MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

BOARD OF COMMISSIONERS

Edwin E. Smith, Jr. - Essex County

John Magruder – Essex County

Sarah Pope - Essex County

Ashley C. Chriscoe - Gloucester County

Kenneth W. Gibson - Gloucester County

Dr. William G. Reay - Gloucester County

Carol Steele – Gloucester County

Sherrin C. Alsop - King and Queen County

R. F. Bailey Jr. - King and Queen County

Thomas J. Swartzwelder - King and Queen County

Ed Moren, Jr. - King William County

Travis J. Moskalski - King William County

Otto Williams - King William County

Percy C. Ashcraft - King William County

Melissa Mason - Mathews County

David Jones – Mathews County

Harry Meeks - Mathews County

Wayne H. Jessie Sr. – Middlesex County

Reggie Williams Sr. – Middlesex County

Gordon White – Middlesex County

Fleet Dillard - Town of Tappahannock

Marjorie Austin - Town of Urbanna

James Pruett - Town of West Point

John Edwards - Town of West Point

Dunham, Aukamp & Rhodes, PLC
Certified Public Accountants

4437 Brookfield Corporate Dr., Suite 205-D
Chantilly, VA 20151

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Middle Peninsula Planning District Commission
Saluda, Virginia

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Commission as of June 30, 2022 and the respective changes in financial position and cash flows 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 the Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Commission'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.

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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 of 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 the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, the schedule of changes in the Commission's net pension liability and related ratios, and the schedule of employer contributions 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 the Commission's basic financial statements. The schedule of revenues and expenses by program is presented for purposes of additional analysis and is 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 revenues and expenses – non-governmental accrual basis is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Dunham, Aukamp & Rhodes, PLC

Certified Public Accountants
Chantilly, Virginia

January 25, 2023

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the annual financial report of the Middle Peninsula Planning District Commission (the "Commission"), management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2022. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly represent the Commission'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 the Commission's financial activities have been included. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

The financial statements presented herein included all of the activities of the Commission using the integrated approach as prescribed by GASB Statement No. 34. Management's Discussion and Analysis (MD&A) is intended to introduce the Commission's financial statements. In addition to this Management's Discussion and Analysis (MD&A), the report consists of the enterprise fund financial statements, and the notes to the financial statements. These financial statements are designed to be more corporate-like in that all activities of the Commission are considered to be business-type activities.

Required Financial Statements

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap shot view of the assets the Commission has, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Business-type activities are reported on the accrual basis of accounting. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position details the Commission's revenues and expenses by functional type, and the net operating result of the current year. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The Statement of Cash Flows shows the cash flows from the Commission's operating, capital and related financing, and investing activities.

The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Commission's financial condition.

The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior years. Significant changes from the prior year are explained in the following paragraphs.

Financial Analysis

Summary Statements of Net Position
June 30,

	2022	2021
Current Assets	$1,236,992	$1,189,717
Loans Receivable	268,171	319,637
Capital Assets (net)	969	43
Noncurrent Assets	14,365	-
Total Assets	1,520,497	1,509,397
Deferred Outflows of Resources	48,681	51,732
Current Liabilities	470,994	424,913
Long-Term Liabilities	250,080	455,806
Total Liabilities	721,074	880,719
Deferred Inflows of Resources	117,112	4,039
Invested in Capital Assets	969	43
Unrestricted	730,023	676,328
Total Net Position	$ 730,992	$ 676,371

Current assets increased during the year by approximately $47,000 primarily due to an increase in in cash of $76,000 as a result of current year operations, offset by an increase in accounts receivable of $29,000.

Loans receivable decreased approximately $51,000 during the year as a result of repayments on various revolving loan programs.

Current liabilities increased approximately $46,000 during the year primarily as a result of a timing difference in payments on accounts payable, and an increase in deferred revenue from income received in advance of the related expense.

Deferred inflows of resources associated with differences between projected and actual earnings of the plan investments increased by $113,000 during the year as a result of the current year pension evaluation.

Long-term liabilities decreased by approximately $205,000 during the current year, as the Commission continued its septic repair and living shoreline loan programs financed through the Virginia Resources Authority. VRA loans have a delayed payback period of 2-3 years.

Total net position increased by $54,621 this year, as a result of operations.

Summary Statements of Activities
For the Years Ended June 30,

	2022	2021
Revenues		
Operating revenues	$1,371,542	$1,768,814
Interest	13,638	12,661
Total Revenues	1,385,180	1,781,475
Expenses		
General and administration	85,107	84,647
Project costs	1,237,130	1,644,532
Total Expenses	1,322,237	1,729,179
GASB 68 pension (expense) benefit	(8,322)	22,892
Change in net position	54,621	75,188
Net position at beginning of year	676,371	601,183
Net position at end of year	$ 730,992	$ 676,371

Operating revenues decreased by approximately $398,000 and project expenses decreased by approximately $407,000 from the prior year. The Commissions work program and local businesses greatly benefited by Federal COVID pandemic funding in the prior year, and those programs largely ended in the current year

It is not uncommon for these figures to change substantially from year to year due to differences in the Commission's work program based on changes in the Commission's priorities and the availability of funding to implement the work program. Being positioned to respond to unique Federal and State funding opportunities is a cornerstone of the Commission's success.

In FY 2022 actual federal operating revenues were under the budgeted amount by approximately $221,000 and state grants were under the budgeted amount by approximately $852,000 as several projects were delayed due to forces beyond the Commission's control such as staffing changes, and unavoidable pandemic delays by project partners. Consultant and contractual expenses relating to those projects were $715,000 below the budgeted amounts.

Actual expenses exceeded budgeted expenses for personnel costs by approximately $6,000 as a result of the Commission's performance compensation program whereby management is authorized to obtain additional funding to enable and enhance the Commission's work program and increase staff salaries proportionately as additional funding is obtained. The ability to allow for a fluctuation in personnel costs based on availability of funding allows for greater flexibility in applying for additional funding to advance the Commission's priorities without increased staffing.

Actual legal and accounting costs exceeded the budgeted amount by $18,700 as a result of the need for more legal oversite due to an increase in complexities of water resiliency projects.

Website and internet costs were $13,000 lower than budgeted because we did not require as much anticipated IT support as in previous years. Also, we have an agreement with our IT person that if she does not invoice in time that we are not required to pay more than our monthly retainer.

Capital Assets

The capital assets in the governmental funds consist of computer equipment and vehicles used in the business-type activities of the Commission.

Long-Term Debt

Long-term debt consists of four loans from the Virginia Water Facilities Revolving Fund. In 2011 the Commission received a $250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. This loan consisted of a $125,000 no interest loan and a $125,000 "principal forgiveness" loan. As of June 30, 2022, this loan was fully paid off. During FY2016 the Commission received another loan in the amount of $250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. As of June 30, 2022, $236,774 had been drawn on this loan but through regular annual payments has been reduced to $20,116. A third loan in the amount of a $250,000 loan from the Virginia Water Facilities Revolving Fund to capitalize the new revolving loan fund for living shoreline projects was settled in FY2018. As of June 30, 2022, $250,000 has been drawn down on this loan but through regular annual payments has been reduced to $170,798. In FY2021, a loan from Virginia Water Facilities Revolving Fund in the amount of $175,000 was received to provide additional capital for the Living Shorelines Project. As of June 30, 2022, $175,000 has been drawn down on this loan, but has been reduced to $107,500 through regular annual payments. A new loan was received in the current year of $175,000, with just $5,190 drawn as of June 30, 2022.

Economic Factors and Future Outlook

Presently, management of the Commission is aware of the changing federal, state, regional and local economic climate and is working to comprehensively understand, address and plan for the future security of the Commission consistent with the evolving new economic model and the cumulative effects of the Pandemic on the work program of the Commission. Management realizes the challenges posed to the organization by the high dependency on grants to fund operations especially during periods of economic stress and continues to explore other options to fund its essential programs including increased local funding. Management continues to work with the MPPDC leadership to explore strategies to fund the Commission, provide for a motivated and adequately compensated staff, and increase performance while maintaining compliance with the requirements of OMB Uniform Guidance as necessary, and the needs and resources of the member localities. The Commission's performance compensation program has added stability for the staff while many other PDC's and local government are losing qualified employees. Currently management has increased the use of staffing under cooperative procurement to provide staffing needs as a means to providing more and varied expertise for increasingly complicated projects being undertaken by the Commission in regards to environmental and economic development projects.

Contacting the Commission's Financial Management Staff

This financial report is designed to provide a general overview of the Commission's finances and show the Commission's accountability for the funds it receives. If you have questions about this report or need additional information, contact the Commission's Executive Director at 125 Bowden Street in Saluda, Virginia.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
Current Assets	
Cash and cash equivalents	$ 925,107
Accounts receivable	311,885
Total Current Assets	1,236,992
Noncurrent Assets	
Capital assets, net	969
Loans receivable	268,171
Net pension asset	14,365
Total Noncurrent Assets	283,505
Total Assets	1,520,497
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions after the measurement date	10,170
Changes of assumptions	38,053
Net difference between projected and actual earnings on plan investments	458
Total Deferred Outflows of Resources	48,681
LIABILITIES	
Current Liabilities	
Accounts payable	36,834
Deferred revenue	318,584
Accrued leave payable	62,053
Current portion of notes payable	53,523
Total Current Liabilities	470,994
Noncurrent Liabilities	
Notes payable, net of current portion	250,080
Total Liabilities	721,074
DEFERRED INFLOWS OF RESOURCES	
Differences between expected and actual experience	733
Net difference between projected and actual earnings on plan investments	116,379
Total Deferred Inflows of Resources	117,112
NET POSITION	
Invested in capital assets, net of related debt	969
Unrestricted	730,023
Total Net Position	$ 730,992

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues	
Grants and appropriations	
Federal grants	$ 454,426
State grants and appropriations	441,784
Local grants and appropriations	409,784
Miscellaneous	76,663
Total Operating Revenues	1,382,657
Operating Expenses	
Consultant and contractual	634,922
Salaries	449,929
Fringe benefits	112,491
Legal and accounting	38,200
Rent and utilities	31,737
Printing and duplicating	8,031
Subscriptions and publications	7,361
Website and internet	6,927
Office supplies	6,500
Dues and memberships	5,827
Bad debt	5,558
Telephone	4,327
Lodging and staff expense	3,889
Miscellaneous	1,755
Insurance	1,523
Meeting supplies and expenses	1,210
Postage	902
Vehicle costs	534
Depreciation	366
Promotion and advertising	125
Professional development	123
Total Operating Expenses	1,322,237
Operating Income	60,420
Non-Operating Revenues (Expenses)	
Interest income	2,523
GASB 68 pension expense	(8,322)
Change in Net Position	54,621
Net Position - Beginning of Year	676,371
Net Position - End of Year	$ 730,992

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF CAH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities	
Received from customers	$ 1,507,436
Paid to suppliers for goods and services	(949,125)
Paid to employees for services	(427,135)
Net Cash Flows Provided by Operating Activities	131,176
Cash Flows from Capital and Related Financing Activities	
Proceeds from notes payable	99,280
Principal paid on notes payable	(207,213)
Purchases of capital assets	(1,292)
Net Cash Flows Used in Capital and Related Financing Activities	(109,225)
Cash Flows from Investing Activities	
Disbursement for new loans made	(180,018)
Loan payments received	231,484
Interest income	2,523
Net Cash Flows Provided by Investing Activities	53,989
Net Change in Cash and Cash Equivalents	75,940
Cash and Cash Equivalents - Beginning of Year	849,167
Cash and Cash Equivalents - End of Year	$ 925,107

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 60,420
Depreciation	366
Changes in Assets and Liabilities	
Accounts receivable	28,665
Accounts payable	(65,786)
Deferred revenue	96,114
Accrued annual leave	11,397
Net Cash Flows from Operating Activities	$ 131,176

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Accounting Policies

The Middle Peninsula Planning District Commission (the "Commission") was established April, 1972, pursuant to the provisions of Section 15.1-1403 of the Virginia code (the 1968 Virginia Area Development Act) as an authorized regional planning district commission. The Commission's primary duty is to promote orderly and efficient development of the physical, social and economic elements of the district by planning, encouraging and assisting governmental subdivisions to plan for the future. The Commission is a subsidiary organization of the counties of Essex, Gloucester, King and Queen, King William, Mathews, Middlesex and the towns of Tappahannock, Urbanna and West Point. Commission funding is obtained from member jurisdictions' contributions, funds provided by the Commonwealth of Virginia, and Federal, state and local grants and contracts for specified projects designed to further the Commission's goals and objectives.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

(a) Reporting Entity – The Commission's governing body is composed of members appointed by the nine member jurisdictions. The Commission is not a component unit of any of the member governments, and there are no component units to be included in the Commission's financial statements.

(b) Basis of Accounting – The accounting and reporting policies of the Commission relating to the accompanying basic financial 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) and by the Financial Accounting Standards Board (when applicable).

Management believes that the periodic determination of revenues earned, expenses incurred and net income is desirable for purposes of facilitating management control and accountability. Therefore, the activities of the Commission are accounted for as a proprietary fund which uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Commission considers grant revenue as earned when the grant expenditure is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction.

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

(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. Contributions of the member governments are based on population and are assessed annually. The Commission recognizes a liability for funds received in excess of project expenditures.

(d) Project Expenditures – The costs of goods and services that are identifiable for indirect costs are allocated to projects as described in Note 11. Personnel costs for Commission employees, including overtime and compensatory time, are direct charges to the appropriate projects. Expenses for paid leave and fringe benefits are allocated to projects as described in Notes 8 and 9.

(e) Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Commission has not experienced any losses on its cash equivalents.

(f) Cash and Cash Equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by the Commission's Board designation or other arrangements under trust agreements with third-party payers.

(g) Accounts Receivable – Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2022, and no allowance for doubtful accounts has been provided. Concentration of credit risk with respect to accounts receivable is limited due to the number of grantors, man of which are federal government grants.

(h) Employee Leave Benefits – Commission policy allows employees to accumulate unused vacation leave up to certain maximum hours. Commission employees earn from twelve to eighteen vacation days a year, depending on the length of their employment. Annual leave may be carried over from one fiscal year to the next, subject to certain limitations. The liability for accrued vacation is $50,201 as of June 30, 2022.

All employees receive fifteen sick days a year. Sick leave may be carried over from one fiscal year to the next. Upon termination or retirement, employees with five or more years of continuous salaried service may receive up to 25% of their unused sick leave balances up to a maximum of $5,000. The liability for accrued sick leave is $11,852 as of June 30, 2022.

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

(i) Management 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.

(j) Capital Assets – Capital assets are recorded at historical or estimated historical cost if actual historical cost is not available for items exceeding $1,000. Depreciation is taken on the straight-line method over the estimated useful life of the respective asset.

The estimated lives are as follows:

Equipment	3-5 years
Furniture	7 years

Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued.

(k) Budgets and Budgetary Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the adopted budgets as amended.

(l) Advertising Costs – Advertising costs are expensed as incurred.

(m) Deferred Outflows/Inflows of Resources – The Commission 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.

The Commission 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.

(n) 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 the Commission'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.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2 – Cash and Investments

State statute authorizes the Commission 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, 2022 the carrying amount of the Commission's deposits with banks was $229,723 and the bank balances were $302,992. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments in 2a7-like pools are valued based on the value of pool shares. The Commission invests a 2a7-like pool, the Local Government Investment Pool, managed by the Virginia Department of Treasury. Permitted investments in the pool include U.S. government obligations, repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, short-term corporate notes, and short-term taxable municipal obligations. The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. The Commission's balance in the investment pool was $695,384 at June 30, 2022.

NOTE 3 – Property and Equipment

A summary of property and equipment as of June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Equipment	$ 50,184	$1,292	$ -	$ 51,476
Accumulated Depreciation	(50,141)	(366)	-	(50,507)
Net	$ 43	$ 926	$ -	$ 969

NOTE 4 – Commitments

The Commission participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Commission may be required to reimburse. As of June 30, 2022, the Commission believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Commission.

NOTE 5 – Pension Plan

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 Commission's Retirement Plan and the additions to/deductions from the Commission's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

All full-time, salaried permanent (professional) employees of the Commission 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 a 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 a 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:

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 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.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • 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. • 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.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 5 – Pension Plan (Continued)

Eligible Members 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. **Hybrid Opt-In Election** 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. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. 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.	**Eligible Members** 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. **Hybrid Opt-In Election** 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. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement plan. 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.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. *** Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.
Retirement Contributions Members contribute up to 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 retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** 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 requited to match those voluntary contributions according to specified percentages.

NOTE 5 – Pension Plan (Continued)

Service credit 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.	**Service credit** Same as Plan 1.	**Service credit** **<u>Defined Benefit Component:</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. **<u>Defined Contributions Component:</u>** Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting 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. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** **<u>Defined Benefit Component:</u>** 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 Plan remain vested in the defined benefit component. **<u>Defined Contributions Component:</u>** 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. Members are always 100% vested in the contributions that they make. 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.

NOTE 5 – Pension Plan (Continued)

		Vesting (continued) • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.
Calculating the Benefit 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.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **Defined Benefit Component:** See definition under Plan 1. **Defined Contribution Component:** 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.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. **Sheriffs and regional jail superintendents:** The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	**Service Retirement Multiplier VRS:** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. **Sheriffs and regional jail superintendents:** Same as Plan 1.	**Service Retirement Multiplier** **Defined Benefit Component: VRS:** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. **Sheriffs and regional jail superintendents:** Not applicable

NOTE 5 – Pension Plan (Continued)

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

NOTE 5 – Pension Plan (Continued)

<table>
<tr>
<td>Cost-of-Living Adjustment (COLA) in Retirement
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%.

<u>Eligibility:</u>
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.

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.

<u>Exceptions to COLA Effective Dates:</u>
The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:
• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
• The member retires on disability.
• The member retires directly from short-term to long-term disability.
• 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.
• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.
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.</td>
<td>Cost-of-Living Adjustment (COLA) in Retirement
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%.

<u>Eligibility:</u>
Same as Plan 1.

<u>Exceptions to COLA Effective Dates:</u>
Same as Plan 1.</td>
<td>Cost-of-Living Adjustment (COLA) in Retirement
<u>Defined Benefit Component:</u>
Same as Plan 2.

<u>Defined Contribution Component:</u>
Not applicable.

<u>Eligibility:</u>
Same as Plan 1 and Plan 2.

<u>Exceptions to COLA Effective Dates:</u>
Same as Plan 1 and Plan 2.</td>
</tr>
</table>

NOTE 5 – Pension Plan (Continued)

Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** 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 and employer-paid comparable program for its members. 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.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military, 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. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** **Defined Benefit Component:** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. **Defined Contribution Component:** Not applicable.

Employees Covered by Benefit Terms

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

		Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits		4
Inactive Members		
Vested inactive members	1	
Non-vested inactive members	2	
Inactive members active elsewhere in VRS	1	
Total Inactive Members		4
Active Members		4
Total covered employees		12

NOTE 5 – Pension Plans (Continued)

Contributions

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

The Commission's contractually required contribution rate for the year ended June 30, 2022 was 3.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were $10,170 and $8,688 for the years ended June 30, 2022 and June 30, 2021, 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 the Commission, the net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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*

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 5 – Pension Plans (Continued)

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.

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.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 5 – Pension Plans (Continued)

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 5 – Pension Plans (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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
* Expected arithmetic nominal return			7.39%

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

Discount Rate

The discount rate used to measure the total 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, 2021, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue 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.

NOTE 5 – Pension Plans (Continued)

Change in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2020	$941,883	$848,446	$ 93,437
Changes for the year:			
Service cost	24,614	-	24,614
Interest	62,553	-	62,553
Changes of assumptions	59,922	-	59,922
Differences between expected and actual experience	(1,154)	-	(1,154)
Contributions – employer	-	8,903	(8,903)
Contributions – employee	-	12,573	(12,573)
Net investment income	-	232,812	(232,812)
Benefit payments, including refunds of employee contributions	(30,336)	(30,336)	-
Administrative expense	-	(573)	573
Other changes	-	22	(22)
Net changes	115,599	223,401	(107,802)
Balances at June 30, 2021	$1,057,482	$1,071,847	$ (14,365)

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Commission's Net Pension Liability	$140,179	$(14,365)	$(142,202)

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

For the year ended June 30, 2022, the Commission recognized pension expense of $18,707. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 5 – Pension Plans (Continued)

Summary of Deferred Outflows of Resources and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 458	$ 733
Changes of assumptions	38,053	-
Net difference between projected and actual earnings on plan investments	-	116,379
Employer contributions subsequent to the Measurement Date	10,170	-
Total	$48,681	$117,112

$10,170 reported as deferred outflows of resources related to pensions resulting from Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting Date Ending June 30,	
2023	$ (5,452)
2024	(10,859)
2025	(27,118)
2026	(35,172)
2027	-
Thereafter	-

Pension Plan Data

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

NOTE 6 – Notes Payable

On February 10, 2011 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a $125,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of $6,250 commencing on August 1, 2013.

On December 16, 2014 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a $200,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of $10,000 commencing on June 1, 2018.

NOTE 6 – Notes Payable (Continued)

On June 14, 2017 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a $250,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of $8,333 commencing on June 1, 2019.

On August 1, 2020 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a $175,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of $5,833 commencing on August 1, 2022.

The Commission entered into a new financing agreement with the Virginia Water Facilities Revolving Fund to receive a $175,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of $5,833 commencing on August 1, 2022.

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	Beginning	Additions	Deductions	Ending
VRA 2011 Note	$ 25,000	$ -	$ 25,000	$ -
VRA 2015 Note	97,293	-	77,177	20,116
VRA 2017 Note	208,333	-	37,536	170,797
VRA 2020 Note	80,910	94,090	67,500	107,500
VRA 2020 Note #2	-	5,190	-	5,190
Total	$411,536	$99,280	$207,213	$303,603

Mandatory debt service requirements consist of the following:

Year ending June 30,	Total
2023	$ 53,523
2024	28,449
2025	28,333
2026	28,333
2027	28,333
Thereafter	136,632
Total	$303,603

NOTE 7 – Lease Commitments

The Commission is obligated under an operating lease for office facilities. The 21-month facility lease commenced on October 1, 2018 and expired on June 30, 2020. The lease contains a provision whereby it automatically renews for a one-year period with a 3% increase in rent unless a three month notice to vacate is given. The lease calls for monthly payments in the amount of $2,140. Rent expense was $27,312 for the year ended June 30, 2022.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 8 – Leave Allocation

The leave allocation includes annual leave expense which is based on the amount of leave earned during the year. Other types of leave (i.e., holiday leave, administrative leave, etc.) are based on the amount of leave actually taken. Components for the leave allocation for the year ended June 30, 2022, are shown below:

Leave	
Annual	$42,996
Holiday	24,017
Sick	9,929
Total	$76,942

The leave allocation rate for the fiscal year ended June 30, 2022, is calculated as follows:

Leave allocation	$ 76,942	
Total regular time salaries, excluding leave	$438,531 =	17.55%

NOTE 9 – Fringe Benefit Allocation

Fringe benefit expense is allocated using the percentage of benefits to total salaries. The fringe benefit rate for the fiscal year ended June 30, 2022 is calculated as follows:

Fringe benefit expense	$112,491	
Total salaries	$449,928 =	25.00%

Components of fringe benefit expense for the year ended June 30, 2022, are shown below:

Fringe benefits	
Group health insurance	$ 56,878
Social security taxes	31,867
Retirement and special pension	18,865
Group life insurance	3,763
Long-term disability	973
Unemployment	145
Total	$112,491

NOTE 10 – Indirect Costs

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's direct salaries, leave, and fringe benefits to total direct salaries, leave, and fringe benefits (excluding temporary help). The indirect cost rate for the fiscal year ended June 30, 2022 is calculated as follows:

Indirect costs	$194,744	
Total direct salaries, consultant costs, leave, and fringe benefits	$799,031	= 24.37%

The following are included in indirect costs allocated to projects:

Salaries	$ 80,330
Rent and storage	27,912
Fringe benefits	21,174
Legal and accounting	9,571
Information technology	9,085
Printing and duplicating	7,471
Workshop and conferences	7,176
Consulting/contractual services	6,230
Office supplies	4,753
Dues and subscriptions	4,571
Telephone	4,327
Travel	3,889
Utilities	3,825
Insurance	2,057
Facility and equipment maintenance	945
Postage	861
Depreciation	366
Miscellaneous	201
Total	$194,744

NOTE 11 – Loans Receivable

The Commission operates several loan programs to provide low or no interest loans for wastewater, small business and housing projects. The loans are carried at the net realizable value, and all amounts are believed collectible as of June 30, 2022. Loan loss reserves exist for several of the programs.

NOTE 12 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through January 25, 2023, the date which the financial statements were available to be issued.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM
For the Year Ended June 30, 2022

	Local Programs	Rural Trans-portation Planning	Rideshare	Next Gen Shoreline	AHMP Update
Revenues					
Federal	$ -	$ 58,000	$ -	$ 5,960	$ 74,603
State	89,971	-	66,734	-	-
Local	270,171	-	-	-	-
Other	47,263	-	-	-	-
Total Revenues	407,405	58,000	66,734	5,960	74,603
Expenses					
Salaries	96,212	38,064	22,436	3,096	31,864
Fringe benefits	25,405	10,072	5,937	819	7,108
Meeting supplies	893	-	-	-	-
Dues and memberships	-	-	1,519	-	-
Accounting and audit	-	-	-	-	-
Legal services	9,500	756	-	-	-
Consultant and contractual	17,845	10,000	39,900	878	20,670
Construction	-	-	-	-	-
Promotion and advertising	-	-	45	-	-
Miscellaneous	-	-	-	-	-
Bad debt expense	-	-	-	-	-
Indirect expense	64,725	14,350	13,386	1,168	14,533
Total Expenses	214,580	73,242	83,223	5,961	74,175
Revenues Over (Under) Expenses	192,825	(15,242)	(16,489)	(1)	428
General Fund Support	(129,882)	15,242	16,489	1	(428)
Revenues and General Fund Support Over (Under) Expenses	$ 62,943	$ -	$ -	$ -	$ -

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM
For the Year Ended June 30, 2022

	Coastal Technical Assistance	DEQ Planner	Septic Pump out	Ecotourism	NFWF Mathews	NFWF Landowners Living Shoreline Management	Living Shorelines Incentives
	$ 63,740	$ 62,422	$ 47,152	$ 10,355	$ -	$ 128,470	$ -
	-	-	4,538	-	-	-	-
	-	-	-	-	53,949	-	-
	-	-	-	-	15,000	-	2,000
	63,740	62,422	51,690	10,355	68,949	128,470	2,000
	47,469	30,958	13,799	6,918	4,355	-	607
	12,198	7,226	3,651	1,566	1,152	-	161
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	465
	-	-	-	-	-	-	375
	47,885	25,821	24,165	7,819	-	-	-
	-	-	-	-	54,609	130,000	-
	-	-	-	-	-	-	-
	-	-	-	-	1,200	-	-
	-	-	-	-	-	-	-
	21,384	15,596	10,141	4,960	7,633	-	392
	128,936	79,601	51,756	21,263	68,949	130,000	2,000
	(65,196)	(17,179)	(66)	(10,908)	-	(1,530)	-
	65,196	17,179	66	10,908	-	1,530	-
	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	VHDA Housing Development	VPA	GA Lobby	PAA Administration	DCR FTF Applications
Revenues					
Federal	$ -	$ 3,724	$ -	$ -	$ -
State	99,592	167,596	-	-	13,353
Local	-	-	30,000	43,376	-
Other	-	-	-	-	-
Total Revenues	99,592	171,320	30,000	43,376	13,353
Expenses					
Salaries	17,759	16,125	-	30,467	-
Fringe benefits	1,855	3,600	-	8,062	-
Meeting supplies	-	-	-	-	-
Dues and memberships	-	-	-	-	-
Accounting and audit	-	-	-	-	-
Legal services	-	-	-	914	11,769
Consultant and contractual	-	143,900	30,000	-	-
Construction	75,199	-	-	-	-
Promotion and advertising	-	-	-	-	-
Miscellaneous	-	-	-	-	41
Bad debt expense	-	-	-	-	-
Indirect expense	4,779	3,793	-	9,612	2,837
Total Expenses	99,592	167,418	30,000	49,055	14,647
Revenues Over (Under) Expenses	-	3,902	-	(5,679)	(1,294)
General Fund Support	-	(3,902)	-	5,679	1,294
Revenues and General Fund Support Over (Under) Expenses	$ -	$ -	$ -	$ -	$ -

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM
For the Year Ended June 30, 2022

EECBG Administration	Onsite Loan Management	MPBDP Support	MPA Staff Support	Total
$ -	$ -	$ -	$ -	$ 3,724
-	-	-	-	280,541
-	-	-	12,288	85,664
235	14,027	661	-	14,923
235	14,027	661	12,288	384,852
198	687	420	8,164	73,820
52	182	111	2,160	16,022
-	-	-	-	-
-	-	-	-	-
-	952	-	-	952
-	3,900	-	-	16,583
-	-	-	-	173,900
-	-	-	-	75,199
-	-	-	-	-
-		-	-	41
-	5,558	-	-	5,558
61	2,748	130	2,516	26,476
311	14,027	661	12,840	388,551
(76)	-	-	(552)	(3,699)
76	-	-	552	3,699
$ -	$ -	$ -	$ -	$ -

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2022

	Actual	Original Budget	Revised Budget	Favorable (Unfavorable)
Operating Revenues				
Grants and appropriations				
Federal grants	$ 454,426	$ 516,392	$ 675,215	$ (220,789)
State grants and appropriations	441,784	440,236	1,293,963	(852,179)
Local grants and appropriations	409,784	292,778	393,859	15,925
Miscellaneous	76,663	2,500	10,100	66,563
Total Operating Revenues	1,382,657	1,251,906	2,373,137	(990,480)
Operating Expenses				
Consultant and contractual	634,922	502,636	1,350,100	715,178
Salaries	449,929	420,095	443,645	(6,284)
Fringe benefits	112,491	114,507	116,281	3,790
Legal and accounting	38,200	15,500	19,500	(18,700)
Rent and utilities	31,737	31,744	31,244	(493)
Printing and duplicating	8,031	4,800	7,290	(741)
Subscriptions and publications	7,361	7,500	7,500	139
Website and internet	6,927	14,900	20,493	13,566
Office supplies	6,500	3,000	3,500	(3,000)
Dues and memberships	5,827	5,529	5,529	(298)
Bad debt	5,558	-	-	(5,558)
Telephone	4,327	2,800	3,750	(577)
Lodging and staff expense	3,889	4,025	4,031	142
Miscellaneous	1,755	3,700	4,700	2,945
Insurance	1,523	2,138	2,024	501
Meeting supplies and expenses	1,210	1,400	1,200	(10)
Postage	902	1,000	1,000	98
Vehicle costs	534	1,000	1,000	466
Depreciation	366	-	-	(366)
Promotion and advertising	125	-	500	375
Professional development	123	1,000	1,000	877
Total Operating Expenses	1,322,237	1,137,274	2,024,287	702,050
Operating Income	60,420	114,632	348,850	(288,430)
Non-Operating Revenues (Expenses)				
Interest income	2,523	1,200	2,400	123
GASB 68 pension expense	(8,322)	-	-	(8,322)
Change in Net Position	54,621	115,832	351,250	(296,629)
Net Position - Beginning of Year	676,371	676,371	676,371	-
Net Position - End of Year	$ 730,992	$ 792,203	$1,027,621	$ (296,629)

See accompanying notes

Dunham, Aukamp & Rhodes, PLC
Certified Public Accountants

4437 Brookfield Corporate Dr., Suite 205-D
Chantilly, VA 20151

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 Commissioners
Middle Peninsula 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, the business-type activities and the aggregate remaining fund information of Middle Peninsula Planning District Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Middle Peninsula Planning District Commission's basic financial statements, and have issued our report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Dunham, Aukamp & Rhodes, PLC

Certified Public Accountants
Chantilly, Virginia

January 25, 2023

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY AND RELATED RATIOS
For the Plan Years Ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	$ 24,614	$ 20,752	$ 23,285	$ 22,841	$ 33,694	$ 32,598	$ 35,411	$ 33,666
Interest	62,553	57,514	54,652	51,597	47,499	44,855	56,054	51,210
Differences between expected and actual experience	(1,154)	23,312	(13,208)	(14,068)	2,582	(27,899)	(247,777)	-
Changes of assumptions	59,922	-	26,733	-	(7,504)	-	-	-
Benefit payments, including refunds of employee contributions	(30,336)	(23,519)	(16,756)	(16,701)	(18,748)	(4,821)	(2,534)	(28,811)
Net change in total pension liability	115,599	78,059	74,706	43,669	57,523	44,733	(158,846)	56,065
Total pension liability - beginning	941,883	863,824	789,118	745,449	687,926	643,193	802,039	745,974
Total pension liability - ending (a)	$1,057,482	$ 941,883	$ 863,824	$ 789,118	$ 745,449	$ 687,926	$ 643,193	$ 802,039
Plan fiduciary net position								
Contributions - employer	$ 8,903	$ 10,542	$ 8,734	$ 11,043	$ 13,393	$ 30,454	$ 29,567	$ 41,066
Contributions - employee	12,573	11,710	9,332	10,076	12,257	14,502	14,079	15,942
Net investment income	232,812	15,990	52,729	53,890	78,809	11,707	25,306	69,634
Benefit payments, including refunds of employee contributions	(30,336)	(23,519)	(16,756)	(16,701)	(18,748)	(4,821)	(2,534)	(28,811)
Administrative expense	(573)	(538)	(507)	(452)	(440)	(340)	(299)	(348)
Other changes	22	(19)	(33)	(48)	(71)	(5)	(5)	4
Net change in plan fiduciary net position	223,401	14,166	53,499	57,808	85,200	51,497	66,114	97,487
Plan fiduciary net position - beginning	848,446	834,280	780,781	722,973	637,773	586,276	520,162	422,675
Plan fiduciary net position - ending (b)	$1,071,847	$ 848,446	$ 834,280	$ 780,781	$ 722,973	$ 637,773	$ 586,276	$ 520,162
Commission's Net Pension Liability (Asset) - Ending (a) - (b)	$ (14,365)	$ 93,437	$ 29,544	$ 8,337	$ 22,476	$ 50,153	$ 56,917	$ 281,877
Plan fiduciary net position as a percentage of the total pension liability	101.36%	90.08%	96.58%	98.94%	96.98%	92.71%	91.15%	64.85%
Covered payroll	$ 205,390	$ 263,543	$ 202,447	$ 201,515	$ 244,398	$ 290,036	$ 281,589	$ 325,839
Commission's net pension liability as percentage of covered payroll	-6.99%	35.45%	14.59%	4.14%	9.20%	17.29%	20.21%	86.51%

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
COMMISSION RETIREMENT PLAN
FOR THE YEARS ENDED JUNE 30, 2013 THROUGH 2022

	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2022	$ 10,170	$ 10,170	$ -	$239,234	4.25%
2021	8,688	8,688	-	205,390	4.23%
2020	11,148	9,332	1,816	263,543	3.54%
2019	9,475	8,734	741	202,447	4.31%
2018	9,431	11,043	(1,612)	201,515	5.48%
2017	13,393	13,393	-	244,398	5.48%
2016	30,454	30,454	-	290,036	10.50%
2015	29,567	27,344	2,223	281,589	9.71%
2014	41,968	41,070	898	325,839	12.60%
2013	42,064	39,438	2,626	326,582	12.08%

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

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 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 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 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