



## PlanRVA Audit, Finance & Facilities Committee



### NOTES

This meeting is open to the public. Members of the public are invited to attend virtually. Please alert the RRTPO at [PlanRVA@PlanRVA.org](mailto:PlanRVA@PlanRVA.org) if electronic transmission of this meeting fails for the public. Please refer to our [Statement Regarding Virtual Meeting Participation by Members of the Public](#) for more information.

Check out our complete [Public Participation Guide](#) online to learn about the different ways you can stay connected and involved.

Meetings are also live streamed and archived on our YouTube Channel at [Plan RVA - YouTube](#).

Members of the public are invited to submit public comments either verbally or in writing. Written comments can be submitted through the Q&A/Chat function on Zoom by email to [PlanRVA@PlanRVA.org](mailto:PlanRVA@PlanRVA.org). Written comments will be read aloud or summarized during the meeting when possible and will be included in the meeting minutes. Verbal comments will be taken during the Public Comment Period on the agenda. Please through the Q&A/Chat functions on Zoom if you would like to comment. When acknowledged by the Chairman, please clearly state your name so that it may be recorded in the meeting minutes.

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*PlanRVA is where the region comes together to look ahead. Established in 1969, PlanRVA promotes cooperation across the region's nine localities and supports programs and organizations like the Richmond Regional Transportation Planning Organization, Central Virginia Transportation Authority, the Emergency Management Alliance of Central Virginia, Lower Chickahominy Watershed Collective and Don't Trash Central Virginia.*

## **AGENDA**

### **Audit, Facilities and Finance Committee**

October 31, 2023 – 1:30 p.m.  
PlanRVA James River Board Room, 424 Hull Street, Suite 300,  
Richmond, VA 23224 and via Zoom

*If you wish to participate in this meeting virtually, please register via Zoom at the following link:*  
[https://planrva-org.zoom.us/webinar/register/WN\\_NBIlb\\_kBToiYk043Bp3DwA](https://planrva-org.zoom.us/webinar/register/WN_NBIlb_kBToiYk043Bp3DwA)

#### **1. Welcome, Roll Call and Introductions**

##### **a. Approval of Member Participation from a Remote Location** *(Holland)*

**Action requested:** motion to confirm that the Chair's decision to approve or disapprove the member(s) request to participate from a remote location was in conformance with the PlanRVA Commission Policy for Remote Participation of Members; and, the voice of the remotely participating member(s) can be heard by all persons at the primary or central meeting location (voice vote).

#### **2. Administrative Items** *(Holland)*

##### **a. Approval of August 22, 2023, Meeting Minutes** – page 3

**Action requested:** motion to approve meeting minutes as presented (voice vote).

#### **3. FY2023 Financial Statements and Audit Report** *(Van Doornik)* – page 5

**Action requested:** motion to accept the FY2023 Financial Statements and Audit Report and authorize staff to submit as necessary to state and federal agencies.

#### **4. FY2024 Financial Report for quarter ended 09/30/2023** *(Van Doornik)*

##### **a. FY2024 Financial Reports and Narrative**

##### **b. FY2024 Budget Update**

#### **5. FY2025 Budget Review** *(Van Doornik)*

**Information Item:** committee members reviewed updates to the FY2024 budget and an overview will be provided of anticipated adjustments based on staffing and funding awards.

#### **6. Fund Balance Policy Update** *(Van Doornik)*

#### **7. Other Items**

#### **8. Adjourn**

**PlanRVA Audit, Finance & Facilities Committee  
Zoom Meeting Minutes  
August 22, 2023 – 1:30 p.m.**

<u>LOCALITY</u>	<u>NAME</u>	<u>X (attended)</u>
<b>Town of Ashland</b>	Dr. Daniel McGraw	
<b>Chesterfield County</b>	Jim Holland, Chair	X
<b>Hanover County</b>	W. Canova Peterson	X
<b>Henrico County</b>	Patricia O'Bannon	X
<b>New Kent County</b>	Patricia Paige	
<b>City of Richmond</b>	Andreas Addison	X
<b>Ex Officio</b>	Sean Davis	X

The technology used for the meeting was a web-hosted service created by Zoom and YouTube Live Streaming and was open and accessible for participation by members of the public. A recording of this meeting is available on our [Plan RVA YouTube Channel](#).

<b>Staff Present</b>	
Martha Shickle	Sidd Kumar
Janice Firestone	Karen Robinson
Diane Fusco	Dan Van Doornik

**1. Welcome, Roll Call and Introductions**

Chair Holland welcomed everyone and called the Audit, Finance and Facilities Committee meeting to order at approximately 1:30 p.m.

**a. Confirmation of Member Participation from a Remote Location**

There were no members participating remotely.

**2. Administrative Items**

**a. Approval of January 24 and July 25, 2023, minutes**

On motion by Patricia O'Bannon, seconded by W. Canova Peterson, the members of the Audit, Facilities and Finance Committee voted to approve the January 24, 2023, meeting minutes as presented (voice vote; Sean M. Davis abstained).

On motion by W. Canova Peterson, seconded by Patricia O'Bannon, the members of the Audit, Facilities and Finance Committee voted to approve the July 25, 2023, meeting minutes as presented (voice vote).

**3. Financial Report**

**a. FY2023 Year-end Closing and Audit**

Mr. Van Doornik provided an update on the year-end closing and progress to date with the audit.

**b. FY2023 June 20, 2023, Financial Statements Update**

Mr. Van Doornik provided this report and noted the process for collecting payments from the localities has improved. He described efforts being made to collect outstanding receivables. There was a discussion about cash reserves and possibly authorizing PlanRVA to have a line of credit and other possible options for unforeseen circumstances/expenditures.

**c. FY2024 Budget Update**

Mr. Van Doornik provided this report and noted that there are significant changes to the budget that are currently being analyzed. A million dollar EPA grant has been received. Other grant applications are in the process that will be used as supplemental funding. Further updates will be provided following the close of the quarter.

**d. Fund Balance Policy Review**

Mr. Van Doornik provided this report. He described the research being done to determine the best policy. The plan is to do a risk assessment and determine the appropriate amount of money to have available.

**4. Other Items**

**a. Future Meeting Schedule**

The committee meets on October 31<sup>st</sup>.

**5. Adjournment**

The meeting was adjourned at approximately 2:32 p.m.

**RICHMOND REGIONAL PLANNING  
DISTRICT COMMISSION**

AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

DUNHAM, AUKAMP & RHODES, PLC  
Certified Public Accountants  
Chantilly, Virginia



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Richmond Regional Planning District Commission

### **Opinion**

We have audited the accompanying financial statements of the governmental activities, fiduciary activities, and the aggregate remaining fund information of the Richmond Regional Planning District Commission (PlanRVA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise PlanRVA'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 respective financial position of the governmental activities, fiduciary activities and the aggregate remaining fund information of PlanRVA as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PlanRVA 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 these 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 aggregate, that raise substantial doubt about PlanRVA's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.



## **Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 of the effectiveness of PlanRVA'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 PlanRVA'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, the schedule of changes in PlanRVA's net pension liability and related ratios, and the schedule of employer contributions on pages 4 through 10 and pages 38 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise PlanRVA's basic financial statements. The schedule of expenditures of federal awards, on pages 42 and 43, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 relate 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November xx, 2023, on our consideration of PlanRVA'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 PlanRVA'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 PlanRVA's internal control over financial reporting and compliance.

Certified Public Accountants  
Chantilly, Virginia

November xx, 2023

**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**OF FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDING JUNE 30, 2023**

Presented here is the Management Discussion and Analysis Report for the Richmond Regional Planning District Commission (PlanRVA) for the fiscal year ended June 30, 2023. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management of PlanRVA. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. These data are reported in a manner designed to fairly present PlanRVA's financial position, and the result of operations of its various funds. All disclosures necessary to enable the reader to gain an accurate understanding of PlanRVA's financial activities have been included.

Management of PlanRVA, under the direction of and oversight by its Board of Commissioners, is responsible for establishing and implementing an accounting and internal control structure designed to ensure that the physical, data, informational, intellectual, and human resource assets are protected from loss, theft, and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Furthermore, all employees and Commission members are responsible for complying with these internal control objectives, as they apply to their respective role in the organization. Management also strives to ensure that all assets are put to good and effective use. Therefore, the internal control structure is designed to provide reasonable assurances that these objectives are attained.

PlanRVA manages and administers programs receiving various funding streams from Federal, State, local and private sources. These programs may require the use of multiple sources of revenue, including requirements that local funds be used to match Federal and/or State sources. Funding often requires that PlanRVA expend its resources and then request reimbursement from the funding source, either directly or through an applicable reimbursement formula. The Annual Operating Budget and regular management reporting is utilized to ensure compliance with these funding requirements and their efficient use.

PlanRVA manages its resources in such a way as to provide services of value to its member jurisdictions and leverages local contributions to achieve maximum return on investment. Income is shown in the budget at the amount expected to be received from member dues, the General Assembly's appropriation for Planning District Commissions, miscellaneous income, interest income, and the amounts that are reimbursable from grant funded sources and special assessments.

Expenses for the year are planned carefully and incurred based on the predicted income. Management reviews the agency's financial performance on a monthly basis to evaluate whether changes in expenses or prioritization of projects must be adjusted to achieve annual financial performance goals.

The following is a list of standard support services PlanRVA uses to strengthen effectiveness of management, to assure compliance with all applicable regulations and to minimize risk for the organization.

- PlanRVA maintains insurance to protect from losses of assets from negligence, accident, theft, or fire. Policies for Fiscal Year 2023 were issued through the agency's membership in the Virginia Risk Sharing Association (VRSA). In Fiscal Year 2019, PlanRVA released a request for proposal to consider options for insurance coverage with VRSA being the successful proposer.
- PlanRVA retains legal counsel and services with the law firm of Hefty Wiley & Gore, PC. The current retainer agreement is effective through December 31, 2023 and renews automatically without cancellation.
- PlanRVA maintains a professional relationship with the accounting firm of Dunham, Aukamp and Rhodes, PLC. The contract for audit services has been open to competitive bidding several times. Dunham, Aukamp

and Rhodes have remained our auditor since 1998 due to their competitive audit fees and the relationship built during this period.

- During Fiscal Year 2022, the Director of Finance role was filled by a fractional consultant contracted through VML/VACo Finance. This role is now filled by a full-time Director of Finance as of July 1, 2022.
- PlanRVA participates in the Local Government Investment Pool (LGIP) managed by the Virginia Department of the Treasury, which provides member government entities an allowable investment vehicle with rates equaling or exceeding those offered by most commercial banks and liquidity in the event that funds are needed for current obligations. While the majority of funds are deposited with the LGIP, PlanRVA maintains an operating banking account with Truist for cash flow management.

#### Capital Asset and Debt Administration

The capital assets in the governmental funds consist of computer equipment, furniture and building improvements.

The Commission currently has long-term liabilities of a lease and pension liability.

#### Economic Factors, Rates, and Fiscal Year 2023 Budget

PlanRVA serves the third largest planning district measured by population in the Commonwealth after the Northern Virginia Regional Commission and the Hampton Roads Planning District Commission. The Richmond Region is poised for further growth and to that end PlanRVA is positioning itself to broaden the level of service to and in support of its member governments guided by the Strategic Planning Framework adopted in 2018. Management initiated a number of activities in Fiscal Year 2023 to move this framework forward, primarily focusing staff recruitment and development and alignment of staff assignments to revenue supported projects. The agency has streamlined involvement in regional projects and focuses resources in established program areas of the commission including Community Development, Emergency Management, the Environment, and Transportation. As the agency continues to build these core program areas, the next focus areas of the Framework, Public Engagement and Data, Research & Analysis, was initiated with strategic investment during FY2023.

Management is pleased with the progress of the agency over the last year- in both programmatic and financial achievements. The statements in this report support this positive momentum in strengthening the organization.

The financial statements presented in the Audited Financial Statements for the year ended June 30, 2023 include all the activities of PlanRVA using the integrated approach as prescribed by GASB Statement 34. This Discussion and Analysis is intended to serve as an introduction to the financial statements as reported MPH herein. The Audited Financial Statements for the year ended June 30, 2023 consists of four major components listed below.

1. Management's Discussion and Analysis (this document)
2. Basic Financial Statements
3. Other Required and Supplementary Information
4. Compliance Section



## Overview of the Basic Financial Statements

The “Statement of Net Position” found on page 11 presents information on PlanRVA’s assets, deferred outflows of resources, liabilities, deferred inflow of resources and the resulting net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of PlanRVA is steady, improving or deteriorating.

During the fiscal year ended June 30, 2023. This accounting standard required the creation of the following accounts as of June 30, 2023: Lease Asset \$2,003,868 and Lease Liability \$2,045,720. This accounting standard increases the transparency of the Commission’s financial position by including information regarding a significant financial obligation of PlanRVA. The new accounts are included in the Statement of Net Position on page 11 and discussed in Note 1(h) Right to Use Assets and in Note 8 – Right to use Assets.

In Fiscal Year 2023, the net position balance decreased by \$27,874, as shown on the Statement of Activities (page 12). This change in net position decreased PlanRVA’s net position to \$797,753 as of June 30, 2023. The Net Position for the organization represents the remaining resources available as of June 30, 2023 to settle any additional outstanding obligations of the organization.

The Balance Sheet on page 13 presents PlanRVA’s assets, liabilities, and fund balance as of June 30, 2023. This statement focuses on those assets expected to be available for use and liabilities expected to be satisfied during the year or soon thereafter. This statement also reconciles the Fund Balance of \$1,174,270 to the Total Net Position of \$797,753, noting specific differences between the two statements such as capital assets and long-term pension obligations. Note 1 to the financial statements describes the adjustments to the fund balance to the net position in greater detail.

The “Statement of Revenues, Expenditures and Changes in Fund Balance” on page 14 shows the actual revenues and expenditures of PlanRVA for the year ended June 30, 2023 and the resulting change in Fund Balance. This Statement also reconciles the Deficit of Revenues over Expenditures of (\$235,581) to the Change in Net Position of (\$27,874) (as shown on page 12). The reconciling items include changes incurred during the period related to the differences created by the items included in the Statement of Net Position (page 11) but not the Balance Sheet (page 13)

The following tables show a comparison of Financial Statements for Fiscal Year 2023 and Fiscal Year 2022.

<b>Statements of Net Position</b>	<b>2023</b>	<b>2022</b>
Current Assets	\$ 1,772,997	\$ 2,461,883
Capital Assets	244,690	116,954
Lease Assets	2,003,868	-
Total Assets	4,021,555	2,578,837
Deferred Outflows of Resources	176,997	245,446
Current Liabilities	714,998	1,189,996
Deferred Rent Liability	-	3,280
Net Pension Liability	448,097	313,643
Lease Liability	2,045,720	-
Total Liabilities	3,208,815	1,506,919
Deferred Inflows of Resources	191,984	491,737
Total Net Position	\$ 797,753	\$ 825,627

Current assets are comprised of cash and investments, accounts receivable and prepaid expenses. These are resources available to PlanRVA for on-going operations.

Capital assets consist primarily of information technology, furniture and equipment used for the operation of PlanRVA.

Lease Asset consists of the office lease and is included pursuant to the Commission's adoption of GASB 87 Leases.

Deferred outflows of resources represent current year pension payments which will be applied against the net pension liability in the actuarial report prepared as of June 30, 2022.

Current liabilities represent the current obligations of PlanRVA. This category includes accounts payable and accrued expenses, compensated absences and deferred revenue.

Net pension liability represents the actuarially calculated pension obligation of PlanRVA.

Lease Liability consists of the obligation of the Commission upon entering its office lease and is included pursuant to the Commission's adoption of GASB 87 Leases.

Deferred inflow of resources represents current year differences between the projected and actual pension earnings per the actuarial report prepared as of June 30, 2022.

<b>Statements of Activities</b>	<b>2023</b>	<b>2022</b>
Expenses		
General and administration	245,827	87,675
Project costs	5,400,751	4,499,070
Total expenses	<u>5,646,578</u>	<u>4,586,745</u>
Program revenues		
Operating grants and contributions	773,171	705,041
Charges for services	4,736,512	3,898,699
Net program revenue	<u>(136,895)</u>	<u>16,995</u>
General revenue (expense)		
Miscellaneous income and unrestricted investment earnings	109,021	65,769
Change in net position	<u>(27,874)</u>	<u>82,764</u>
Net position, beginning of year	<u>825,627</u>	<u>742,863</u>
Net position, end of year	<u><u>797,753</u></u>	<u><u>825,627</u></u>

PlanRVA's Net Position decreased in Fiscal Year 2023 and decreased in Fiscal Year 2022. The decrease in Net Position during Fiscal Year 2023 was due to a non-recurring project to upgrade its physical office space and equipment.

**Comparison of Revenues, Expenditures and Fund Balance for FY 2023 and FY2022**

**Statements of Revenues, Expenditures and Changes in Fund Balance**

	2023	2022
<b>REVENUES</b>		
Grants and appropriations		
Federal grants	\$ 2,394,305	\$ 2,407,411
State grants and appropriations	396,321	337,272
Local grants and appropriations	2,722,471	1,914,300
Other revenues		
Miscellaneous and interest	8,757	2,805
<b>TOTAL REVENUES</b>	<b>5,521,854</b>	<b>4,661,788</b>
<b>EXPENDITURES</b>		
Pass through contract services	2,132,104	1,455,951
salaries	1,603,914	1,396,446
Employee benefits and payroll taxes	833,110	727,032
Office rent, net	218,810	258,306
Computer operations	176,522	235,492
Professional and contractual services	86,916	229,654
Advertisements	189,910	90,986
Capital outlay	193,482	52,010
Legal fees	33,360	38,572
Training and professional development	75,468	30,894
Office supplies and expenses	24,432	22,759
Printing	18,940	19,346
Travel	61,981	14,824
Bad debt expense	23,969	-
Equipment expenses	63,199	8,439
Meetings	14,107	-
Insurance	7,099	6,690
Books and periodicals	112	126
<b>TOTAL EXPENDITURES</b>	<b>5,757,435</b>	<b>4,587,527</b>
Excess of Revenues over Expenditures	(235,581)	74,261
Fund Balance, beginning of year	1,409,851	1,335,590
Fund Balance, end of year	\$ 1,174,270	\$ 1,409,851

The majority of the increase in revenues and expenses from Fiscal Year 2022 to Fiscal Year 2023 is in the pass through of grant funded expenditures for regional projects and services. The difference in operating revenues between Fiscal Year 2023 and Fiscal Year 2022 was an increase of \$860,066 while the difference in operating expenses was an increase of \$1,169,908. During Fiscal Year 2023, the Commission moved to new office space. The costs for this non-recurring project are the Capital outlay and Equipment expenses of \$193,482 and \$63,199, respectively. This project was funded by a transfer from its Fund Balance and was not included as part of its operating budget.



The following table separates the Office Project expenditures from its Operating expenditures, showing the resultant Excess of Revenues over Expenditures from Operations:

Excess of Revenues over Expenditures	\$ (235,581)
Office Project	
Capital outlay	193,482
Equipment	63,199
	<u>256,681</u>
Excess of Revenues over Expenditures, operations	<u>\$ 21,100</u>

It is important to realize that, while not in the business of making a profit, PlanRVA should be managed in such a way to assure that the fund balance provides contingencies for future periods according to established goals and objectives. An excess of revenues over expenditures is added to operating reserves each year (known as the Fund Balance) at the beginning of the year. The Fund Balance may be used in order to subsidize deficits of revenues over expenditures, finance funding sources between the time an expenditure is incurred and the time reimbursed, or to invest in a program or project not completely funded during a particular period. Note: use of Fund Balance for these purposes is to be approved pursuant to the Commission's budget process.

In recognition of the need to finance such contingencies, Commissioners established a fund balance policy in 2004 that set a target \$1,000,000 reserve fund. While the policy did not establish a target for revenues over expenses each year, the intent was to strive to manage its finances in a manner that is financially responsible by ensuring the effective use of funds in its control and meeting the objectives of the organization and its funders. The reserve fund target was established to give assurance that obligations could be met in the unlikely event the organization needed to close or any other significant change to its operations or mission. The fund balance target was established to ensure that a sufficient amount would be available to fund any of the opportunities discussed above, including a non-recurring project such as the Office Project undertaken during Fiscal Year 2023.

As stated above PlanRVA set its goal for its fund balance to be \$1,000,000. As of June 30, 2023 and June 30, 2022, the organization's fund balance was \$1,174,270 and \$1,409,851, respectively, demonstrating the effectiveness of management's strategy to meet this goal and to allow it to invest in its operations through special projects. The decrease of \$235,581 for the year ended June 30, 2023 resulted from the Commission's investment in new office space (discussed below and Note 1(h) Right to Use Assets).

### Other Required and Supplemental Information

The notes following the financial statements provide additional information that is essential to a full understanding of the data provided in the statement of financial position and the statement of revenues, expenditures and changes in fund balance statements.

Staff adopts a preliminary annual operating budget for the upcoming fiscal year which is submitted to the member jurisdictions and serves as the request for local membership dues for the upcoming fiscal year. A final budget, which includes updated information on projected expenditures and revenues, is presented to the Commissioners for final approval prior to the start of the fiscal year. In most years, a mid-year budget review is presented to Commissioners which includes any additional changes in projections for the current fiscal year and serves as an amendment to the approved budget as necessary.

For Fiscal Year 2023, the Board of Commissioners approved a budget for its operations and a transfer from Fund Balance to fund a special project (Office Project) allowing the Commission to move its physical office and purchase updated furniture, fixtures and equipment. The statement presented on page 38 shows the detail of the operating

budget compared with actual results. The Office Project budget was funded by use of Fund Balance and is shown below the operating budget.

Explanations for significant variances

- Revenues exceeded budget by \$643,429 (11.65%)
  - Local grants and appropriations exceeded budget by \$1,024,012 due to higher than expected activity in pass through contract services
  - Federal and State grants varied from budget by \$332,566 and \$56,774 due to lower than expected incurrence of personnel costs and related fringe and indirect cost allowances
- Expenditures exceeded budget by \$622,329 (11.31%)
  - Pass through contract services exceeded budget by \$790,954 due to activity exceeding planned activity for the year.
  - Salaries and wages, benefits and payroll taxes were under budget by \$163,115 due to staff vacancies experienced during the year.
  - The remaining variances in expenditures were due to changing operational activities resulting from the Office Project and from the staff vacancies.

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 the Richmond Regional Planning District Commission, 424 Hull Street, Richmond, Virginia 23224, and telephone (804) 323-2033.

**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 98,256
Grants receivable	1,540,437
Due from fiduciary fund	103,079
Prepaid expenses	31,225
Capital assets, net	244,690
Leased office space, net	2,003,868
	<hr/>
Total Assets	4,021,555
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions after the measurement date	148,051
Difference between expected and actual experience	6,028
Changes of assumptions	22,918
	<hr/>
Total Deferred Outflows of Resources	176,997
	<hr/>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	441,225
Compensated absences	116,271
Accrued salaries	83,504
Deferred revenue	73,998
Noncurrent liabilities:	
Lease liability	2,045,720
Net pension liability	448,097
	<hr/>
Total Liabilities	3,208,815
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Differences between expected and actual experience	65,954
Net difference between projected and actual earnings on plan investments	126,030
	<hr/>
Total Deferred Inflows of Resources	191,984
	<hr/>
<b>NET POSITION</b>	
Investment in capital assets	244,690
Unrestricted	553,063
	<hr/>
Total Net Position	\$ 797,753
	<hr/> <hr/>

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See accompanying notes.



**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets
Governmental Activities				
General government and administration	\$ 245,827	\$ -	\$ 773,171	\$ 527,344
Projects	5,400,751	4,736,512	-	(664,239)
Total Governmental Activities	<u>\$ 5,646,578</u>	<u>\$ 4,736,512</u>	<u>\$ 773,171</u>	<u>(136,895)</u>
General revenues (expenses):				
Investment earnings				8,744
Transfer from fiduciary fund				(20,542)
Bad debt expense				23,969
GASB 68 adjustment				<u>96,850</u>
Total general revenues (expenses)				<u>109,021</u>
Change in net position				(27,874)
Net position at beginning of year				<u>825,627</u>
Net position at end of year				<u>\$ 797,753</u>

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**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 98,256
Grants receivable	1,540,437
Due from fiduciary fund	103,079
Prepaid expenses	31,225
	<hr/>
Total Assets	\$ 1,772,997
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	\$ 441,225
Deferred revenue	73,998
Accrued salaries	83,504
	<hr/>
Total Liabilities	598,727
	<hr/>
<b>FUND BALANCE</b>	
Nonspendable	31,225
Unassigned	1,143,045
	<hr/>
Total Fund Balance	1,174,270
	<hr/>
Total Liabilities and Fund Balance	\$ 1,772,997
	<hr/>
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	\$ 1,174,270
Amounts reported for governmental activities in the statement of net position are different because:	
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 2,003,868
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 after the measurement date	\$ 148,051
Difference between expected and actual experience	6,028
Changes of assumptions	22,918
Net pension liability	(448,097)
Differences between expected and actual experience	(65,954)
Net difference between projected and actual earnings on plan investments	(126,030)
Compensated absences	(116,271)
Lease Liability	(2,045,720)
	<hr/>
	(2,625,075)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance sheet.	<hr/>
	244,690
	<hr/>
Net Position of Governmental Activities	\$ 797,753
	<hr/>

See accompanying notes.

**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

REVENUES

Grants and appropriations:	
Federal grants	\$ 2,394,305
State grants and appropriations	396,321
Local grants and appropriations	2,722,471
Other revenue:	
Miscellaneous and interest	8,757
TOTAL REVENUES	<u>5,521,854</u>

EXPENDITURES

Pass through contract services	2,132,104
Salaries	1,603,913
Employee benefits and payroll taxes	833,111
Office rent, net	218,810
Capital outlay	193,482
Advertisements	189,910
Computer operations	176,522
Professional and contractual services	86,916
Training and professional development	75,468
Equipment	63,199
Travel	61,981
Legal fees	33,360
Office supplies and expense	24,432
Bad debt expense	23,969
Printing	18,940
Meetings	14,107
Insurance	7,099
Books and periodicals	112
TOTAL EXPENDITURES	<u>5,757,435</u>

Deficit of Revenues over Expenditures (235,581)

Fund Balance - Beginning of Year 1,409,851

Fund Balance - End of Year \$ 1,174,270

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Net Changes in Fund Balance - Total Governmental Funds \$ (235,581)

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	\$ 193,482	
Depreciation expense	(30,173)	163,309

Governmental funds report lease expenditures as rent expense. However, base on GASB 87, in the statement of activities the lease is recorded as a leased office space asset and a lease liability, amortization expense is reported for the reduction of the net right to use asset, and lease payments are reported as interest expense and a reduction in the lease liability. This is the amount by which amortization expense and interest expense exceeds rent expense. (41,852)

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.

GASB 68 adjustment	96,850
Loss on disposal of leasehold improvements and equipment	(35,573)
Decrease in compensated absence liability	21,693
Decrease in deferred rent liability	<u>3,280</u>

Change in net position reported on the Statement of Activities \$ (27,874)

See accompanying notes.

**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2023**

	<b>Central Virginia Transportation Fund</b>
<b>ASSETS</b>	
Accounts receivable	\$ 103,079
Total assets	103,079
<b>LIABILITIES</b>	
Due to general fund	103,079
Total liabilities	103,079
<b>NET POSITION</b>	\$ -

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**RICHMONT REGIONAL PLANNING DISTRICT COMMISSION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Central Virginia Transportation Fund</b>
ADDITIONS	
Contributions	\$ 406,089
Total Additions	<u>406,089</u>
DEDUCTIONS	
Contractor services	226,335
Professional fees	140,129
Advertising	9,242
Insurance	2,626
Miscellaneous	1,127
Conferences and meetings	6,088
Transfer to general fund	<u>20,542</u>
Total Deductions	<u>406,089</u>
Change in Net Position	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

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# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1 - Organization and Summary of Accounting Policies**

The Richmond Regional Planning District Commission (PlanRVA) is a political subdivision 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. The accounting policies of PlanRVA conform to generally accepted accounting principals as applicable to governments.

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 the 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.

- (a). Financial Statement 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.

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 that are restricted to meeting the operational or capital requirements of a particular function.

The government-wide Statement of Net Position reports assets as restricted when externally imposed constraints on those assets are in effect. Internally imposed designations or resources are not presented as restricted net assets.

Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary funds. 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.

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, Fiduciary Activities, for individuals, private organizations, or other governments and are therefore not available to support PlanRVA's own programs. PlanRVA's only fiduciary fund is a custodial fund established to account for monies expended for the Central Virginia Transportation Authority, reimbursement of which is owed to PlanRVA. Fiduciary funds' assets are offset by liabilities in equal amount; no fund balance exists.

The Central Virginia Transportation Authority was enacted July 1, 2020 by action of the General Assembly in the 2020 Session. PlanRVA provides administrative and planning support services to the Authority to support its startup and operations during its inaugural years of formation. Through a negotiated Memorandum of Understanding, PlanRVA is compensated quarterly for services not to exceed an annually agreed amount. Billing includes the actual costs incurred by PlanRVA based on the hourly rates associated with staff time with fringe and indirect rates applied with an additional (as negotiated) administrative fee.



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 1 - Summary of Significant Accounting Policies (Continued)**

- (b). Basis of Accounting - The economic resources measurement focus and the accrual basis of accounting is used for the Governmental Funds. Under the accrual method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, not to exceed sixty days. PlanRVA considers grant revenues to be available when the grant expenditure is made since the expenditure is the prime factor for determining eligibility. Expenditures are recorded when the related fund liability is incurred.

The accounting and reporting policies of PlanRVA relating to the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units and by the Financial Accounting Standards Board (when applicable).

- (c). Revenue Recognition - Intergovernmental revenues, consisting primarily of federal, state, local and other grants for the purpose of funding specific expenditures, are recognized when earned. PlanRVA considers grant revenue as earned when the grant expenditure is incurred. Contributions of the member governments are based on population and are assessed annually. There is also provision for special assessments when warranted. Funding received prior to expenditures being incurred are recognized as a deferred revenue liability.

When both restricted and unrestricted resources are available for use, it is PlanRVA's policy to use restricted resources for eligible activities first, then unrestricted, as they are needed.

- (d). 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. At June 30, 2023 cash and cash equivalents include the following:

Local banks	\$26,560
Local government investment pool	<u>71,696</u>
Total	<u>\$98,256</u>

Deposits - 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.



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 1 - Summary of Significant Accounting Policies (Continued)**

#### **(d).Cash and Cash Equivalents (continued)**

PlanRVA investments consist of investments in the local government investment pool of \$71,696. There is no custodial risk for these 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.

- (e). Deferred Rent Liability - PlanRVA's landlord provided cash for leasehold improvements. These funds are recorded as a deferred rent liability and are amortized as a reduction of rent expense over the non-cancelable term of the lease. For the year ended June 30, 2023, the deferred rent liability was amortized as a reduction of rent expense in the amount of \$3,280, and this lease ended during this fiscal year.
- (f). Compensated Absences - PlanRVA employees are granted annual and sick leave in varying amounts, according to years of service. Accrued but unused annual leave only, not more than twice the amount earned in a year, is paid to the employee at the time they leave employment with PlanRVA. Sick leave and annual leave expenditures are recognized in the governmental fund to the extent it is paid during the year. The amount of unpaid annual leave as of June 30, 2023 was \$116,271.
- (g). Capital Assets – Capital assets are recorded as expenditures in the Governmental Fund and capitalized at cost in the government-wide financial statements for items exceeding \$5,000 in value. Contributed fixed assets are recorded at their estimated fair market value at the time received. Depreciation has been provided over the following estimated useful lives of the respective assets on the straight-line method.

Equipment	5 years
Furniture	7 years
Office improvements	39 years

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.

- (h) Right to Use Assets – As required by GASB 87, and as a result of signing a new lease in the fiscal year ending June 30, 2023, the Commission has recorded the right to use asset. The right to use 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. The right to use assets are amortized on a straight-line basis over the life of the related lease.
- (i). Pension - 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 Virginia Retirement System (VRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are 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.



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 1 - Summary of Significant Accounting Policies (Continued)**

- (j). Deferred Outflows/Inflows of Resources - PlanRVA reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. PlanRVA has three items that qualify for reporting in this category. They are the employer pension contributions made after the actuarial measurement date, the net difference between expected and actual experience, and changes in assumptions of deferred outflows. Employer contributions made after the measurement date of June 30, 2022, were \$148,051. The differences between expected and actual experience and the changes in assumptions per the actuarial report for the fiscal year ended June 30, 2022, were \$6,028 and \$22,918, respectively.

PlanRVA reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. PlanRVA's deferred inflows balance per the actuarial report for the fiscal year ended June 30, 2022, is made up of the differences between expected and actual experience of \$65,954 and the net difference between projected and actual earnings on plan investments of \$126,030.

- (k). 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.
- (l) Advertising Costs - Advertising costs are expensed when incurred. Advertising expense for the year ended June 30, 2023 was \$189,910.

### **NOTE 2 - Grants Receivable**

Grants receivable are recorded in the governmental activities and are reflected net of an allowance for doubtful accounts. Receivables are reduced by the estimated portion that is expected to be uncollectible. As of June 30, 2023, all grants receivable were considered fully collectible, therefore, no allowance was recorded. Bad debt expense for the fiscal year ended June 30, 2023 was \$23,969.

Grants receivable consists of the following at June 30, 2023:

Virginia Department of Transportation	\$ 728,554
Virginia Housing	341,674
Virginia Department of Emergency Management	324,618
Virginia Department of Rail and Public Transportation	97,550
Virginia Department of Environmental Quality	36,710
City of Richmond	<u>11,331</u>
Total	<u>\$1,540,437</u>

# **RICHMONT REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS** **(Continued)**

### **NOTE 3 - Budgets and Budgetary Accounting**

PlanRVA adheres to the following procedures in establishing budgetary data reflected in the financial statements. PlanRVA staff completes preparation of a proposed operating budget in February-March for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and means of financing them. The proposed budget is approved by the Finance Committee in April and then approved by the Board of Commissioners in May. Prior to the start of each fiscal year, PlanRVA staff prepares a revised budget, based on the actual contracts and grant agreements anticipated for that fiscal year, for PlanRVA to review. The budget is employed throughout the year as a management control device. The budget is currently prepared on the same basis as the Governmental Funds, the modified accrual basis. Contracted services and the related grant revenues are budgeted by PlanRVA, but the timing of the services is controlled by entities other than PlanRVA and, therefore, can vary significantly.

### **NOTE 4 - Property and Equipment**

A summary of changes in property and equipment follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets being depreciated				
Office furniture and equipment	\$ 283,359	\$ -	\$(211,446)	\$ 71,913
Leasehold improvements	<u>133,580</u>	<u>193,482</u>	<u>(83,571)</u>	<u>243,491</u>
Total capital assets being depreciated	<u>416,939</u>	<u>193,482</u>	<u>(295,017)</u>	<u>315,404</u>
Less accumulated depreciation for:				
Office furniture and equipment	(257,582)	(19,500)	217,041	(60,041)
Leasehold improvements	<u>(42,403)</u>	<u>(10,673)</u>	<u>42,403</u>	<u>(10,673)</u>
Total accumulated depreciation	<u>(299,985)</u>	<u>(30,173)</u>	<u>259,444</u>	<u>(70,714)</u>
Capital Assets, net	\$ <u>116,954</u>	\$ <u>163,309</u>	\$ <u>(35,573)</u>	\$ <u>244,690</u>

### **NOTE 5 - Retirement Plans**

#### **Pensions**

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 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 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.



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 5 - Retirement Plan (Continued)**

#### **Plan Description**

All full-time, salaried permanent (professional) employees of PlanRVA are automatically covered by VRS Retirement Plan upon employment. This plan is 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.

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	<b>About Plan 2</b> Same as Plan 1.	<b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none"><li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li><li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li><li>• 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.</li></ul>

# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

<p><b>Eligible Members</b> 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.</p> <p><i>Hybrid Opt-In Election</i> 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 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p><b>Eligible Members</b> 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.</p> <p><i>Hybrid Opt-In Election</i> 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 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• 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</li> </ul> <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>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.</p>
<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account 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.</p>	<p><b>Retirement Contributions</b> Same as Plan 1.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. 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 may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>



# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

<p><b>Service Credit</b> 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 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.</p>	<p><b>Service Credit</b> Same as Plan 1.</p>	<p><b>Service Credit</b> <u><b>Defined Benefit Component:</b></u> 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 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.</p> <p><i>Defined Contributions Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b>Vesting</b> Vesting is 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. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan.</p> <p>Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <i>Defined Benefit Component:</i> 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.</p> <p><i>Defined Contributions Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>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.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> </ul> <p>After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</p> <p>Distribution is not required, except as governed by law.</p>

# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

<p><b>Calculating the Benefit</b> The basic benefit is determined 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.</p>	<p><b>Calculating the Benefit</b> See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b> <b><u>Defined Benefit Component:</u></b> See definition under Plan 1.</p> <p><i>Defined Contribution Component:</i> 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.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier VRS:</b> 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%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier VRS:</b> 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.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b> <b><u>Defined Benefit Component: VRS:</u></b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>



# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

<p><b>Normal Retirement Age VRS:</b> Age 65.</p> <p><b>Political subdivision hazardous duty employees:</b> Age 60.</p>	<p><b>Normal Retirement Age VRS:</b> Normal Social Security retirement age.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Normal Retirement Age <u>Defined Benefit Component:</u> VRS:</b> Same as Plan 2.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b> <b>VRS:</b> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p><b>Political subdivision hazardous duty employees:</b> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p><b>Earliest Unreduced Retirement Eligibility VRS:</b> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service equals 90.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u></b> <b>VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service equals 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> <b>VRS:</b> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 50 with at least five years of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <b>VRS:</b> Age 60 with at least five years (60 months) of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS:</b> Age 60 with at least five years (60 months) of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS** **(Continued)**

### **NOTE 5 - Retirement Plan (Continued)**

<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b></p> <p>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%.</p> <p><i>Eligibility:</i> 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.</p> <p>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.</p> <p><i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• 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.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.</li> </ul> <p>The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b></p> <p>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%.</p> <p><i>Eligibility:</i> Same as Plan 1</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b></p> <p><i>Defined Benefit Component:</i> Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1 and Plan 2.</p>
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# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

<p><b>Disability Coverage</b> 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.</p>	<p><b>Disability Coverage</b> 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.</p>	<p><b>Disability Coverage</b> 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.</p> <p>Hybrid 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.</p>
<p><b>Purchase of Prior Service</b> 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. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <i>Defined Benefit Component:</i> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><i>Defined Contribution Component:</i> Not applicable.</p>

### ***Employees Covered by Benefit Terms***

As of the June 30, 2021 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	4
Non-vested inactive members	4
LTD	0
Active elsewhere in VRS	18
Total Inactive Members	26
Active Members	19
Total covered employees	56

# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 5 - Retirement 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% of their compensation toward their retirement.

PlanRVA's contractually required contribution rate for the year ended June 30, 2023 was 10.05% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$148,051 and \$144,252 for the years ended June 30, 2023 and June 30, 2022, 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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

#### ***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in PlanRVA's Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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:

Largest 10 - Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 5 - Retirement Plan (Continued)**

Mortality rates (continued):

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS** **(Continued)**

### **NOTE 5 - Retirement Plan (Continued)**

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Updates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/ Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Other (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/ Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

### ***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:



# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS-Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP-Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.83%

\* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\* On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### **Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue 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.



# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - Retirement Plan (Continued)

#### *Changes in the Net Pension Liability:*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2021	\$4,872,021	\$4,558,378	\$313,643
Changes for the year:			
Service cost	116,070	-	116,070
Interest	329,058	-	329,058
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	(109,923)	-	(109,923)
Contributions – employer	-	144,252	(144,252)
Contributions – employee	-	65,132	(65,132)
Net investment income	-	(5,938)	5,938
Benefit payments, including refunds of employee contributions	(226,314)	(226,314)	-
Administrative expense	-	(2,802)	2,802
Other changes	-	107	(107)
Net changes	108,891	(25,563)	134,454
Balances at June 30, 2022	\$4,980,912	\$4,532,815	\$448,097

#### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
PlanRVA's Net Pension Liability	\$1,121,919	\$448,097	\$(96,755)

#### *Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended June 30, 2023, PlanRVA recognized pension expense of \$51,201. At June 30, 2023, PlanRVA 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	\$ 6,028	\$ 65,954
Changes of assumptions	22,918	-
Net difference between projected and actual earnings on plan investments	-	126,030
Employer contributions subsequent to the Measurement Date	148,051	-
Total	\$176,997	\$191,984

# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 5 - Retirement Plan (Continued)**

\$148,051 reported as deferred outflows of resources related to pensions resulting from PlanRVA'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, 2024. 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,	
2023	\$ (65,001)
2024	(74,132)
2025	(86,500)
2026	62,595
2027	-
Thereafter	-
Total	<u><u>\$ (163,038)</u></u>

### ***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Comprehensive Annual Financial Report (CAFR). A copy of the 2022 VRS CAFR may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2022-annual-report.pdf](http://varetire.org/Pdf/Publications/2022-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

### **ICMA Retirement Corporation 401 Plan**

Prior to becoming a VRS participating employer, PlanRVA participated in a multi-employer defined contribution pension plan that covered all of its full-time employees. This plan was frozen by PlanRVA effective July 1, 2001 and existing employees were given the choice of remaining in the ICMA 401 plan or becoming a member of VRS. One employee remains in the IMCA plan. Contributions to the plan by PlanRVA are based on 9.5% of the employees' annual covered compensation as defined in the plan. Plan contributions for the year ended June 30, 2023, totaled \$1,989. Employees can contribute to the plan and they can direct their portion of the employer's portion of the contribution among forty-one types of investment funds. Employees became vested in the employer's portion of the contribution after three years of continuous service. PlanRVA's policy is to fund all pension costs as incurred.

### **ICMA Retirement Corporation 457 Plan**

ICMA Eligible employees of PlanRVA may also participate in a deferred compensation plan in accordance with Internal Revenue Service Code 457. The deferred compensation is not available to employees until termination of employment, retirement, death or an unforeseen emergency. An independent administrator, ICMA Retirement Corporation, monitors contributions to the plan. No contributions were made to the plan for the year ended June 30, 2023. The plan assets are maintained in custodial accounts for the exclusive use of the plan's participants and beneficiaries. In accordance with GASB 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, these assets and the related liability are not included in the accompanying financial statements.



# **RICHMONT REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS** **(Continued)**

### **NOTE 6 - Assessments to Participating Localities and State Appropriation**

PlanRVA's revenues are derived mainly from 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, 2023.

Assessments to participating localities:	
County of Henrico	\$183,914
County of Chesterfield	175,780
City of Richmond	124,635
TPO Assessment	53,768
County of Hanover	56,328
County of Powhatan	16,683
County of Goochland	13,600
County of New Kent	12,620
Town of Ashland	4,161
County of Charles City	3,725
State appropriation	<u>127,957</u>
<b>Total</b>	<b><u>\$773,171</u></b>

### **NOTE 7 - 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, if any, of expenditures 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 the Richmond Regional Transportation Planning Organization (RRTPO). The RRTPO has no staff, no bank account, and cannot contract on its own behalf. Accordingly, PlanRVA contracts on behalf of the RRTPO, as per federal regulation, and PlanRVA staff performs the work of the RRTPO. All contracts with the Commonwealth of Virginia are cost reimbursable, so only when the costs have been expended and the work has been completed can the PDC request reimbursement.

### **NOTE 8 – Right to use Assets**

Right to use assets activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Right to use assets being amortized				
Leased Office Space	\$ _____	\$2,127,183	\$ _____	\$2,127,183
Total Right to Use Assets	_____	<u>2,127,183</u>	_____	<u>2,127,183</u>
Less Accumulated Amortization for:				
Leased Office Space	_____	<u>123,315</u>	_____	<u>123,315</u>
Total accumulated depreciation	_____	<u>123,315</u>	_____	<u>123,315</u>
<b>Right to Use Assets, Net</b>	<b>\$ _____</b>	<b><u>\$2,003,868</u></b>	<b>\$ _____</b>	<b><u>\$2,003,868</u></b>

# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **NOTE 9 - Long-Term Obligations**

#### **Lease Liability**

The Commission leases office space in Richmond, Virginia, under an eleven years and six months lease agreement, which expires 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%. As a result of the lease the Board has recorded a right to use asset with net book value of \$2,003,868 as of June 30, 2023. For the fiscal year ended June 30, 2023, interest expense on the lease liability was \$53,225.

The future minimum lease obligations and the net present value of these minimum lease payments as of as of June 30, 2023, are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 129,178	\$ 76,266	\$ 205,445
2025	139,468	71,113	210,581
2026	150,291	65,555	215,845
2027	161,672	59,570	221,241
2028	173,636	53,136	226,773
Five years ending June 30, 2033	1,069,969	151,822	1,221,791
Six months ending April 30, 2034	<u>214,964</u>	<u>3,832</u>	<u>218,796</u>
Total payments	<u>\$2,039,178</u>	<u>\$481,294</u>	<u>\$2,520,472</u>

### **NOTE 10 - Fringe Benefit Allocation**

Fringe benefit expense is allocated using the percentage of benefits to total labor costs. Components of fringe benefit expense for the year ended June 30, 2023, and the allocation computations are shown below:

Leave wages	\$ 257,956
Health insurance	245,751
Pension	169,014
Payroll taxes	142,177
Life and disability insurance	<u>18,213</u>
Total Fringe Benefits	<u>\$ 833,111</u>
Fringe benefit expenses	<u>\$ 833,111</u>
Total labor costs	\$1,582,220 = 52.65%



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS (Concluded)**

### **NOTE 11 - Indirect Costs**

Indirect costs, which support all projects, are allocated to the various projects based on the allocation rate applied to the project's direct labor and fringe benefit charges. The indirect cost rate developed by PlanRVA for the fiscal year ending June 30, 2023 is calculated as follows:

Total indirect costs	<u>\$1,190,165</u>
Total direct labor and fringe	\$1,938,743 = 61.39%

The following items are included in indirect costs allocated to projects:

Salaries and fringe benefits	\$ 476,588
Rent	215,529
Computer	147,106
Equipment	63,199
Travel	39,757
Professional and contract services	36,916
Training and development	35,965
Loss on disposals	35,573
Legal fees	33,360
Depreciation	30,173
Supplies	24,298
Advertising	20,474
Printing	18,923
Insurance	7,099
Meetings	4,702
Pass through contract services	391
Books and periodicals	<u>112</u>
Total Indirect Costs	<u>\$1,190,165</u>

### **NOTE 12 - Evaluation of Subsequent Events**

PlanRVA has evaluated subsequent events through November xx, 2023, the date which the financial statements were available to be issued.

**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	INITIAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING BUDGET				
REVENUES				
Grants and appropriations:				
Federal grants	\$ 2,726,871	\$ 2,726,871	\$ 2,394,305	\$ (332,566)
State grants and appropriations	453,095	453,095	396,321	(56,774)
Local grants and appropriations	1,698,459	1,698,459	2,722,471	1,024,012
Other revenue:				
Miscellaneous and interest	-	-	8,757	8,757
TOTAL REVENUES	4,878,425	4,878,425	5,521,854	643,429
EXPENDITURES				
Pass through contract services	1,341,150	1,341,150	2,132,104	(790,954)
Salaries and wages	1,950,920	1,950,920	1,603,913	347,007
Employee benefits and payroll taxes	649,219	649,219	833,111	(183,892)
Office rent, net	300,476	300,476	218,810	81,666
Computer operations	218,000	218,000	176,522	41,478
Professional and contract services	55,000	55,000	86,916	(31,916)
Advertisements	77,600	77,600	189,910	(112,310)
Legal fees	40,000	40,000	33,360	6,640
Training and professional development	109,500	109,500	75,468	34,032
Office supplies and expense	32,500	32,500	24,432	8,068
Bad debt expense	-	-	23,969	(23,969)
Printing	27,760	27,760	18,940	8,820
Meetings	16,400	16,400	14,107	2,293
Travel	48,400	48,400	61,981	(13,581)
Insurance	10,000	10,000	7,099	2,901
Books and periodicals	1,500	1,500	112	1,388
TOTAL EXPENDITURES	4,878,425	4,878,425	5,500,754	(622,329)
NET OPERATING SURPLUS	-	-	21,100	21,100
OFFICE PROJECT BUDGET				
PROJECT REVENUE				
Transfer from fund balance	-	297,054	256,681	(40,373)
PROJECT EXPENDITURES				
Capital outlay	-	200,000	193,482	6,518
Project expenditures	-	97,054	63,199	33,855
NET PROJECT SURPLUS	\$ -	\$ -	\$ -	\$ -

**Reconciliation of financial statements**

Net Operating Surplus	\$ 21,100
Transfer from fund balance	(256,681)
Deficit of revenues over expenditures (page 14)	(235,581)

Adjustments to reconcile with Change in net position

Effect of GASB 87 lease liability payments not budgeted	(41,852)
Effect of change in compensated absences not reported in budget	21,693
GASB 68 net adjustments	96,850
Effect of depreciation expense not budgeted	(30,173)
Loss on disposal of leasehold improvements and equipment	(35,573)
Effect of deferred rent reported as a reduction in rent expense	3,280
Effect of capital outlays reported as expenditures in budget	193,482
	207,707
Change in net position (page 12)	\$ (27,874)

See accompanying notes.

**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**SCHEDULE OF CHANGES IN PLANRVA'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**FOR THE PLAN YEARS ENDED JUNE 30, 2014 THROUGH 2022**

DRAFT

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 116,070	\$ 135,602	\$ 107,051	\$ 107,807	\$ 127,961	\$ 151,156	\$ 139,877	\$ 136,215	\$ 155,179
Interest on total pension liability	329,058	298,823	275,896	272,172	246,717	233,234	237,166	227,050	203,413
Changes in assumptions	-	94,540	-	122,408	-	(109,867)	-	-	-
Differences between expected and actual experience	(109,923)	24,866	173,058	(99,999)	145,786	127,919	(144,632)	(67,500)	-
Benefit payments, including refunds of employee contributions	(226,314)	(217,646)	(215,029)	(191,387)	(122,267)	(297,391)	(279,758)	(22,745)	(19,105)
Net change in total pension liability	108,891	336,185	340,976	211,001	398,197	105,051	(47,347)	273,020	339,487
Total pension liability - beginning	4,872,021	4,535,836	4,194,860	3,983,859	3,585,662	3,480,611	3,527,958	3,254,938	2,915,451
Total pension liability - ending (a)	\$ 4,980,912	\$ 4,872,021	\$ 4,535,836	\$ 4,194,860	\$ 3,983,859	\$ 3,585,662	\$ 3,480,611	\$ 3,527,958	\$ 3,254,938
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 144,252	\$ 129,037	\$ 84,666	\$ 67,339	\$ 77,475	\$ 90,253	\$ 125,871	\$ 119,147	\$ 152,795
Contributions - employee	65,132	58,791	55,794	46,488	62,229	72,044	67,944	64,838	66,699
Net investment income	(5,938)	987,579	69,344	228,701	238,886	357,931	45,278	131,334	362,257
Benefits payments, including refunds of employee contributions	(226,314)	(217,646)	(215,029)	(191,387)	(122,267)	(297,391)	(279,758)	(22,745)	(19,105)
Administrative expense	(2,802)	(2,418)	(2,354)	(2,286)	(2,008)	(2,174)	(1,872)	(1,606)	(1,768)
Other	104	94	(81)	(144)	(215)	(313)	(653)	(27)	19
Net change in plan fiduciary net position	(25,563)	955,437	(7,660)	148,711	254,100	220,350	(43,190)	290,941	560,897
Plan fiduciary net position - beginning	4,558,378	3,602,941	3,610,601	3,461,890	3,207,790	2,987,440	3,030,630	2,739,689	2,178,792
Plan fiduciary net position - ending (b)	\$ 4,532,815	\$ 4,558,378	\$ 3,602,941	\$ 3,610,601	\$ 3,461,890	\$ 3,207,790	\$ 2,987,440	\$ 3,030,630	\$ 2,739,689
Commission's net pension liability - ending (a)-(b)	\$ 448,097	\$ 313,643	\$ 932,895	\$ 584,259	\$ 521,969	\$ 377,872	\$ 493,171	\$ 497,328	\$ 515,249
<b>Plan fiduciary net position as a percentage of the total Pension liability</b>									
	91.00%	93.56%	79.43%	86.07%	86.90%	89.46%	85.83%	85.90%	84.17%
<b>Covered payroll</b>									
	\$ 1,707,582	\$ 1,289,454	\$ 1,305,394	\$ 1,036,313	\$ 1,068,066	\$ 1,312,339	\$ 1,480,513	\$ 1,331,118	\$ 1,242,044
<b>Commission's net pension liability as percentage of covered payroll</b>									
	26.24%	24.32%	71.46%	56.38%	48.87%	28.79%	33.31%	37.36%	41.48%

See accompanying notes.



**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEARS ENDED JUNE 30, 2014 THROUGH 2023**

<b>DRAFT</b>					
Date	Contractually Required Contributions (1)	Contributions in Relation to Contractually Required Contributions (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 155,716	\$ 148,051	\$ 7,665	\$ 1,549,409	9.56%
2022	159,755	144,252	15,503	1,428,936	10.10%
2021	144,161	129,037	15,124	1,289,454	10.01%
2020	103,648	84,666	18,982	1,305,394	6.49%
2019	82,283	67,339	14,944	1,036,313	6.50%
2018	72,094	77,475	(5,381)	1,068,066	7.25%
2017	88,583	91,316	(2,733)	1,312,339	6.96%
2016	136,947	125,871	11,076	1,480,513	8.50%
2015	123,128	119,147	3,981	1,331,118	8.95%
2014	142,214	152,795	(10,581)	1,242,044	12.30%

See accompanying notes.

## **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2023**

#### **NOTE 1 - Change of Benefit Terms**

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

#### **NOTE 2 - Changes of Assumptions**

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

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

# RICHMOND REGIONAL PLANNING DISTRICT COMMISSION

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

<b><u>FEDERAL GRANTING AGENCY/ PROJECT</u></b>	<b><u>Federal ALN Number</u></b>	<b><u>Pass Through Entity Identifying Number</u></b>	<b><u>Total Federal Expenditures</u></b>
<b>Major Program</b>			
Department of Transportation			
Pass-through Payments –			
Virginia Department of Transportation			
Public Law (PL) Funds	20.205	UPC0000113088	\$1,257,555
RSTP Funds	20.205	Proj# 9999-M11-001	<u>280,582</u>
			<u>1,538,137</u>
<b>Other Federal Awards</b>			
Department of Transportation			
Pass-through Payments –			
Virginia Department of Rail and Public Transportation			
Section 5303 Funds	20.505	46018-09	<u>327,797</u>
Department of Homeland Security			
Pass-through Payments –			
Virginia Department of Emergency Management			
Regional Coordination-Planning 2018 (6508)	97.067	7557/7554/7553	243,759
Regional Coordination-Planning 2019 (6508)	97.067	7938/7941/7937/7936	108,120
Regional Coordination-Planning 2020 (6508)	97.067	8572/8580/8581	<u>43,610</u>
			<u>395,489</u>
Hazard Mitigation Grant Program	97.039	FEMA-DR-4411-VA-013	<u>3,629</u>
Department of Commerce			
Pass-through Payments –			
Virginia Department of Environmental Quality			
Coastal Resources Management Program			
Task #93.01 Lower Chickahominy	11.419	Contract 16809	60,760
Task #48 Technical Assistance	11.419	NA-19NOS4190163	15,853
Coastal Technical Assistance	11.419	NA-18NOS4190152	277
Task #48 Technical Assistance	11.419	Contract 16809	<u>(12,502)</u>
			<u>64,388</u>
Environmental Protection Agency			
Pass-through Payments –			
Virginia Department of Environmental Quality			
Virginia Chesapeake Bay Watershed	66.466	16894	58,177
Flood Protection and Prevention	66.466		5,836
Extreme Heat – Department of Forestry	66.466		<u>852</u>
			<u>64,865</u>
Total Federal Awards			<u>\$2,394,305</u>



# **RICHMOND REGIONAL PLANNING DISTRICT COMMISSION**

## **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023 (Continued)**

### **NOTE 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of PlanRVA, under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of PlanRVA, it is not intended to and does not present the financial position, change in net position or cash flows of PlanRVA.

### **NOTE 2 - Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principals, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **NOTE 3 – Indirect Cost Rate**

PlanRVA has elected not to use the 10% de minimus indirect cost rate.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Richmond Regional Planning District Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 governmental activities, fiduciary activities and the aggregate remaining fund information of the Richmond Regional Planning District Commission (PlanRVA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise PlanRVA's basic financial statements, and have issued our report thereon dated November xx, 2023.

**Report on Internal Control over Financial Reporting**

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

Certified Public Accountants  
Chantilly, Virginia

November xx, 2023



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

To the Board of Commissioners  
Richmond Regional Planning District Commission

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Richmond Regional Planning District Commission's (PlanRVA) 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 PlanRVA's major federal programs for the year ended June 30, 2023. PlanRVA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, PlanRVA 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, 2023.

**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; the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; 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 responses under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PlanRVA 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 PlanRVA'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 controls over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to PlanRVA's federal programs.



## Auditor's 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 PlanRVA'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 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 judgement made by a reasonable user of the report on compliance about PlanRVA'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 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 PlanRVA's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of PlanRVA'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 Uniform Guidance, but not for the purpose of expressing an opinion of the effectiveness of PlanRVA'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, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Certified Public Accountants  
Chantilly, Virginia

November xx, 2023



**RICHMOND REGIONAL PLANNING DISTRICT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

Unmodified

Internal control over financial reporting

- Material weakness(es) identified

☐ Yes ☒ No

- Significant deficiency(ies) identified

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified

☐ Yes ☒ No

- Significant deficiency(ies) identified

☐ Yes ☒ None Reported

Type of auditor’s 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)?

☐ Yes ☒ No

Identification of major programs

CFDA Number

Name of Federal Program or Cluster

20.205

Transportation Planning

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**Section II – Financial Statement Findings**

No matters were reported

**Section III – Federal Award Findings**

No matters were reported