Department of Housing and Urban Development	-	-	-	-	1,492,077
US Department of Homeland Security	-	-	-	-	-
US Department of Commerce, VA DHCD	-	1,781	-	-	1,781
US Environmental Protection Agency, Virginia DEQ	-	-	168,068	-	168,068
US Department of Treasury, VA DHCD	-	33,472,206	-	-	33,472,206
Virginia Housing Development Authority	-	-	-	-	256,548
Southeast Cresent Regional Commission	-	-	-	30,903	30,903
US Department of Agriculture	-	-	-	-	113,257
Blue Ridge Cigarette Tax Board	3,397,276	-	-	-	3,397,276
US Department of Transportation-FTA, Virginia DRPT	-	-	-	-	692,777
Other Local Programs	-	-	30,831	191,520	346,166
Total expenditures	$ 3,397,276	$ 33,473,987	$ 198,899	$ 222,423	$ 40,578,183
Excess (deficiency) of revenues over (under) expenditures	$ 54,014	$ -	$ -	$ -	$ 75,771
Other financing sources (uses):					
Transfers in	$ -	$ -	$ -	$ -	$ -
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -	$ -	$ -
Net changes in fund balance	$ 54,014	$ -	$ -	$ -	$ 75,771
Fund balance at beginning of year	-	-	-	-	1,691,249
Fund balance at end of year	$ 54,014	$ -	$ -	$ -	$ 1,767,020

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

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Exhibit 6**

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, 2026

Net change in fund balance - total governmental funds (Exhibit 5)	$	75,771
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		779,639
Depreciation expense		(99,282)
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		(21,708)
Change in deferred inflows of resources related to measurement of net group life insurance OPEB liability		2,838
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:		
Issuance of lease		(740,064)
Principal retired on lease liability		88,360
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		80,442
Change in net group life insurance OPEB liability		2,903
Change in deferred outflows of resources related to measurement of net pension asset		(75,752)
Change in deferred outflows of resources related to measurement of net group life insurance OPEB liability		(598)
Change in compensated absences		(12,970)
Change in net position of governmental activities (Exhibit 2)	$	79,579

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

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 polices:

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.

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, 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:	
Transportation	Accounts for and reports revenues and expenses restricted for the purposes of various projects funded by the Department of Transportation and other transportation-related programs.
Housing	Accounts for and reports revenues and expenses restricted for the purpose of the HOME, Housing Preservation Grant (HPG) programs and other housing-related programs.

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

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

Major and Nonmajor Funds: (Continued)

Fund	Brief Description
Major:	
Broadband	Accounts for and reports revenues and expenses restricted for the VATI Broadband Funding and other broadband related programs.
Blue Ridge Cigarette Tax Board	Accounts for and reports revenues and expenses restricted for the Blue Ridge Cigarette Tax Board
Environmental	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Environmental Protection Agency and other environmental related programs.
Nonmajor-Other Governmental Funds:	
Special Revenue Funds:	
Southeast Cresent Regional Commission	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Southeast Cresent Regional Commission.
VAPDC-ED	Accounts for and reports revenues and expenses restricted for the purpose of performing executive director duties for the VAPDC.
Legislative Liaison	Accounts for and reports revenues and expenses for the Legislative Services 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.

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

D. Basis of Accounting: (Continued)

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.

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 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.

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

G. Cash and Cash Equivalents: (Continued)

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.

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

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable 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 included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories.

The current year's report includes a change in calculations related to restricted cash and restricted net position. The prior year restricted amounts have been updated to reflect current year's calculations.

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

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
Leased buildings	3 - 5 years

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 includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets 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 pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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 pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

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

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.

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:

- Non-spendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually 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.

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

R. Legislative Services

The Legislative Director 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 Director prepares a Legislative Program in consultation with the localities who subsequently adopt the Program.

S. Leases

The Commission leases various buildings requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee

The Commission recognizes a lease liability and intangible right-to-use lease asset (lease asset) with an initial value of $5,000, individually or in the aggregate. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Key Estimates and Judgments

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Board uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.

- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability.

The Commission monitors changes in circumstances that would require a remeasurement or modification of its leases. The Commission will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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 & 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, 2026, 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	$ 1,774,230	$ -
Total	$ 1,774,230	$ -

Investment maturities in years:

Investment Type	Fair Value	Less Than 1 Year
Virginia Investment Pool	$ 1,774,230	$ 1,774,230
Total	$ 1,774,230	$ 1,774,230

Redemption Restrictions: The 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).

NOTE 3–ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS:

Accounts and due from other governments are as follows:

Federal Government:		
Department of Transportation	$	90,908
Department of Housing and Urban Development		12,865
Department of Housing and Community Development		60,031
Southeastern Cresent Regional Commission		22,668
US Department of Agriculture		39,983
Environmental Protection Agency		62,268
Total Federal Government	$	288,723
State:		
Department of Transportation	$	69,713
Virginia Housing Development Authority		6,487
Department of Housing and Community Development		1,255,165
Total State	$	1,331,365
Accounts Receivable:		
Madison - VATI	$	123,308
VAPDC-ED		9,487
Cigarette tax		298,992
Other		3,272
Total Accounts Receivable	$	435,059

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	$	4,495	$	-
Transportation		-		24,542
Housing		12,320		-
Blue Ridge Cigarette Tax Board		-		17,692
Broadband		67,703		
Environmental		-		31,689
Nonmajor Governmental Funds		-		10,595
Total	$	84,518	$	84,518

NOTE 5–CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Governmental Activities:				
Capital assets, being depreciated:				
Office furniture and equipment	$ 74,555	$ -	$ 12,004	$ 62,551
Vehicle	30,183	-	-	30,183
Website	19,978	-	-	19,978
Leased building	392,496	740,064	392,496	740,064
Leasehold improvements	11,993	39,575	11,993	39,575
Total capital assets being depreciated	$ 529,205	$ 779,639	$ 416,493	$ 892,351
Less accumulated depreciation for:				
Office furniture and equipment	$ 74,555	$ -	$ 12,004	$ 62,551
Vehicle	17,356	6,037	-	23,393
Website	19,978	-	-	19,978
Leased building	369,408	91,162	392,496	68,074
Leasehold improvements	11,993	2,083	11,993	2,083
Total accumulated depreciation	$ 493,290	$ 99,282	$ 416,493	$ 176,079
Total capital assets being depreciated, net	$ 35,915	$ 680,357	$ -	$ 716,272
Governmental activities capital assets, net	$ 35,915	$ 680,357	$ -	$ 716,272

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Office administration	$ 93,245
Blue Ridge Cigarette Tax Board	6,037
Total governmental activities	$ 99,282

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 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.

Years of Services	Days Per Month	Days of Annual Leave Per Year
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 $73,201 as of June 30, 2026. The following is a summary of changes in accrued annual leave for the year ended June 30, 2026:

Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
$ 60,231	$ 12,970	$ -	$ 73,201

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. On October 1, 2025 the Commission extended their lease on a month-to-month basis until the Commission amended the lease to extend the agreement for another 5 years, effective January 1, 2026. The lease agreement requires 60 monthly payments that increase each year with a discount rate of 3.74%.

NOTE 7–OFFICE LEASE: (CONTINUED)

The lease liability activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2026	Amounts Due Within One Year
Governmental Activities:					
Lease Liability	$ 25,013	$ 740,064	$ 88,360	$ 676,717	$ 132,617
Total Governmental Activities	$ 25,013	$ 740,064	$ 88,360	$ 676,717	$ 132,617

The future principal and interest payments as of June 30, 2026, were as follows:

Year Ending June 30,	Lease Liability	
	Principal	Interest
2027	$ 132,617	$ 22,589
2028	142,413	17,891
2029	152,725	11,932
2030	163,576	6,021
2031	85,386	666
Total	$ 676,717	$ 59,099

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* (Uniform Guidance). Pursuant to the provisions of this Uniform Guidance, 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.

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 upon 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.

a. 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.

b. 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.

c. 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.

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 for non-hazardous duty employees is 1.70% for service credit earned, purchased or granted before January 1, 2013, and 1.65% for service credit earned, purchased or granted on or after January 1, 2013; the multiplier is 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, 2024, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	11
Inactive members:	
Vested inactive members	7
Non-vested inactive members	9
Inactive members active elsewhere in VRS	16
Total inactive members	32
Active members	12
Total covered employees	55

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, 2026, was 0.85% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 $10,071 and $8,507 for the years ended June 30, 2026, and June 30, 2025, respectively.

Net Pension Asset

The net pension asset is calculated separately for each employer and represents the excess of that employer's fiduciary net position over its total pension liability. For Thomas Jefferson Planning District Commission, the net pension asset was measured as of June 30, 2025. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2024, rolled forward to the measurement date of June 30, 2025.

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, 2024, 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, 2025.

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

Mortality rates:

Non-Metro – Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Pre-Retirement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

NOTE 9–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

Mortality rates:

Non-Metro – Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Post-Disablement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale 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 tables, with 75% of the MP-2021 Scale projected generationally

Mortality Improvement:
Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Metro – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Maintain Pub-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Line of Duty Disability	No change
Discount Rate	No change

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	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP - Private Investment Partnerships	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	-3.00%	4.57%	-0.14%
Total	100.00%		7.02%
		Expected arithmetic nominal return**	7.02%

* The above allocation provides a one-year expected return of 7.02% (including 2.50% inflation assumption). 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 7.06%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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. For the year ended June 30, 2025, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2024 actuarial valuations. Through the fiscal year ended June 30, 2025, the rate contributed by the school division for the VRS Teacher Retirement Plan was 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, 2025 on, participating employers and school divisions 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, 2024	$ 2,266,953	$ 2,817,678	$ (550,725)
Changes for the year:			
Service cost	$ 74,143	$ -	$ 74,143
Interest	154,453	-	154,453
Changes of assumptions	14,446	-	14,446
Differences between expected and actual experience	23,396	-	23,396
Contributions - employer	-	8,507	(8,507)
Contributions - employee	-	43,666	(43,666)
Net investment income	-	296,325	(296,325)
Benefit payments, including refunds of employee contributions	(105,818)	(105,818)	-
Administrative expenses	-	(1,694)	1,694
Other changes	-	76	(76)
Net changes	$ 160,620	$ 241,062	$ (80,442)
Balances at June 30, 2025	$ 2,427,573	$ 3,058,740	$ (631,167)

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 asset 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 Net Pension Liability (Asset)	$ (299,748)	$ (631,167)	$ (898,044)

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

For the year ended June 30, 2026, the Commission recognized pension expense of $27,089. At June 30, 2026, 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	$ 8,682	$ -
Change in assumptions	5,360	-
Net difference between projected and actual earnings on pension plan investments	-	95,665
Employer contributions subsequent to the measurement date	10,071	-
Total	$ 24,113	$ 95,665

NOTE 9–PENSION PLAN: (CONTINUED)

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

$10,071 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, 2027. 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:

Year Ending June 30		
2027	$	13,178
2028		(35,925)
2029		(37,275)
2030		(21,601)
2031		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2025 Annual Comprehensive Financial Report (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, 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, 2026 were $23,750. There were no matching contributions.

NOTE 11–UNEARNED REVENUE:

The details of unearned revenue at June 30, 2026, are as follows:

Fund Name	Amount
General Fund	$ 177,396
Transportation	110,830
Environmental	28,629
Broadband	1,465,329
Other Governmental Funds	21,127
Housing	42,674
	$ 1,845,985

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 the 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, 2026, was 41%, for billing purposes.

The actual indirect cost rate for the fiscal year ended June 30, 2026 was 42% and was calculated as follows:

Indirect costs	$ 571,639	= 42%
Individual programs' personnel costs	1,352,251	

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 provided to retired members covered under the GLI Plan 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 $9,768 as of June 30, 2026.

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 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2026 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 $5,569 and $4,704 for the years ended June 30, 2026 and June 30, 2025, 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, 2026, the entity reported a liability of $34,927 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2025, 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, 2024, and rolled forward to the measurement date of June 30, 2025. 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, 2025, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, the participating employer's proportion was 0.00363% as compared to 0.00339% at June 30, 2024.

For the year ended June 30, 2026, the participating employer recognized GLI OPEB expense of $426. 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.

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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, 2026, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,196	$ 657
Net difference between projected and actual earnings on GLI OPEB program investments	-	4,888
Change in assumptions	-	1,143
Changes in proportion	9,842	4,367
Employer contributions subsequent to the measurement date	5,569	-
Total	$ 21,607	$ 11,055

$5,569 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, 2027. 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:

Year Ending June 30	
2027	$ 1,845
2028	(290)
2029	1,970
2030	783
2031	675
Thereafter	-

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, 2024, 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, 2025. 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-Metro Locality Employers – General Employees

Pre-Retirement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale 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 tables, with 75% of the MP-2021 Scale 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 tables, with 75% of the MP-2021 Scale projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rates

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2024 valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. 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)	Maintain Pub-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Retiree Liability Estimation for Life Only	Change from 1.618% to 2.0%
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, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	4,433,282
Plan Fiduciary Net Position		3,471,094
GLI Net OPEB Liability (Asset)	$	962,188
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		78.30%

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.

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	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP - Private Investment Partnerships	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	-3.00%	4.57%	-0.14%
Total	100.00%		7.02%
		*Expected arithmetic nominal return	7.02%

*The above allocation provides a one-year expected return of 7.02% (includes 2.50% inflation assumption. 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 7.06%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation, at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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

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, 2025, 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, 2025 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those 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 GLI Plan Net OPEB Liability	$ 58,921	$ 34,927	$ 15,570

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2025 Annual Comprehensive Financial Report (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

REQUIRED SUPPLEMENTARY INFORMATION

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Exhibit 7**

Schedule of Revenues, Expenditures and Change in Fund Balance -
Budget and Actual - Governmental Funds
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Federal Grants:				
Commission	$ 34,945,536	$ 31,612,367	$ 29,418,817	$ (2,193,550)
Pass-Through	1,465,974	1,206,047	1,391,837	185,790
State Grants	6,140,634	4,185,992	4,875,695	689,703
Other:				
Localities	3,854,430	1,578,681	1,310,981	(267,700)
Miscellaneous	64,000	72,443	76,643	4,200
Other local taxes - Cigarette tax	3,259,537	3,386,077	3,397,244	11,167
Revenue from the use of money	104,000	80,854	182,737	101,883
Total revenues	$ 49,834,111	$ 42,122,461	$ 40,653,954	$ (1,468,507)
Expenditures				
Current:				
Administrative	$ 405,438	$ 201,218	$ 148,739	$ 52,479
US Department of Transportation-FHWA, Virginia VDOT	380,082	433,671	458,385	(24,714)
US Department of Housing and Urban Development	1,439,624	1,227,892	1,492,077	(264,185)
US Department of Homeland Security	481	-	-	-
US Department of Commerce, VA DHCD	254,902	291,500	1,781	289,719
US Environmental Protection Agency, Virginia DEQ	173,768	243,294	168,068	75,226
US Department of Treasury, VA DHCD	42,432,402	34,516,215	33,472,206	1,044,009
Virginia Housing Development Authority	40,015	293,123	256,548	36,575
Southeast Cresent Regional Commission	4,192	4,989	30,903	(25,914)
US Department of Agriculture	140,711	142,086	113,257	28,829
Blue Ridge Cigarette Tax Board	3,390,003	3,567,345	3,397,276	170,069
US Department of Transportation-FTA, Virginia DRPT	751,430	754,341	692,777	61,564
Other Local Programs	421,063	336,306	346,166	(9,860)
Total expenditures	$ 49,834,111	$ 42,011,980	$ 40,578,183	$ 1,433,797
Excess (deficiency) of revenues over (under) expenditures	$ -	$ 110,481	$ 75,771	$ (34,710)
Net change in fund balance	$ -	$ 110,481	$ 75,771	$ (34,710)
Fund balance, beginning of year	-	-	1,691,249	1,691,249
Fund balance, end of year	$ -	$ 110,481	$ 1,767,020	$ 1,656,539

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, 2016 through June 30, 2025

	2025	2024	2023	2022	2021	2020
Total pension liability						
Service cost	$ 74,143	$ 74,539	$ 54,146	$ 50,745	$ 57,333	$ 49,884
Interest	154,453	133,935	139,374	136,473	117,798	115,583
Differences between expected and actual experience	23,396	198,839	(196,871)	(59,466)	39,495	(58,224)
Changes in assumptions	14,446	-	-	0	91,465	0
Benefit payments, including refunds of employee contributions	(105,818)	(100,100)	(95,121)	(81,248)	(79,082)	(69,767)
Net change in total pension liability	$ 160,620	$ 307,213	$ (98,472)	$ 46,504	$ 227,009	$ 37,476
Total pension liability - beginning	2,266,953	1,959,740	2,058,212	2,011,708	1,784,699	1,747,223
Total pension liability - ending (a)	$ 2,427,573	$ 2,266,953	$ 1,959,740	$ 2,058,212	$ 2,011,708	$ 1,784,699
Plan fiduciary net position						
Contributions - employer	$ 8,507	$ -	$ -	$ -	$ 0	$ 2,390
Contributions - employee	43,666	38,889	34,130	25,723	31,700	24,828
Net investment income	296,325	253,575	161,932	(2,249)	565,573	39,709
Benefit payments, including refunds of employee contributions	(105,818)	(100,100)	(95,121)	(81,248)	(79,082)	(69,767)
Administrative expense	(1,694)	(1,695)	(1,636)	(1,621)	(1,416)	(1,362)
Other	76	52	(5,286)	60	53	(47)
Net change in plan fiduciary net position	$ 241,062	$ 190,721	$ 94,019	$ (59,335)	$ 516,828	$ (4,249)
Plan fiduciary net position - beginning	2,817,678	2,626,957	2,532,938	2,592,273	2,075,445	2,079,694
Plan fiduciary net position - ending (b)	$ 3,058,740	$ 2,817,678	$ 2,626,957	$ 2,532,938	$ 2,592,273	$ 2,075,445
Commission's net pension liability (asset) - ending (a) - (b)	$ (631,167)	$ (550,725)	$ (667,217)	$ (474,726)	$ (580,565)	$ (290,746)
Plan fiduciary net position as a percentage of the total pension liability	126.00%	124.29%	134.05%	123.06%	128.86%	116.29%
Covered payroll	$ 1,000,852	$ 871,768	$ 748,004	$ 555,407	$ 704,693	$ 544,700
Commission's net pension liability (asset) as a percentage of covered payroll	-63.06%	-63.17%	-89.20%	-85.47%	-82.39%	-53.38%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2016 through June 30, 2025

	2019	2018	2017	2016
Total pension liability				
Service cost	$ 45,609	$ 47,097	$ 43,503	$ 56,311
Interest	109,185	102,465	102,011	96,363
Differences between expected and actual experience	8,945	4,016	(21,557)	(14,126)
Changes in assumptions	51,616	0	(58,077)	-
Benefit payments, including refunds of employee contributions	(55,827)	(59,339)	(59,462)	(56,246)
Net change in total pension liability	$ 159,528	$ 94,239	$ 6,418	$ 82,302
Total pension liability - beginning	1,587,695	1,493,456	1,487,038	1,404,736
Total pension liability - ending (a)	$ 1,747,223	$ 1,587,695	$ 1,493,456	$ 1,487,038
Plan fiduciary net position				
Contributions - employer	$ 2,951	$ 9,937	$ 9,145	$ 18,635
Contributions - employee	29,018	29,495	25,481	24,742
Net investment income	131,859	137,364	204,382	29,062
Benefit payments, including refunds of employee contributions	(55,827)	(59,339)	(59,462)	(56,246)
Administrative expense	(1,299)	(1,180)	(1,183)	(1,033)
Other	(83)	(122)	(181)	(12)
Net change in plan fiduciary net position	$ 106,619	$ 116,155	$ 178,182	$ 15,148
Plan fiduciary net position - beginning	1,973,075	1,856,920	1,678,738	1,663,590
Plan fiduciary net position - ending (b)	$ 2,079,694	$ 1,973,075	$ 1,856,920	$ 1,678,738
Commission's net pension liability (asset) - ending (a) - (b)	$ (332,471)	$ (385,380)	$ (363,464)	$ (191,700)
Plan fiduciary net position as a percentage of the total pension liability	119.03%	124.27%	124.34%	112.89%
Covered payroll	$ 632,061	$ 634,356	$ 539,257	$ 517,609
Commission's net pension liability (asset) as a percentage of covered payroll	-52.60%	-60.75%	-67.40%	-37.04%

Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2017 through June 30, 2026

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)
2026	$ 10,071	$ 10,071	$ -	$ 1,184,875	0.85%
2025	$ 8,507	$ 8,507	$ -	$ 1,000,852	0.85%
2024	-	-	-	871,768	0.00%
2023	-	-	-	748,004	0.00%
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%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

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, 2024 valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Metro – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Maintain Pub-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a
Salary Scale	Increase Merit & Longevity 50 basis points
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, 2025

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)
2025	0.00363%	$ 34,927	$ 1,000,852	3.49%	78.30%
2024	0.00339%	37,830	871,768	4.34%	73.41%
2023	0.00318%	38,138	748,004	5.10%	69.30%
2022	0.00260%	30,704	555,407	5.53%	67.21%
2021	0.00340%	39,701	704,693	5.63%	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, 2025

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)
2026	$ 5,569	$ 5,569	$ -	$ 1,184,875	0.47%
2025	4,704	4,704	-	1,000,852	0.47%
2024	4,708	4,708	-	871,768	0.54%
2023	4,039	4,039	-	748,004	0.54%
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%

Notes to Required Supplementary Information
Group Life Insurance Plan
For the Year Ended June 30, 2026

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, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Metro Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Maintain Pub-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to observed experience, on a headcount-
Salary Scale	Increase Merit & Longevity 50 basis points
Retiree Liability Estimation for Life Only	Change from 1.618% to 2.0%
Discount Rate	No change

OTHER SUPPLEMENTARY INFORMATION

Supporting Schedules

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Schedule 1**

Schedule of Expenditures - General Fund
For the Year Ended June 30, 2026

Administrative		
Current Operating:		
Salaries and fringe	$	380,442
Contractual		10,422
Insurance		6,912
Subscriptions and publications		775
Dues		6,553
Advertising		375
Supplies		9,034
Copier		434
Meetings		2,714
Rent		129,952
Hiring and recruitment		2,685
Janitorial service		5,741
Postage		763
Travel		836
Professional development		4,864
Telephone		15,400
Audit and legal		14,889
Miscellaneous		1,133
Indirect costs allocation		(530,334)
Capital outlay		39,575
Equipment use and maintenance		45,574
Total expenditures	$	148,739

Schedule of Indirect Costs
For the Year Ended June 30, 2026

Administrative		
Current operating:		
Personnel	$	335,318
Postage		763
Subscriptions and publications		775
Supplies		8,807
Travel		(1,721)
Audit/legal services		14,889
Advertising		375
Bank charges		1,133
Professional meetings and development		1,468
Contractual services		10,422
Dues		6,503
Insurance/bonding		6,912
Printing and copier		398
Rent		111,684
Janitorial		5,741
Employee hiring & recruitment		2,685
Equipment repair/maintenance/use		47,657
Meeting expenses		2,430
Telephone		15,400
Total indirect costs	$	571,639

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Schedule 3**

Schedule of Individual Programs' Personnel Costs
For the Year Ended June 30, 2026

Total Salaries and Fringes:		
Salaries	$	1,380,394
Fringe benefits		307,175
Total Salaries and Fringes	$	1,687,569
Less Administrative Personnel Costs:		
Administration	$	335,318
Network support		-
Total Administrative Personnel Costs	$	335,318
Total Individual Programs' Personnel Costs	$	1,352,251
Calculation of indirect cost rate:		
Indirect Costs /		571,639
Individual Programs' Personnel Costs		1,352,251
Indirect cost rate		42%

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Schedule 4**

Schedule of Grant Contracts
For the Year Ended June 30, 2026

Grant or Contract	Grant-Contract Start Date	Grant-Contract End Date	Grant-Contract Total	Year to Date FY26	Grant-Contract To Date	Budgeted Amount For FY27+	Grant-Contract Remaining
MPO-FTA	07/01/25	06/30/26	$ 132,384	$ 132,384	$ 132,384	$ -	$ -
MPO-PL	07/01/25	06/30/26	308,793	270,480	270,480	38,313	-
RTP/CARTA ADMIN	07/01/25	06/30/26	64,257	64,257	64,257	-	-
CARTA	07/01/25	06/30/26	200,000	113,835	113,835	86,165	-
HOME TJPDC	07/01/20	06/30/31	287,124	29,090	182,585	104,539	-
HOME PASS-THROUGH	07/01/20	06/30/31	2,765,529	704,298	1,392,267	1,373,262	-
HOME ARPA	09/24/21	09/30/30	2,452,270	684,016	981,165	1,471,105	-
HOUSING HPG	10/01/21	09/30/25	64,200	25,631	61,508	2,692	-
HPG PASS-THROUGH	10/01/21	09/30/25	357,313	87,619	312,849	44,464	-
STATE SUPPORT TO PDC	07/01/25	06/30/26	163,898	5,710	5,710	158,188	-
SCRC	10/01/24	09/30/26	46,052	27,656	46,052	-	-
WATER STREET CENTER	07/01/25	06/30/26	18,268	18,268	18,268	-	-
DEQ SEPTIC & RAIN BARREL PROGRAM	01/01/25	12/31/25	29,211	11,932	23,032	6,179	-
DEQ SEPTIC & RAIN BARREL PASS-THROUGH	01/01/25	12/31/25	150,107	46,142	46,142	103,965	-
DEQ REG WATER SUPPLY PLANNING	07/01/25	08/31/25	18,124	14,053	18,124	-	-
RIDESHARE	07/01/25	06/30/26	185,773	172,104	172,104	-	13,669
RURAL TRANSPORTATION	07/01/25	06/30/26	58,000	54,981	54,981	-	3,019
OAK HILL FUND SEPTIC PROGRAM	07/01/25	06/30/26	25,000	1,950	1,950	23,050	-
REGIONAL HOUSING PARTNERSHIP	07/01/23	06/30/26	423,805	165,238	287,615	136,190	-
VA HOUSING	07/01/21	12/31/25	199,500	29,872	182,677	16,823	-
VA HOUSING PASS-THROUGH	07/01/21	12/31/25	1,800,500	183,450	1,800,178	322	-
VATI22 ADMIN	04/01/22	06/30/26	925,000	148,018	825,924	99,076	-
VATI22 PASS-THROUGH	04/01/22	06/30/26	117,800,904	28,315,944	109,670,941	8,129,963	-
VATI24 ADMIN	11/01/24	12/31/26	230,062	52,197	93,438	136,624	-
VATI24 PASS-THROUGH	11/01/24	12/31/26	13,058,438	4,956,047	4,956,047	8,102,391	-
DHCD - BEAD ADMIN	07/01/25	12/31/26	26,500	1,781	1,781	24,719	-
DHCD - BEAD PASS-THROUGH	07/01/25	12/31/26	265,000	-	-	265,000	-
TJPDC CORPORATION	07/01/25	06/30/26	5,127	5,127	5,127	-	-
LEGISLATIVE LIAISON	07/01/25	06/30/26	152,926	129,554	129,554	23,372	-
VAPDC-ED	07/01/25	06/30/26	57,757	57,757	57,757	-	-
SOLID WASTE	07/01/25	06/30/26	16,630	15,721	15,721	909	-
LOUISA COMP PLAN	07/01/25	06/30/26	13,946	13,946	13,946	-	-
RRBC	07/01/25	06/30/26	13,159	13,159	13,159	-	-
WIP PHASE III - Contract #8	01/01/25	12/31/25	58,000	58,000	58,000	-	-
WIP PHASE III - Contract #9	01/01/26	12/31/26	58,000	29,376	29,376	28,624	-
MEMBER PER CAPITA	07/01/25	06/30/26	202,917	180,649	180,649	22,268	-
SAFE STREETS AND ROADS FOR ALL (SS4A)	05/11/23	09/25/25	84,259	13,705	84,238	21	-
SS4A PASS-THROUGH	05/11/23	09/25/25	985,647	75,385	985,647	-	-
MOBILITY MANAGEMENT - 2026	10/01/25	09/30/26	307,237	192,124	192,124	115,113	-
MOBILITY MANAGEMENT PASS-THROUGH - 2026	10/01/25	09/30/26	8,586	5,275	5,275	3,311	-
MOBILITY MANAGEMENT - 2025	10/01/24	09/30/25	194,790	40,893	194,790	-	-
MOBILITY MANAGEMENT PASS-THROUGH - 2025	10/01/24	09/30/25	11,831	11,831	11,831	-	-
MOBILITY MANAGEMENT - BRANDING	07/01/23	06/30/26	47,500	5,991	45,805	1,695	-
MOBILITY MANAGEMENT RTAP	07/01/25	06/30/26	5,825	1,427	5,825	-	-
PATH Transporation Asst Fund	07/01/24	06/30/26	5,000	3,915	4,339	661	-
BLUE RIDGE CIGARATTE TAX BOARD	07/01/25	06/30/26	117,435	117,435	117,435	-	-
BLUE RIDGE CIGARATTE TAX PASS-THROUGH	07/01/25	06/30/26	3,274,559	3,274,559	3,274,559	-	-
BRCTB ONE-TIME ADJ AND BANK INTEREST	07/01/25	06/30/26	59,056	59,056	59,056	-	-
BANK INTEREST	07/01/25	06/30/26	63,818	63,818	63,818	-	-
TOTAL			$ 147,800,017	$ 40,685,656	$ 127,264,325	$ 20,519,004	$ 16,688

* Funds are available for completion of the project.

COMPLIANCE

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, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2026, 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, 2026.

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 opinions 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, 2026

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, 2026. 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, 2026.

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.

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, 2026

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2026

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing 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	$ 637,040	$ 607,950
COVID-19 ARPA - HOME Investment Partnerships Program	14.239	N/A	684,016	649,028
Total 14.239			$ 1,321,056	$ 1,256,978
Pass-Through Payments:				
Albemarle County:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Not Available	67,557	-
Total Department of Housing and Urban Development			$ 1,388,613	$ 1,256,978
Department of Transportation:				
Direct Payments:				
Safe Streets and Roads for All	20.939	N/A	$ 69,513	$ -
Pass-Through Payments:				
Virginia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	EN07-039-118,P101, C501	295,407	-
Virginia Department of Rail and Public Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	FTA VA-80-0019-00	117,675	-
Enhanced Mobility of Seniors and Individuals with D				
Formula Grants for Rural Areas and Transit Program	20.509	Not Available	3,704	3,047
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Not Available	197,815	-
Total Department of Transportation			$ 684,114	$ 3,047
Environmental Protecton Agency:				
Pass-Through Payments:				
Virginia Department of Environmental Quality:				
Geographic Programs - Chesapeake Bay Program	66.466	CTR234007	$ 67,298	$ -
Geographic Programs - Chesapeake Bay Program Implementation, Regulatory/Accountability and Monitoring Grants	66.964	17856	58,074	44,193
Total Environmental Protection Agency			$ 125,372	$ 44,193
Department of Agriculture:				
Direct Payments:				
Rural Housing Preservation Grants	10.433	N/A	$ 113,249	$ 87,619
Department of Treasury:				
Pass-Through Payments:				
Virginia Department of Housing and Community Development:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	$ 16,270,513	$ -
Appomattox County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	689,085	-
Amherst County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	939,617	-
Albemarle County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	2,120,539	-
Buckingham County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	940,753	-
Campbell County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	829,573	-
Fluvanna County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	74,656	-
Goochland County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	1,430,182	-
Powhatan County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	2,498,296	-
Madison County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	631,492	-
Greene County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	80,000	-
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Fund			$ 26,504,706	$ -
Virginia Department of Housing and Community Development:				
COVID-19 - Coronavirus Capital Projects Fund	21.029	Not Available	1,965,162	-
Total Department of Treasury			$ 28,469,868	$ -
Department of Commerce:				
Pass-Through Payments:				
Virginia Department of Housing and Community Development:				
Broadband Equity, Access, and Deployment Program	11.035	Not Available	$ 1,781	$ -
Southeast Crescent Regional Commission:				
Direct Payments:				
Southeast Crescent Regional Commission-Economic and Infrastructure Development Grants	90.705	N/A	$ 27,657	$ -
Total Expenditures of Federal Awards			$ 30,810,654	$ 1,391,837

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2026

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, 2026. 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 15-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:

Assistance Listing Number	Program Name	Amount provided to subrecipients
14.239	HOME Investment Partnerships Program	$ 607,950
14.239	COVID-19 HOME Investment Partnerships Program	649,028
20.509	Formula Grants for Rural Areas and Transit Program	3,047
66.964	Geographic Programs - Chesapeake Bay Program Implementation, Regulatory/Accountability and Monitoring Grants	44,193
10.433	Rural Housing Preservation Grants	87,619
	Total	$ 1,391,837

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:	
Transportation	$ 684,113
Housing	1,501,862
Broadband	28,471,650
Environmental	125,372
Other Governmental Funds	27,657
Total primary government	$ 30,810,654
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 30,810,654

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2026

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:

Assistance Listing #	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Fund
21.029	Coronavirus Capital Projects Fund

Dollar threshold used to distinguish between Type A and Type B programs	$1,000,000
Auditee qualified as low-risk auditee?	Yes

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.