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Report of Independent Auditors and
Financial Statements with
Required Supplementary Information

# Richmond Regional Planning District Commission

June 30, 2026

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# Report of Independent Auditors

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# Management's Discussion and Analysis

# Richmond Regional Planning District Commission
## Management's Discussion and Analysis
## Year Ended June 30, 2026

This section of the Richmond Regional Planning District Commission's (PlanRVA) annual financial report presents our discussion and analysis of PlanRVA's financial performance during the fiscal year ended June 30, 2026. Please read it in conjunction with PlanRVA's basic financial statements.

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**Overview of the Financial Statements**

The Richmond Regional Planning District Commission, doing business as PlanRVA, is a regional planning commission established under the laws of the Commonwealth of Virginia. PlanRVA promotes the orderly and efficient development of the Richmond region by coordinating regional planning, providing technical assistance, and supporting its member governments and regional partners.

PlanRVA's basic financial statements consist of three components: (1) government-wide financial statements, (2) governmental fund financial statements, and (3) notes to the financial statements.

- The government-wide statements provide both short-term and long-term information about PlanRVA's overall financial position and results of operations.
- The governmental fund statements provide additional details about near-term inflows and outflows of spendable resources and the resources available for future spending.
- The notes explain selected amounts and accounting policies and provide information needed to understand the basic financial statements.

Following the notes, the required supplementary information includes the budgetary comparison schedule, schedule of changes in net pension liability, schedule of employment contributions, and notes to required supplementary information.

**Financial Summary**

**Detailed Analysis - Government-Wide Statements**

The government-wide statements report information about PlanRVA as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities as soon as the underlying transaction occurs, regardless of when cash is received or paid. These two government-wide statements report PlanRVA's net position and how it has changed. This is one way to measure PlanRVA's financial health or position. Over time, increases or decreases in PlanRVA's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements can be found on pages 11 to 12 of this report.

**Table 1**
**Condensed Statement of Net Position**

| Financial summary | 2026 | 2025 | $ Change 2026-2025 | % Change 2026-2025 |
|---|---|---|---|---|
| Current and other assets | $3,222,759 | $1,915,207 | $1,307,552 | 68.3% |
| Capital and right-to-use assets, net | $1,886,970 | $1,952,467 | ($65,497) | -3.4% |
| **Total assets** | **$5,109,729** | **$3,867,674** | **$1,242,055** | **32.1%** |
| **Deferred outflows of resources** | **$447,394** | **$293,002** | **$154,392** | **52.7%** |
| Current liabilities | $1,148,649 | $695,097 | $453,552 | 65.3% |
| Noncurrent liabilities | $1,901,217 | $2,070,176 | ($168,959) | -8.2% |
| **Total liabilities** | **$3,049,866** | **$2,765,273** | **$284,593** | **10.3%** |
| **Deferred inflows of resources** | **$179,976** | **$161,134** | **$18,842** | **11.7%** |
| Net investment in capital assets | $261,531 | $318,544 | ($57,013) | -17.9% |
| Unrestricted net position | $2,065,750 | $915,725 | $1,150,025 | 125.6% |
| **Total net position** | **$2,327,281** | **$1,234,269** | **$1,093,012** | **88.6%** |

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For the fiscal year ended June 30, 2026, PlanRVA's total net position is $2,327,281, which is an increase of $1,093,012 or 88.6% compared to prior year. The largest portion of PlanRVA's net position, $2,065,750, was unrestricted and primarily driven by an excess of revenues over expenditure generated; a portion of these revenues relate to recovery of funding on prior year costs. An additional $261,531 of PlanRVA's net position reflects its investments in capital assets, less any related accumulated depreciation in those assets.

Current and other assets increased by $1,307,552 or 68.3% primarily due to an increase in cash and cash equivalents of approximately $870 thousand and accounts receivable of approximately $424 thousand as accounts and grants receivable activity increased during the year. A portion also relates to previously unrecovered prior year costs that were invoiced in fiscal year 2026. Increased receivable activity corresponds to a current liability reflecting an increase in unearned revenue of approximately $264 thousand.

Current liabilities increased by $453,552 or 65.3% primarily due to an increase in current unearned revenue as grant and project funding was received before qualifying costs were incurred. Noncurrent liabilities decreased by $168,959 or 8.2% primarily due to a decline in lease liability resulting from payments on the existing lease commitment. Additionally, the net pension liability portion of noncurrent liabilities decreased as a result of PlanRVA's contributions to obligations being made in accordance with the annual required contribution rate, as well as changes in assumptions regarding investment earnings and discount rates.

**Table 2**
**Condensed Statement of Activities**

| Financial summary | 2026 | 2025 | $ Change 2026-2025 | % Change 2026-2025 |
|---|---|---|---|---|
| Operating grants and contributions | $6,712,085 | $4,497,851 | $2,214,234 | 49.2% |
| Charges for services | $876,068 | $812,514 | $63,554 | 7.8% |
| **Total program revenues** | **$7,588,153** | **$5,310,365** | **$2,227,788** | **42.9%** |
| Investment earnings | $8,044 | $18,228 | ($10,184) | (55.9%) |
| **Total revenues** | **$7,596,197** | **$5,328,593** | **$2,267,604** | **42.6%** |
| General government and administration | $305,898 | $304,092 | $1,806 | 0.6% |
| Projects | $6,197,287 | $4,793,694 | $1,403,593 | 29.3% |
| **Total expenses** | **$6,503,185** | **$5,097,786** | **$1,405,399** | **27.6%** |
| **Change in net position** | **$1,093,012** | **$230,807** | **$862,205** | **373.6%** |
| Net position, beginning of year | $1,234,269 | $1,003,462 | $230,807 | 23.0% |
| **Net position, end of year** | **$2,327,281** | **$1,234,269** | **$1,093,012** | **88.6%** |

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For the fiscal year ended June 30, 2026, total revenue is $7,596,197, an increase of $2,267,604 or 42.6% compared to fiscal year 2025. Operating grants and contributions increased $2,214,234 or 49.3% due to new private grants and a higher volume of regional service activity that generated additional revenue; recovery of prior year costs were invoiced in fiscal year 2026. Charges for services increased $63,554. Investment earnings decreased $10,184 due to lower interest earned on bank deposits and the Local Government Investment Pool.

Total expense is $6,503,185, an increase of $1,405,399 or 27.6% compared to fiscal year 2025. Projects expense increased $1,403,593 or 29.3% due to professional fees owing to additional private grant and regional service activity.

All costs shown in the financial statements are solely related to transportation and regional planning and other services to member governments and operating agencies. Indirect costs are PlanRVA's costs (labor and nonlabor) that cannot be attributed to any specific project as a direct cost. PlanRVA allocates indirect costs to projects based on the ratio of pooled indirect costs over total direct labor and fringe costs incurred for either a monthly, quarterly or semi-annual basis.

**Detailed Analysis – General Fund**

PlanRVA reports one governmental fund, the General Fund, which accounts for all revenues and expenditures applicable to PlanRVA's general operations. The governmental fund statements use the current financial resources measurement focus and modified accrual basis of accounting and therefore emphasize near-term financial resources.

Governmental fund statements do not report capital assets and certain long-term obligations; reconciliations are presented to connect General Fund balance and operating results to governmental activities reported in the government-wide statements. Those reconciling items include capital assets, right-to-use lease activity, pension-related amounts, and compensated absences.

The governmental fund financial statements can be found on pages 13 to 15 of this report.

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**Table 3**
**General Fund Results**

| Financial summary | 2026 | 2025 | Change | % Change |
|---|---|---|---|---|
| **Total revenues** | **$7,596,197** | **$5,325,084** | **$2,271,113** | **42.6%** |
| **Total expenditures** | **$6,647,951** | **$5,256,410** | **$1,391,541** | **26.5%** |
| Excess of revenues over expenditures | $948,246 | $68,674 | $879,572 | 1280.8% |
| Fund balance - beginning of year | $1,315,265 | $1,246,591 | $68,674 | 5.5% |
| **Fund balance - end of year** | **$2,263,511** | **$1,315,265** | **$948,246** | **72.1%** |
| Nonspendable fund balance | $43,594 | $20,700 | $22,894 | 110.6% |
| Unassigned fund balance | $2,219,917 | $1,294,565 | $925,352 | 71.5% |

For the fiscal year ended June 30, 2026, the fund balance is $2,263,511, an increase of $948,246 or 72.1% primarily due to private grants and service revenue and professional fees as discussed above.

Of the $2,263,511 fund balance, the unassigned fund balance increased by $925,352 or 71.5% primarily due to increased private grants and service revenue. As of June 30, 2026, PlanRVA reported no restricted, committed, or assigned fund balances. The unassigned fund balance exceeds the Commission's $1.0 million fund balance target and remains available for working capital, contingencies, and other purposes approved through the Commission's budget process. During fiscal year 2026, the Commission approved an amendment to its fund balance policy. The amended policy establishes a long-term reserve target equal to six months of core operating expenses comprised of cash and receivables. As an interim benchmark, the Commission established a target of maintaining reserves equal to three months of core operating expenses by the end of calendar year 2027.

**Significant Capital Asset Activity**

For the fiscal year ended June 30, 2026, net capital assets total $438,019, an increase of $119,475 from 2025. PlanRVA added $185,433 of capital assets during fiscal year 2026 primarily related to implementing a new grants and financial management system. Assets with total original costs of $15,962 and accumulated depreciation of $2,296 were disposed of, resulting in a net carrying amount disposed of $13,666. Depreciation expense was $52,292.

PlanRVA entered into no new long-term financing agreements during fiscal year 2026. Amortization of the right-to-use asset for leased office space was $184,972, reducing the asset to $1,448,951 as of June 30, 2026. Lease principal payments reduced the lease liability by $145,093 to $1,625,439, and lease interest expense was $70,753. Additional information is provided in the notes to the financial statements.

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**Currently Known Facts, Decisions, or Conditions**

In June 2026, the Commission approved its Key Imperatives for fiscal year 2027. The imperatives establish annual operating priorities and guide development of PlanRVA's annual work program. PlanRVA continued implementation of its existing Regional Strategic Vision, a five-year strategic plan covering fiscal years 2025 through 2030. The plan is intended to integrate work across PlanRVA's functional areas and continue the agency's emphasis on diversifying revenue through contracted fee-for-service projects and expanded technical planning assistance to member localities. Management expects these initiatives to continue affecting the mix and volume of project revenues and expenditures in future periods.

**Contacting PlanRVA's Financial Management Team**

This financial report is intended to provide Federal, State, and Local grantors, as well as member localities, with a general overview of PlanRVA's finances and to show accountability for the funds it receives and expends. If you have questions about this report or need additional information, contact the Executive Director at PlanRVA, 424 Hull Street, Richmond, Virginia 23224, and telephone (804) 323-2033.

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# Financial Statements

# Richmond Regional Planning District Commission
## Statement of Net Position
## June 30, 2026

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| | Governmental Activities |
|---|---|
| ASSETS | |
| Cash and cash equivalents | $ 1,020,184 |
| Grants receivable | 1,254,952 |
| Accounts receivable | 904,029 |
| Prepaid expenses | 43,594 |
| Capital assets, net | 438,019 |
| Lease assets, net | 1,448,951 |
| Total assets | 5,109,729 |
| Deferred outflows of resources | |
| Pension contributions subsequent to the measurement date | 217,978 |
| Differences between expected and actual experience | 161,530 |
| Changes in assumptions | 67,886 |
| Total deferred outflows of resources | 447,394 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 300,690 |
| Accrued expenses | 168,460 |
| Compensated absences - current portion | 90,687 |
| Accrued salaries | 145,255 |
| Lease liability - current portion | 162,191 |
| Unearned revenue - current portion | 281,366 |
| Noncurrent liabilities | |
| Compensated absences - net of current portion | 96,812 |
| Lease liability - net of current portion | 1,463,248 |
| Unearned revenue - net of current portion | 63,477 |
| Net pension liability | 277,680 |
| Total liabilities | 3,049,866 |
| Deferred inflows of resources | |
| Net difference between projected and actual earnings on plan investments | 179,976 |
| Total deferred inflows of resources | 179,976 |
| NET POSITION | |
| Net investment in capital assets | 261,531 |
| Unrestricted | 2,065,750 |
| Total net position | $ 2,327,281 |

See accompanying notes.

# Richmond Regional Planning District Commission
## Statement of Activities
## Year Ended June 30, 2026

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| Program Activities | Expenses | Charges for Services | Operating Grants and Contributions | Net (Expenses) Revenue and Changes in Net Assets |
|---|---|---|---|---|
| Governmental activities | | | | |
| General government and administration | $ 305,898 | $ 876,068 | $ - | $ 570,170 |
| Projects | 6,197,287 | - | 6,712,085 | 514,798 |
| Total governmental activities | $ 6,503,185 | $ 876,068 | $ 6,712,085 | 1,084,968 |
| GENERAL REVENUES | | | | |
| Investment earnings | | | | 8,044 |
| Total general revenues | | | | 8,044 |
| CHANGE IN NET POSITION | | | | 1,093,012 |
| NET POSITION, beginning of year | | | | 1,234,269 |
| NET POSITION, end of year | | | | $ 2,327,281 |

See accompanying notes.

# Richmond Regional Planning District Commission
## Balance Sheet – Governmental Funds
## June 30, 2026

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| | General Fund |
|---|---|
| ASSETS | |
| Cash and cash equivalents | $ 1,020,184 |
| Grants receivable | 1,254,952 |
| Accounts receivable | 904,029 |
| Prepaid expenses | 43,594 |
| TOTAL ASSETS | 3,222,759 |
| LIABILITIES | |
| Accounts payable | 300,690 |
| Accrued expenses | 168,460 |
| Accrued salaries | 145,255 |
| Unearned revenue | 344,843 |
| TOTAL LIABILITIES | 959,248 |
| FUND BALANCE | |
| Nonspendable | 43,594 |
| Unassigned | 2,219,917 |
| TOTAL FUND BALANCE | 2,263,511 |
| TOTAL LIABILITIES AND FUND BALANCE | 3,222,759 |

Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position:

| | |
|---|---|
| Fund balance - total governmental funds | 2,263,511 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance sheet: | 438,019 |
| Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds: | 1,448,951 |
| Long-term liabilities and related deferred items are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet but are reported on the government-wide statement of net position: | |
| Pension contributions subsequent to the measurement date | 217,978 |
| Changes in assumptions | 67,886 |
| Net pension liability | (277,680) |
| Differences between expected and actual experience | 161,530 |
| Net difference between projected and actual earnings on plan investments | (179,976) |
| Compensated absences | (187,499) |
| Lease liability | (1,625,439) |
| | (1,823,200) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | $ 2,327,281 |

See accompanying notes.

# Richmond Regional Planning District Commission
## Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
## Year Ended June 30, 2026

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| | |
|---|---|
| REVENUES | |
| Federal grants | $ 3,537,664 |
| State grants | 452,835 |
| State appropriations | 152,956 |
| Local grants | 1,835 |
| Local membership dues | 723,112 |
| Private grants and service revenue | 2,719,751 |
| Other revenue - dividends and interest | 8,044 |
| Total revenues | 7,596,197 |
| EXPENDITURES | |
| Salaries | 2,700,606 |
| Benefits and payroll taxes | 1,201,478 |
| Professional fees | 1,779,310 |
| Technology | 239,961 |
| Professional development | 51,487 |
| Travel | 36,677 |
| Office expenses | 108,745 |
| Occupancy | 263,023 |
| Interest | 70,753 |
| Capital outlay | 185,433 |
| Other | 10,478 |
| Total expenditures | 6,647,951 |
| Excess of revenues over expenditures | 948,246 |
| Fund balance - beginning of year | 1,315,265 |
| Fund balance - end of year | $ 2,263,511 |

See accompanying notes.

# Richmond Regional Planning District Commission
## Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
## Year Ended June 30, 2026

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| | | |
|---|---|---|
| NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS | $ | 948,246 |
| Capital outlays are reported as expenditures in the governmental funds. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities. In the current period these amounts are: | | |
| Capital outlay | | 185,433 |
| Depreciation expense | | (52,292) |
| Net book value of capital assets disposed | | (13,666) |
| Governmental funds report lease principal and interest as expenditures. However, amortization expense in the statement of activities is recognized for the reduction of the lease asset, interest expense is recognized on the lease liability for reporting in the government-wide statement of net position, and principal payments reduce the lease liability. This amount represents the excess of amortization expense over the lease principal. | | (39,879) |
| Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds: | | |
| Net change in net pension liability, deferred inflows and outflows | | 93,634 |
| Increase in compensated absence liability | | (28,464) |
| Change in net position reported on the Statement of Activities | $ | 1,093,012 |

See accompanying notes.

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**Note 1 – Summary of Significant Accounting Policies**

**Organization** – The Richmond Regional Planning District Commission, doing business as PlanRVA, is a regional planning commission established under the laws of the Commonwealth of Virginia. The purpose of PlanRVA is to promote the orderly and efficient development of the physical, social and economic elements of the Richmond Regional Planning District by encouraging and assisting governmental subdivisions in planning for the future.

PlanRVA acts as the legal entity that receives funding while the Richmond Area Metropolitan Planning Organization, generally referred to as the Richmond Regional Transportation Planning Organization (RRTPO), is responsible for the utilization of certain funding. The RRTPO is the federally designated regional transportation planning organization that serves as the forum of cooperative transportation decision-making in the Richmond Metropolitan Area. The RRTPO was established under Section 134 of the Federal Aid Highway Act of 1973, as amended, for maintaining and conducting a "continuing, cooperative and comprehensive" transportation planning process that results in plans and programs consistent with the comprehensively planned development of the Richmond urbanized area.

**Compliance with Grant Provisions -** PlanRVA participates in several federal financial assistance programs. Although PlanRVA's grant programs have been audited in accordance with the provisions of the Single Audit Act, these programs are still subject to financial and compliance audits. The amount of expenditures, if any, that may be disallowed by the granting agencies cannot be determined at this time, although PlanRVA expects such amounts, if any, to be immaterial.

PlanRVA serves as the fiscal agent for RRTPO, which has no staff or bank account and cannot contract independently. Per federal regulation, PlanRVA contracts and provides staff support on behalf of RRTPO. Federal and Commonwealth of Virginia contracts are cost-reimbursable, and reimbursement is requested after eligible costs are incurred and related work is performed.

**Basis of presentation** - The government-wide financial statements (the statement of net position and the statement of activities) report information of all the nonfiduciary activities. The governmental activities of PlanRVA are supported by intergovernmental revenues. Internally imposed designations or resources are not presented as restricted net assets.

The government-wide Statement of Activities is designed to report the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include charges to customers, and grants and contributions attributable to the activities of the respective function.

Governmental Funds account for expendable financial resources, which differs from the manner in which long-term assets, liabilities, and other economic resources are reported in the government-wide financial statements. The individual governmental fund of PlanRVA is comprised of the General Fund, which accounts for all revenues and expenditures applicable to the general operation of PlanRVA.

**Basis of accounting** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. PlanRVA considers revenues to be available if they are collected within 90 days after year-end. Expenditures generally are recognized when the related fund liability is incurred; however, expenditures related to certain long-term obligations are recognized in accordance with the applicable governmental fund accounting requirements.

Expenditure-driven grant revenues are recognized when applicable eligibility requirements, including the incurrence of allowable costs, have been satisfied. In the governmental fund financial statements, such revenues also must meet the measurable and available criteria.

The accounting and financial reporting policies of PlanRVA conform to accounting principles generally accepted in the United States of America applicable to state and local governmental entities, as prescribed by the Governmental Accounting Standards Board.

**Use of estimates** – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents** – State statute authorizes PlanRVA to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value. Cash and cash equivalents include the following for the year ended:

| | June 30, 2026 |
|---|---|
| Local banks | $ 804,770 |
| Local government investment pool | 215,414 |
| Total | $ 1,020,184 |

Custodial risk is the risk that in the event of a bank failure, the government deposits might not be returned to it. There is no custodial credit risk to these accounts, as the entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FSLIC limits. The State Treasury Board is responsible for monitoring compliance by banks and savings and loans.

There is no custodial risk for local government investments as the amounts are fully collateralized. In addition, there is no interest rate risk as the interest rates are adjusted daily for the repurchase agreement and periodically for the investment in the local government investment pool.

**Grants receivable –** Grants receivable consists of unbilled amounts due from federal, state and local grantors under nonexchange arrangements. These receivables represent grant revenues earned through June 30, 2026, for which reimbursement requests had not yet been submitted as of year-end.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, grants receivable and related revenues are recognized when applicable eligibility requirements have been met, generally upon incurring allowable expenditures under expenditure-driven grants. In the governmental fund financial statements, revenues are recognized when measurable and available. Revenues are considered measurable when amounts can be reasonably determined and available when collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**Accounts receivable –** Accounts receivable consist of amounts due from governmental entities for contractual planning, administrative, and technical services provided by PlanRVA. Receivables include billed amounts for services rendered but not yet collected and unbilled amounts for services performed through year-end for which invoices have not yet been issued.

Management assesses grants and accounts receivable for credit losses based on relevant factors, including the nature of the customer or grantor, historical collections, the age and status of outstanding receivables, and current conditions affecting collectability. Based on management's assessment, grants and accounts receivable are considered fully collectible. Accordingly, no allowance for credit losses has been recorded as of June 30, 2026 and 2025.

**Capital assets, net** – Capital assets are recorded at historical cost. Donated capital assets are recorded at acquisition value as of the date of donation. Capital assets with an initial individual cost exceeding $5,000 are capitalized. Capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets have estimated useful lives as follows:

| | |
|---|---|
| Equipment | 5 years |
| Leasehold improvements | Life of lease |

Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued prior to the end of the assets' useful life.

**Lease assets, net** – PlanRVA leases office space which is included in the lease assets as required by GASB 87. Lease assets represent PlanRVA's right to use the underlying asset for the term of the lease. The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. Lease assets are amortized on a straight-line basis over the life of the related lease.

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**Compensated absences** – PlanRVA recognizes a liability for leave attributable to services already rendered that accumulates and is more likely than not to be used for time off or otherwise paid or settled. The liability is measured using employees' applicable pay rates in effect at June 30, 2026 and includes salary-related payments that are directly and incrementally associated with payments for leave, as applicable. Salary-related payments associated with defined benefit pension or OPEB plans are excluded from the measurement of the compensated absences liability.

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In the governmental fund financial statements, expenditures and related liabilities for compensated absences are recognized to the extent amounts normally would be liquidated with expendable available financial resources.

Activity for the year ended June 30, 2026, is summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 159,035 | $ 96,250 | $ 67,786 | $ 187,499 | $ 90,687 |

**Net pension liability and deferred outflows/inflows of resources** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PlanRVA's proportionate share of the Virginia Retirement System (VRS) plan and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as reported by VRS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

Deferred outflows of resources and deferred inflows of resources related to pensions result from differences between expected and actual experience, changes in actuarial assumptions, differences between projected and actual earnings on pension plan investments, and employer contributions made subsequent to the pension measurement date, as applicable. Employer contributions made subsequent to the measurement date are recognized as a deferred outflow in the following reporting period.

**Net position** – In the government-wide financial statements, net position is classified in the following categories:

> **Net Investment in capital assets** – This amount consists of capital assets, net of accumulated depreciation and lease assets, reduced by outstanding debt, leases payable, and information technology subscriptions payable attributable to these assets.
>
> **Unrestricted net position** – This amount contains all net position amounts that do not meet the definition of net investment in capital assets or restricted net position.

**Revenue recognition** – Intergovernmental revenues, consisting primarily of federal, state, local, and private grants for the purpose of funding specific expenditures, are recognized when applicable eligibility requirements have been satisfied. For expenditure-driven grants, revenue generally is recognized when allowable costs have been incurred and other applicable eligibility requirements have been met. In the governmental fund financial statements, revenue also must meet the measurable and available criteria. Resources received before applicable eligibility requirements have been satisfied are reported as unearned revenue until those requirements are met.

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**Implementation of GASB Statement No. 103** - Effective July 1, 2025, PlanRVA implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. The Statement establishes revised financial reporting requirements intended to improve key components of the financial reporting model, including management's discussion and analysis and budgetary comparison information. As a result of implementing the Statement, PlanRVA revised the presentation and content of management's discussion and analysis and presents the General Fund budgetary comparison schedule as required supplementary information. The budgetary comparison schedule presents the original budget, final budget, variances between the original and final budgets, actual amounts on the budgetary basis, and variances between the final budget and actual amounts. Explanations of significant budget variances are presented in the notes to required supplementary information. The implementation of GASB Statement No. 103 did not result in a change to beginning fund balance or beginning net position.

**Implementation of GASB Statement No. 104** - During fiscal year 2026, PlanRVA implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement establishes additional disclosure requirements for certain capital assets, including lease assets. Implementation of the Statement resulted in the separate disclosure of lease assets by major class of underlying assets. The implementation did not result in a change to amounts previously recognized in the financial statements.

**Note 2 – Accounts and Grants Receivable**

Accounts and Grants receivable, including unbilled receivables, are recorded in the governmental activities and are reflected net of an allowance for estimated credit losses. As of June 30, 2026, approximately 36% and 24% of grants receivable were due from the Virginia Department of Transportation and Virginia Department of Rail and Public Transportation, respectively. Collectively, these two entities accounted for approximately 61% of total grants receivable. As of June 30, 2026, approximately 91% of accounts receivable were due from the Central Virginia Transportation Authority.

These concentrations expose PlanRVA to potential collection delays and cash flow risks associated with these entities. Receivables are reduced by the estimated portion that is expected to be uncollectible.

Accounts and grants receivable consisted of billed and unbilled amounts for the year ended:

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| | June 30, 2026 |
|---|---|
| Virginia Department of Emergency Management | $ 1,233 |
| Total billed amounts - Grants Receivable | 1,233 |
| Central Virginia Transportation Authority | 434,181 |
| Total billed amounts - Accounts Receivable | 434,181 |
| Virginia Department of Transportation | 457,597 |
| Virginia Department of Rail and Public Transportation | 302,093 |
| Federal Emergency Management Agency | 145,172 |
| Virginia Department of Emergency Management | 110,180 |
| Federal Highway Administration | 75,437 |
| Virginia Housing Development Authority | 61,425 |
| Virginia Department of Environmental Quality | 47,375 |
| Green & Healthy Homes Initiative | 41,196 |
| Chesapeake Bay Trust | 10,328 |
| Virginia Department of Health | 1,964 |
| Environmental Protection Agency | 952 |
| Total unbilled amounts - Grants Receivable | 1,253,719 |
| Central Virginia Transportation Authority | 387,348 |
| Virginia Early Childhood Foundation | 82,500 |
| Total unbilled amounts - Accounts Receivable | 469,848 |
| Total receivables | $ 2,158,981 |

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**Note 3 – Capital Assets, net**

A summary of capital asset activity for the year ended June 30, 2026 is as follows:

| | Balance July 1, 2025 | Additions | Disposals | Balance June 30, 2026 |
|---|---|---|---|---|
| Capital assets being depreciated | | | | |
| Office furniture and equipment | $ 30,881 | $ 185,433 | $ (4,428) | $ 211,886 |
| Leasehold improvements | 365,428 | - | (11,534) | 353,894 |
| Total capital assets being depreciated | 396,309 | 185,433 | (15,962) | 565,780 |
| Less accumulated depreciation for | | | | |
| Office furniture and equipment | (13,051) | (15,266) | 886 | (27,431) |
| Leasehold improvements | (64,714) | (37,026) | 1,410 | (100,330) |
| Total accumulated depreciation | (77,765) | (52,292) | 2,296 | (127,761) |
| Capital assets, net | $ 318,544 | $ 133,141 | $ (13,666) | $ 438,019 |

**Note 4 – Retirement Plans**

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about PlanRVA's proportionate share of the fiduciary net position of the Political Subdivision Retirement Plan and the additions to/deductions from the Political Subdivision Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by 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. PlanRVA reports the proportionate share of the VRS actuarially determined net pension liability measurement date of June 30, 2025 for its June 30, 2026 financial statements. The valuation as of June 30, 2025 was determined by rolling forward the VRS pension liability as of June 30, 2024 to June 30, 2025.

**Plan description** – All full-time, salaried permanent employees of PlanRVA are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the VRS 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.

VRS administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| **About Plan 1**<br>Defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula. | **About Plan 2**<br>Same as Plan 1. | **About the Hybrid Retirement Plan**<br>Combines the features of a defined benefit plan and a defined contribution plan.<br>• The defined benefit is based on a member's age, service credit and average final compensation at retirement.<br>• The benefit from the defined contribution component of the plan depends on the member and employer contributions and the investment performance of those contributions.<br>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees. |
| **Eligible Members**<br>Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.<br><br>*Hybrid Opt-In Election*<br>VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 | **Eligible Members**<br>Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.<br><br>*Hybrid Opt-In Election*<br>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 | **Eligible Members**<br>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:<br>• Political subdivision employees*<br>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 |

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| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| members who opted in was July 1, 2014.<br>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.<br>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP. | members who opted in was July 1, 2014.<br>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.<br>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP. | **Non-Eligible Members*<br>Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:<br>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees<br>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP. |
| **Retirement Contributions**<br>Employees contribute 5% of their compensation each month through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment. | **Retirement Contributions**<br>Same as Plan 1. | **Retirement Contributions**<br>Retirement benefits are funded through mandatory and voluntary contributions. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members can make voluntary contributions to the defined contribution component and the employer is required to match those voluntary contributions. |
| **Service Credit**<br>Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is | **Service Credit**<br>Same as Plan 1. | **Service Credit**<br>*Defined Benefit Component:*<br>Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or |

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| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. | | additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.<br><br>*Defined Contributions Component:*<br>Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan. |
| **Vesting**<br>The minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Members are also eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make. | **Vesting**<br>Same as Plan 1. | **Vesting**<br>*Defined Benefit Component:*<br>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.<br><br>*Defined Contributions Component:*<br>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined |

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| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| | | contribution component of the plan.<br>Members are always 100% vested in the contributions that they make.<br>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.<br>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.<br>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.<br>After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.<br>Distribution is not required, except as governed by law until age 73. |
| **Calculating the Benefit**<br>The basic benefit is determined by using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied. | **Calculating the Benefit**<br>See definition under Plan 1. | **Calculating the Benefit**<br>*Defined Benefit Component:* See definition under Plan 1.<br><br>*Defined Contribution Component:*<br>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions. |

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| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| **Average Final Compensation**<br>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee. | **Average Final Compensation**<br>A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee. | **Average Final Compensation**<br>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan. |
| **Service Retirement Multiplier**<br>***VRS:*** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. | **Service Retirement Multiplier**<br>***VRS:*** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. | **Service Retirement Multiplier**<br>*Defined Benefit Component:*<br>VRS: The retirement multiplier for the defined benefit component is 1.00%.<br>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. |
| **Normal Retirement Age**<br>***VRS:*** Age 65. | **Normal Retirement Age**<br>***VRS:*** Normal Social Security retirement age. | **Normal Retirement Age**<br>*Defined Benefit Component:*<br>VRS: Same as Plan 2. |
| **Earliest Unreduced Retirement Eligibility**<br>***VRS:*** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. | **Earliest Unreduced Retirement Eligibility**<br>***VRS:*** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service equals 90. | **Earliest Unreduced Retirement Eligibility**<br>*Defined Benefit Component:*<br>VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service equals 90. |
| **Earliest Reduced Retirement Eligibility**<br>***VRS:*** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. | **Earliest Reduced Retirement Eligibility**<br>***VRS:*** Age 60 with at least five years (60 months) of service credit. | **Earliest Reduced Retirement Eligibility**<br>*Defined Benefit Component:*<br>VRS: Age 60 with at least five years (60 months) of service credit. |

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| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| **Cost-of-Living Adjustment (COLA) in Retirement**<br>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.<br><br>*Eligibility:*<br>For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.<br>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.<br>*Exceptions to COLA Effective Dates:*<br>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:<br>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.<br>• The member retires on disability.<br>• The member retires directly from short-term or long-term disability. | **Cost-of-Living Adjustment (COLA) in Retirement**<br>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.<br><br>*Eligibility:*<br>Same as Plan 1<br>*Exceptions to COLA Effective Dates:*<br>Same as Plan 1 | **Cost-of-Living Adjustment (COLA) in Retirement**<br>*Defined Benefit Component:*<br>Same as Plan 2.<br>*Defined Contribution Component:*<br>Not applicable.<br><br>*Eligibility:*<br>Same as Plan 1.<br>*Exceptions to COLA Effective Dates:*<br>Same as Plan 1. |

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| RETIREMENT PLAN PROVISIONS | | |
|---|---|---|
| **PLAN 1** | **PLAN 2** | **HYBRID RETIREMENT PLAN** |
| • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.<br>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. | | |
| **Disability Coverage**<br>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. | **Disability Coverage**<br>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. | **Disability Coverage**<br>Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.<br>Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits. |
| **Purchase of Prior Service**<br>Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service.<br>Members also may be eligible to purchase periods of leave without pay. | **Purchase of Prior Service**<br>Same as Plan 1. | **Purchase of Prior Service**<br>*Defined Benefit Component:*<br>Same as Plan 1, with the following exceptions:<br>• Hybrid Retirement Plan members are ineligible for ported service.<br><br>*Defined Contribution Component:*<br>Not applicable. |

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**Employees Covered by Benefit Terms** - As of the June 30, 2024 actuarial valuation, the following PlanRVA employees were covered by the benefit terms of the pension plan:

| Employees covered by benefit terms | Number |
|---|---|
| Inactive members or their beneficiaries currently receiving benefits | 14 |
| Inactive members: | |
| Vested inactive members | 5 |
| Non-vested inactive members | 7 |
| Long-term disability | 0 |
| Inactive members active elsewhere in VRS | 18 |
| Active members | 29 |
| Total covered employees | 73 |

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**Contribution** – 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. PlanRVA's contractually required employer contribution rate for the year ended June 30, 2026 was 7.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2024. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from PlanRVA were $217,978 and $198,794 for the years ended June 30, 2026 and June 30, 2025, respectively.

**Net pension liability** – The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For PlanRVA, the net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability 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 was determined by an actuarial valuation as of June 30, 2024, using the Entry Age Normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the June 30, 2025 measurement date:

| Assumption | Rate / Description |
|---|---|
| Inflation | 2.50% |
| Salary increases, including Inflation | |
| Non-hazardous duty | 3.50% to 5.35% |
| Enhanced hazardous duty | 3.50% to 4.75% |
| Investment rate of return | 6.75%, net of investment expenses |

**Mortality rates:**

*Metro, Non-Hazardous Duty: 20% of deaths are assumed to be service related*

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 100% of rates for males set forward 2 years; 105% of rates for females set forward 3 years.

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

Post-Disablement: Pub-2010 amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set back 3 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 100% of rates for males and females.

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

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

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 100% of rates for males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree projected generationally; 95% of rates for males set forward 1 year; 95% of rates for females set forward 1 year.

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 100% rates for males and females.

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

**Changes in actuarial assumptions –** On April 16, 2025, the VRS Board of Trustees adopted revised actuarial assumptions resulting from an actuarial experience study covering the four-year period from July 1, 2020 through June 30, 2024. The revised assumptions were reflected in the measurement of the total pension liability as of June 30, 2025 for purposes of the June 30, 2026 financial statements. As a result of the experience study and subsequent VRS Board action, the following actuarial assumptions were revised:

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| Assumption | Change |
|---|---|
| Mortality rates | Maintained PUB-2010 mortality tables with adjustments; updated the mortality improvement projection scale to MP-2021 at 75% |
| Retirement rates | Moved approximately 25% toward observed experience on a liability-weighted basis |
| Termination rates | Moved approximately 25% toward observed experience on a liability-weighted basis |
| Disability rates | Moved approximately 50% toward observed experience on a headcount-weighted basis to maintain margin |
| Salary increases | Increased merit and longevity assumptions by 50 basis points |

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**Long-term expected rate of return** - The long-term expected rate of return on pension plan 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 plan investment expense and inflation) were developed for each major asset class. The target asset allocation and best estimates of arithmetic long-term expected 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 Real 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% | | |
| *Expected arithmetic nominal return | | | 7.02% |

The long-term expected rate of return on pension plan investments used in measuring the total pension liability was 6.75%. The actuarial assumptions used in measuring the total pension liability were based on a four-year experience study for the period ended June 30, 2024. On April 16, 2025, the VRS Board of Trustees adopted new assumptions associated with the experience study. The updated assumptions were reflected in the measurement of the total pension liability as of June 30, 2025.

**Discount rate** – The discount rate used to measure the total pension liability as of the June 30, 2025 measurement date was 6.75%. The long-term expected rate of return on pension plan investments was 6.75%, and the municipal bond rate considered in determining the single discount rate was 5.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions would be made in accordance with VRS statutes and that employer contributions would be made in accordance with the VRS funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments, resulting in a single discount rate of 6.75%.

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**Changes in the net pension liability** – Changes in PlanRVA's net pension liability for the measurement period ended June 30, 2025 were as follows:

| | Total Pension Liability (a) | Increase (Decrease) Plan Fiduciary Net Pension (b) | Net Pension Liability (a)-(b) |
|---|---|---|---|
| Balances at June 30, 2024 | $ 5,482,613 | $ 5,246,849 | $ 235,764 |
| Changes for the year: | | | |
| Service cost | 237,443 | - | 237,443 |
| Interest | 376,264 | - | 376,264 |
| Changes in benefit terms | - | - | - |
| Changes in assumption | 103,243 | - | 103,243 |
| Differences between expected and actual experience | 196,029 | - | 196,029 |
| Employer contributions | - | 198,794 | (198,794) |
| Employee contributions | - | 117,629 | (117,629) |
| Net investment income | - | 557,579 | (557,579) |
| Benefit payments, including refunds of employee contributions | (291,563) | (291,563) | - |
| Pension plan administrative expense | - | (3,085) | 3,085 |
| Other changes | - | 146 | (146) |
| Net changes | 621,416 | 579,500 | 41,916 |
| Balances at June 30, 2025 | $ 6,104,029 | $ 5,826,349 | $ 277,680 |

**Sensitivity of the net pension liability to changes in the discount rate** – The following presents PlanRVA's net pension liability calculated using the discount rate of 6.75%, as well as what the net pension liability (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:

| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|---|---|---|---|
| Net Pension Liability (asset) | $ 1,098,119 | $ 277,680 | $ (392,692) |

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions** – For the year ended June 30, 2026, PlanRVA recognized pension expense of $124,344. On June 30, 2026, PlanRVA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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| | Deferred Outflows of Resources | Deferred Intflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 161,530 | $ - |
| Change in Assumptions | 67,886 | - |
| Net Difference between projected and actual earning on pension plan | - | 179,976 |
| Employer contribution subsequent to the measurement date | 217,978 | - |
| Total | $ 447,394 | $ 179,976 |

The $217,978 reported as deferred outflows of resources resulting from PlanRVA's contributions subsequent to the June 30, 2025 measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2027. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as presented in the following schedule.

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 ended June 30, | |
|---|---|
| 2027 | $ 131,136 |
| 2028 | 27,710 |
| 2029 | (68,869) |
| 2030 | (40,537) |
| 2031 | - |
| Thereafter | - |
| Total | $ 49,440 |

**Pension plan data** – Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2025 Annual Report. A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/hi/media/shared/pdf/publications/2025-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

### Note 5 – Assessments to Participating Localities and State Appropriation

PlanRVA's revenues include federal, state and local grants, from assessments to participating localities and state appropriation. Assessments to participating localities and state appropriation consist of the following for the year ended June 30, 2026:

| | | | |
|---|---|---|---|
| Chesterfield County | $ | 220,996 | * |
| Henrico County | | 220,947 | |
| City of Richmond | | 148,873 | |
| Hanover County | | 68,413 | ** |
| Powhatan County | | 20,654 | |
| Goochland County | | 17,309 | |
| New Kent County | | 16,688 | |
| Town of Ashland | | 5,054 | |
| Charles City County | | 4,178 | |
| State appropriation | | 152,956 | |
| Total | $ | 876,068 | |

*Chesterfield County's assessment reflects an adjustment to its population for its dual membership in PlanRVA and the Crater Planning District Commission.

**Hanover County's assessment reflects an adjustment to its population to exclude the Town of Ashland, which is assessed separately.

### Note 6 – Lease Assets

Lease assets activity for the year ended June 30, 2026, is as follows:

| | July 1, 2025 | Additions | June 30, 2026 |
|---|---|---|---|
| Lease assets being amortized | | | |
| Leased office space | $ 2,127,183 | $ - | $ 2,127,183 |
| Total lease assets | 2,127,183 | - | 2,127,183 |
| Less accumulated amortization for: | | | |
| Leased office space | 493,260 | 184,972 | 678,232 |
| Total accumulated amortization | 493,260 | 184,972 | 678,232 |
| Lease assets, net | $ 1,633,923 | $ (184,972) | $ 1,448,951 |

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**Note 7 – Long-Term Obligations**

PlanRVA leases office space in Richmond, Virginia, under an eleven-year and six months lease agreement, which expires on April 30, 2034. The lease agreement qualifies as other than short-term under GASB 87 and therefore has been recorded at the present value of the future minimum lease payments as of the commencement date of the lease. The lease calls for annual rent increases of 2.5% over the lease term. The lease liability is measured at a discount rate of 3.85%. For the years ending June 30, 2026, interest expense on the lease liability was $70,753.

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Future principal and interest payments related to the lease liability are as follows:

| Years ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2027 | $ 162,191 | $ 59,051 | $ 221,242 |
| 2028 | 174,194 | 52,579 | 226,773 |
| 2029 | 186,808 | 45,634 | 232,442 |
| 2030 | 200,061 | 38,192 | 238,253 |
| 2031 | 213,982 | 30,227 | 244,209 |
| Thereafter | 688,203 | 37,480 | 725,683 |
| Total payments | $ 1,625,439 | $ 263,163 | $ 1,888,602 |

**Note 8 – Fringe Benefit Allocation**

Fringe benefit costs are allocated to programs and projects based on a fringe benefit rate applied to eligible labor costs. The fringe benefit rate for the year ended June 30, 2026 was calculated as follows:

| Fringe benefit cost: | |
|---|---|
| Leave | $ 325,560 |
| Payroll taxes | 208,585 |
| Health insurance | 300,111 |
| Pension | 289,158 |
| Other benefits | 78,064 |
| Total fringe benefit costs | $ 1,201,478 |
| Total labor costs | $ 2,729,069 |
| Fringe benefit rate | 44.03% |

**Note 9 – Indirect Costs**

Indirect costs are allocated to programs and projects based on an indirect cost rate applied to eligible direct labor and fringe benefit costs. The indirect cost rate for the year ended June 30, 2026 was calculated as follows:

| | | |
|---|---|---|
| Total indirect costs | $ | 1,572,605 |
| Total direct labor and fringe costs | $ | 3,142,676 |
| Indirect cost rate | | 50.04% |

The components of indirect costs for the year ended June 30, 2026 were as follows:

| | | |
|---|---|---|
| Salaries | $ | 787,870 |
| Professional fees | | 59,970 |
| Travel | | 17,244 |
| Technology | | 232,129 |
| Office expenses | | 57,119 |
| Professional development | | 30,161 |
| Occupancy | | 333,776 |
| Depreciation | | 52,292 |
| Other | | 2,044 |
| Total Indirect Costs | $ | 1,572,605 |

**Note 10 - Evaluation of Subsequent Events**

PlanRVA has evaluated subsequent events through November __, 2026, the date on which the financial statements were available to be issued.

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# Required Supplementary Information

# Richmond Regional Planning District Commission
## Budgetary Comparison Schedule – General Fund
## Year Ended June 30, 2026

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| | Original Budget | Final Budget | Variance - Original to Final | Actual - Budgetary Basis | Variance - Final to Actual |
|---|---|---|---|---|---|
| BUDGETARY REVENUES | | | | | |
| Federal grants | $ 3,257,976 | $ 3,257,976 | $ - | $ 3,537,664 | $ 279,688 |
| State grants and appropriations | 459,992 | 459,992 | - | 605,791 | 145,799 |
| Local grants and appropriations | 863,112 | 863,112 | - | 724,947 | (138,165) |
| Private grants and service revenue | 240,664 | 240,664 | - | 2,719,751 | 2,479,087 |
| Other revenue - dividends and interest | - | - | - | 8,044 | 8,044 |
| TOTAL BUDGETARY REVENUES | 4,821,744 | 4,821,744 | - | 7,596,197 | 2,774,453 |
| BUDGETARY EXPENDITURES | | | | | |
| Salaries and wages | 2,832,756 | 2,832,756 | - | 2,700,606 | (132,150) |
| Benefits and payroll taxes | 818,442 | 818,442 | - | 1,201,478 | 383,036 |
| Professional fees | 389,200 | 389,200 | - | 1,779,310 | 1,390,110 |
| Technology | 304,797 | 304,797 | - | 239,961 | (64,836) |
| Professional development | 101,000 | 101,000 | - | 51,487 | (49,513) |
| Travel | - | - | - | 36,677 | 36,677 |
| Office expenses | 39,500 | 39,500 | - | 108,745 | 69,245 |
| Occupancy | 332,312 | 332,312 | - | 263,023 | (69,289) |
| Interest expense | | | | 70,753 | 70,753 |
| Capital outlay | - | - | - | 185,433 | 185,433 |
| Other | - | - | - | 10,478 | 10,478 |
| TOTAL BUDGETARY EXPENDITURES | 4,818,007 | 4,818,007 | - | 6,647,951 | 1,829,944 |
| EXCESS OF REVENUES OVER EXPENDITURES - BUDGETARY BASIS | $ 3,737 | $ 3,737 | $ - | $ 948,246 | $ 944,509 |

| | |
|---|---|
| Reconciliation with change in Net Position: | |
| Capital outlays reported as expenditures in budget | 185,433 |
| Depreciation expense not budgeted | (52,292) |
| Net book value of capital assets disposed not budgeted | (13,666) |
| GASB 68 net adjustments | 93,634 |
| GASB 87 lease liability payments | $ (39,879) |
| Change in compensated absences not reported in budget | (28,464) |
| Total adjustments | 144,766 |
| Change in net position (page 12) | $ 1,093,012 |

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# Richmond Regional Planning District Commission

## Schedule of Changes in Richmond Regional Planning District Commission's Net Pension Liability and Related Ratios

## Years Ended June 30, 2016 Through 2025

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total pension liability** | | | | | | | | | | |
| Service cost | $ 237,443 | $ 189,944 | $ 162,414 | $ 116,070 | $ 135,602 | $ 107,051 | $ 107,807 | $ 127,961 | $ 151,156 | $ 139,877 |
| Interest on total pension liability | 376,264 | 345,960 | 337,909 | 329,058 | 298,823 | 275,896 | 272,172 | 246,717 | 233,234 | 237,166 |
| Changes in assumptions | 103,243 | - | - | - | 94,540 | - | 122,408 | - | (109,867) | - |
| Differences between expected and actual experience | 196,029 | 155,782 | (126,850) | (109,923) | 24,866 | 173,058 | (99,999) | 145,786 | 127,919 | (144,632) |
| Benefit payments, including refunds of employee contributions | (291,563) | (288,938) | (274,520) | (226,314) | (217,646) | (215,029) | (191,387) | (122,267) | (297,391) | (279,758) |
| Net change in total pension liability | 621,416 | 402,748 | 98,953 | 108,891 | 336,185 | 340,976 | 211,001 | 398,197 | 105,051 | (47,347) |
| Total pension liability - beginning | 5,482,613 | 5,079,865 | 4,980,912 | 4,872,021 | 4,535,836 | 4,194,860 | 3,983,859 | 3,585,662 | 3,480,611 | 3,527,958 |
| Total pension liability - ending (a) | $ 6,104,029 | $ 5,482,613 | $ 5,079,865 | $ 4,980,912 | $ 4,872,021 | $ 4,535,836 | $ 4,194,860 | $ 3,983,859 | $ 3,585,662 | $ 3,480,611 |
| **Plan fiduciary net position** | | | | | | | | | | |
| Contributions - employer | $ 198,794 | $ 200,188 | $ 148,045 | $ 144,252 | $ 129,037 | $ 84,666 | $ 67,339 | $ 77,475 | $ 90,253 | $ 125,871 |
| Contributions - employee | 117,629 | 102,537 | 75 | 65 | 58,791 | 56 | 46,488 | 62,229 | 72,044 | 67,944 |
| Net investment income (loss) | 557,579 | 464,136 | 292,713 | (5,938) | 987,579 | 69,344 | 228,701 | 238,886 | 357,931 | 45,278 |
| Benefits payments, including refunds of employee contributions | (291,563) | (288,938) | (274,520) | (226,314) | (217,646) | (215,029) | (191,387) | (122,267) | (297,391) | (279,758) |
| Administrative expense | (3,085) | (2,901) | (2,887) | (2,802) | (2,418) | (2,354) | (2,286) | (2,008) | (2,174) | (1,872) |
| Other | 146 | 103 | 118 | 107 | 94 | (81) | (144) | (215) | (313) | (653) |
| Net change in plan fiduciary net position | 579,500 | 475,125 | 163,544 | (90,630) | 955,437 | (63,398) | 148,711 | 254,100 | 220,350 | (43,190) |
| Plan fiduciary net position - beginning | 5,246,849 | 4,771,724 | 4,532,815 | 4,558,378 | 3,602,941 | 3,610,601 | 3,461,890 | 3,207,790 | 2,987,440 | 3,030,630 |
| Plan fiduciary net position - ending (b) | $ 5,826,349 | $ 5,246,849 | $ 4,696,359 | $ 4,467,748 | $ 4,558,378 | $ 3,547,203 | $ 3,610,601 | $ 3,461,890 | $ 3,207,790 | $ 2,987,440 |
| Commission's net pension liability - ending (a)-(b) | $ 277,680 | $ 235,764 | $ 383,506 | $ 513,164 | $ 313,643 | $ 988,633 | $ 584,259 | $ 521,969 | $ 377,872 | $ 493,171 |
| Plan fiduciary net position as a percentage of the total Pension liability | 95.45% | 95.70% | 92.45% | 89.70% | 93.56% | 78.20% | 86.07% | 86.90% | 89.46% | 85.83% |
| Covered employee payroll | $ 2,650,590 | $ 2,277,226 | $ 1,665,849 | $ 1,428,936 | $ 1,289,454 | $ 1,305,394 | $ 1,036,313 | $ 1,068,066 | $ 1,312,339 | $ 1,480,513 |
| Commission's net pension liability as percentage of covered payroll | 10.48% | 10.35% | 18.50% | 31.36% | 24.32% | 71.46% | 56.38% | 48.87% | 28.79% | 33.31% |

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# Richmond Regional Planning District Commission
## Schedule of Employer Contributions
## Years Ended June 30, 2017 Through 2026

| Date | Contractually Required Contributions (1) | Contributions in Relation to Contractually Required Contributions (2) | Contribution Excess (Deficiency) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Payroll (5) |
|---|---|---|---|---|---|
| 2026 | 216,108 | 217,978 | 1,870 | 2,881,443 | 7.50% |
| 2025 | 198,794 | 198,794 | - | 2,650,590 | 7.50% |
| 2024 | 200,188 | 228,861 | 28,673 | 2,277,226 | 8.79% |
| 2023 | 148,045 | 167,418 | 19,373 | 1,665,849 | 8.89% |
| 2022 | 144,252 | 159,755 | 15,503 | 1,428,936 | 10.10% |
| 2021 | 129,037 | 144,161 | 15,124 | 1,289,454 | 10.01% |
| 2020 | 84,666 | 103,648 | 18,982 | 1,305,394 | 6.49% |
| 2019 | 67,339 | 82,283 | 14,944 | 1,036,313 | 6.50% |
| 2018 | 77,475 | 72,094 | (5,381) | 1,068,066 | 7.25% |
| 2017 | 91,316 | 88,583 | (2,733) | 1,312,339 | 6.96% |

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# Richmond Regional Planning District Commission
## Notes to Required Supplementary Information

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**Note 1 – Budgetary Information**

PlanRVA adopts an annual operating budget for its General Fund. PlanRVA staff prepares a proposed operating budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and expenditures and is reviewed by the Audit, Facilities and Finance Committee and approved by the Board of Commissioners before the beginning of the fiscal year.

The budget may be amended during the fiscal year in accordance with PlanRVA's established budgetary procedures. The final budget presented in the accompanying Budgetary Comparison Schedule includes all approved amendments.

**Note 2 – Basis of Budgeting**

The General Fund budget is prepared on the modified accrual basis of accounting, consistent with the basis used in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds. Accordingly, no reconciliation between the budgetary basis and generally accepted accounting principles is necessary.

**Note 3 – Significant Budget Variances**

Revenues exceeded budget by $2,774,453, primarily due to private grant revenue and service fees exceeding the budget as new grants were awarded after the budget was approved. Expenditures exceeded budget by $1,829,944, primarily due to professional fees owing to additional private grant and regional service activity occurring after the budget was approved.

**Note 4 – Changes in Benefit Terms**

There have been no actuarially material changes to the VRS benefit provisions since the prior actuarial valuation.

**Note 5 – Changes in Assumptions**

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. On April 16, 2025, the VRS Board of Trustees adopted new assumptions associated with the experience study. The changes in assumptions were reflected in the measurement of the total pension liability as of June 30, 2025.

| Assumption | Change |
|---|---|
| Mortality rates | Maintained PUB-2010 mortality tables with adjustments; updated the mortality improvement projection scale to MP-2021 at 75% |
| Retirement rates | Moved approximately 25% toward observed experience on a liability-weighted basis |
| Termination rates | Moved approximately 25% toward observed experience on a liability-weighted basis |
| Disability rates | Moved approximately 50% toward observed experience on a headcount-weighted basis to maintain margin |
| Salary increases | Increased merit and longevity assumptions by 50 basis points |

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