Thomas Jefferson

Planning District Commission

Financial Report

Year Ended June 30, 2015

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

DIRECTORY OF PRINCIPAL OFFICIALS

OFFICERS

Allen Hale, Chairperson
Kathy Galvin, Vice Chairperson
Genevieve Keller, Treasurer

COMMISSIONERS

City of Charlottesville

Kathy Galvin*
Genevieve Keller

Albemarle County

Liz Palmer*
Diantha McKeel*

Fluvanna County

Tony O'Brien*
Keith Smith

Greene County

Bill Martin*
Andrea Wilkinson

Nelson County

Allen Hale*
Tim Padalino

Louisa County

Tommy Barlow*
Dan Byers*

* Denotes local elected official

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY *CERTIFIED PUBLIC ACCOUNTANTS*

Independent Auditors' Report

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Thomas Jefferson Planning District Commission, as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 15 to the financial statements, in 2015, the Commission adopted new accounting guidance, GASB Statement Nos. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to of pension funding, on pages 3-6, 44, and 45-47 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Thomas Jefferson Planning District Commission's basic financial statements. The supporting schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supporting schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of the Thomas Jefferson Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Thomas Jefferson Planning District Commission's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 9, 2015

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015
CHIP BOYLES II EXECUTIVE DIRECTOR

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

USING THIS REPORT AND FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

For FY15, TJPDC had total revenues of $2,099,077 and total expenditures of $2,078,455 resulting in a fund balance increase of $20,622. Adjustments for capital outlays, depreciation, accrued leave, and pension related items increase that to a net increase in net position of $39,406 for the year. Included in revenues and expenditures are $812,346 in pass-through funds. The FY15 audit calculates the indirect cost rate based on actual indirect costs divided by the total staff salary and fringe costs applied to projects for the year. That calculated rate is 86%. This rate normally serves as the indirect cost rate for the fiscal year following completion of the audit which would be FY17. The TJPDC has elected to continue to use an indirect cost rate of 79% for FY17 for the purpose of billing to grants and contractual programs. This is the calculated rate from the FY13 audit, used as the indirect cost rate for billing purposes for FY15 and FY16.

The General Fund

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

The following table (Table 1) is a summary of the General Fund's revenues and expenditures for the years ended June 30, 2015 and 2014:

TABLE 1 - GENERAL FUND REVENUE AND EXPENDITURES

	FY2015	FY2014	Change From FY2014
Revenues	$ 265,515	$ 258,278	$ 7,237
Expenditures	244,893	420,928	(176,035)
Excess revenues over expenditures	$ 20,622	$ (162,650)	$ 183,272
Other financing sources – capital lease	-	-	
Net change in fund balance	$ 20,622	$ (162,650)	$ 182,272
Fund balance, beginning	399,748	562,398	
Fund balance, ending	$ 420,370	$ 399,748	

FINANCIAL HIGHLIGHTS: (CONTINUED)

The General Fund: (Continued)

During FY15, General Fund revenues increased by $7,237, from $258,278 in FY14 to $265,515 in FY15. Expenses decreased significantly from $420,928 in FY14 to $244,893 in FY15, a difference of $162,650. The increase in the General Fund over the year was $183,272. Primary changes between FY14 and FY15 were:

- Locality per capita revenue increased from $144,380 in FY14 to $148,075 in FY15. Local revenue is reduced by funds applied to projects as match, for programs without dedicated funding, and to cover shortfalls. Revenue from locally funded projects increased slightly.
- General fund expenditures include staff costs and direct expenses for administrative functions. For FY14, this included severance payments. Staff time charged to administration was lower in FY15 than in FY14. Costs for General Activities, Network/Website, and Grant Writing decreased from a total of $85,904 in FY14 to $65,076 in FY15. The amount of indirect costs recovered through programs was $359,859 for FY15, compared to $306,937 for FY14, reducing net administrative costs.

Special Revenue Funds

Special Revenue Funds are the grant funds and other revenues dedicated to specific programs and projects. Special Revenue Funds income accounts for the vast majority of funds coming to the TJPDC. For FY15, both the transportation and HOME programs were above $300,000, and were classified as major programs. HOME pass-through funds were $804,605 in FY15, compared to $194,861 in FY14. Special Revenue Funds are reflected as Federal and Non-Federal Grant Revenues in Table 2. During FY15, the Commission's net position increased by $39,406, the total of two sub-totals shown in Table 2:

- Excess revenues over expenditures of $49,034 and
- ($9,628) reflecting the plotter lease amortization and furniture depreciation.

A summary of the Commission's Statement of Activities is presented below on the full accrual basis. (See page 8 for June 30, 2015 detail):

TABLE 2 - STATEMENT OF ACTIVITIES

	FY2015	FY2014	Change From FY2014
Federal Grant Revenues	$ 1,378,004	$ 1,486,663	$ (108,659)
Non-Federal Grant Revenues	455,558	589,080	(133,522)
Special Fund Revenue	$ 1,833,562	$ 2,075,743	$ (242,181)
General Fund Revenue	$ 265,515	$ 258,278	$ 7,237
Total Revenues	$ 2,099,077	$ 2,334,021	$ (234,944)
Current Operation Expenses	$ 1,237,697	$ 2,281,983	$ (1,044,286)
Pass-Through Funds	812,346	207,797	604,549
Total Expenses	$ 2,050,043	$ 2,489,780	$ (439,737)
Excess of Revenues over/(under) Expenses	$ 49,034	$ (155,759)	$ 204,793
Capital Outlays and Depreciation, net	(9,628)	(9,627)	(1)
Changes in Net Position of Governmental Activities	$ 39,406	$ (165,386)	$ 204,792

FINANCIAL HIGHLIGHTS: (CONTINUED)

Special Revenue Funds: (Continued)

During the fiscal year ended June 30, 2015, Special Revenue Funds income totaled $1.83 million, a decrease from FY14. Special Fund Revenues consisted of:

- $653,105 for transportation. This included the MPO, Rural Transportation and the Lead Adopter Incentive Implementation Assistance Grant for the Free Bridge Area Congestion Relief Project implementing the Eco-logical tool and process. Transportation Enhancement projects in Stanardsville and at the Emmet/JPA intersection were also part of the transportation revenue, with most of that revenue used to pay for construction. Revenue for the Emmet/JPA project was fairly even between FY14 and FY15, but revenue from the Stanardsville project decreased from $708,591 in FY14 to $17,001 in FY15. $40,000 of FY14 MPO Planning (PL) funding was shifted to FY15 at TJPDC's request.

- $339,745 for other governmental funds, including $193,459 RideShare and the Travel Demand Management Plan, $117,958 for the Legislative Liaison, and $29,161 for the Stormwater BMP inventory funded by DEQ.

- $840,712 for HUD-funded programs, including $804,605 in HOME pass-through

YEAR-END ANALYSIS OF THE COMMISSION

A summary of the Commission's Statement of Net Position (see page 7 for June 30, 2015 detail) is presented below:

TABLE 3 - STATEMENT OF NET POSITION

	FY2015	FY2014	Change From FY2014
Current and Other Assets	$ 665,228	$ 976,775	$ (311,547)
Capital Assets, net	10,921	20,549	(9,628)
Total Assets	$ 676,149	$ 997,324	$ (321,175)
Deferred Outflows of Resources	$ 21,536	-	$ 21,536
Total Assets and Deferred Outflows	$ 697,685	$ 997,324	$ (299,639)
Long-term Debt	$ -	$ 211	$ (211)
Other Liabilities	66,045	631,786	(565,741)
Total Liabilities	$ 66,045	$ 631,997	$ (565,952)
Deferred Inflows of Resources	$ 97,481	-	$ 97,481
Net Investment in Capital Assets	10,710	17,905	(7,195)
Unrestricted Net Position	523,449	347,422	176,027
Total Net Position	$ 534,159	$ 365,327	$ 168,832
Total Liabilities, Deferred inflows and Net Position	$ 697,685	$ 997,324	$ (299,639)

Total Liabilities and Net Position shows a snapshot of receivables and payables on June 30, 2015; the change from FY14 reflects the normal variation from year to year.

ORIGINAL BUDGET VS FINAL BUDGET

The Commission approved equalized member assessments for FY15 based on the 2011 Provisional Weldon Cooper Population Estimates and a $0.62 per capita rate and adopted the initial FY15 budget at their November 7, 2013 meeting to serve as the basis for budget requests to the member localities. The FY15 budget requests were the same as the FY14 requests, and were submitted between November 2013 and January 2014. For FY15, all requests were fully funded. In accordance with the Bylaws, the Commission adopted the FY15 budget at their May 1, 2014 meeting; this was used for the submission to the Virginia Department of Housing and Community Development (DHCD) along with the FY15 Work Program. The Commission adopted the final budget, reflecting updated projections of revenues and expenditures, at their November 6, 2014 meeting. This budget was used for the financial reporting to the Commission for FY15.

FINAL BUDGET VS ACTUAL RESULTS

A summary of the Commission's Final Budget (see page 44 for detail) is presented below:

TABLE 4 - BUDGET TO ACTUAL

	Budget	Actual	% of Budget
REVENUES (INFLOWS)			
Federal grants	$ 368,054	$ 565,658	153.69%
Federal pass-through	500,006	812,346	162.47%
State grants	589,785	259,542	44.00%
Local per capita	148,075	148,075	0.00%
Other Local funds	228,884	310,170	135.51%
Miscellaneous sources	400	3,286	821.50%
	$ 1,844,704	$ 2,099,077	113.79%
EXPENDITURES (OUTFLOWS)			
Operating expenses	$ 1,368,229	$ 1,266,109	92.54%
Pass-through expenses	500,006	812,346	162.47%
Total expenses	$ 1,868,235	$ 2,078,455	111.25%

FY15 total revenues were about 14% more than budgeted revenues, but this included much higher pass-through revenue than anticipated. Without pass-through, revenues for the TJPDC were $1,286,731 or about 4% less than the budgeted revenues for the fiscal year.

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
At June 30, 2015

		Governmental Activities
Assets:		
Current assets:		
Cash and cash equivalents	$	311,693
Receivables, net		23,248
Due from other governments:		
Federal		80,095
State		14,907
Prepaid expenses		13,259
Total current assets	$	443,202
Noncurrent assets:		
Net pension asset	$	222,026
Capital assets (net of depreciation):		
Leasehold improvements, vehicles, furniture and equipment	$	10,921
Total noncurrent assets	$	232,947
Total assets	$	676,149
Deferred Outflows of Resources:		
Pension contributions subsequent to measurement date	$	21,536
Total assets and deferred outflows of recources	$	697,685
Liabilities:		
Current liabilities:		
Accounts payable	$	17,313
Compensated absences		43,002
Capital lease, current portion		211
Unearned revenue		5,519
Total current liabilities	$	66,045
Total liabilities	$	66,045
Deferred Inflows of Resources:		
Items related to measurement of net pension liability	$	97,481
Net Position:		
Net investment in capital assets	$	10,710
Unrestricted		523,449
Total net position	$	534,159
Total liabilities, deferred inflows of resources and net position	$	697,685

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

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary Government					
Governmental activities					
Passed-through to other agencies	$ 812,346	$ -	$ -	$ 812,346	$ -
Programs administration:					
Office	549,426	(323,317)	364	-	(225,745)
Department of Transportation	470,745	174,619	-	645,364	-
Department of Housing and Urban Development	20,608	15,499	-	36,107	-
Environmental Protection Agency	20,763	8,399	-	29,162	-
Virginia Department of Rail and Public Transportation	114,775	77,850	-	192,625	-
Legislative Liaison	71,008	46,950	-	117,958	-
Total governmental activities	$ 2,059,671	$ -	$ 364	$ 1,833,562	$ (225,745)

General Revenues	
Intergovernmental revenue not restricted to specific programs	$ 262,229
Revenue from use of money	2,922
Total general revenues	$ 265,151
Change in net position	$ 39,406
Net position, beginning of year, as restated	494,753
Net position, end of year	$ 534,159

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

Fund Financial Statements

Balance Sheet
Governmental Funds
At June 30, 2015

	General Fund	Department of Transportation	HOME Department of Housing and Urban Development	Sustainable Communities Department of Housing and Urban Development	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 311,693	$ -	$ -	$ -	$ -	$ 311,693
Receivables (net of allowance for uncollectibles):						
Accounts	23,248	-	-	-	-	23,248
Due from other governments:						
Federal	-	49,943	992	-	29,160	80,095
State	-	5,010	-	-	9,897	14,907
Prepaid items	13,259	-	-	-	-	13,259
Total assets	$ 348,200	$ 54,953	$ 992	$ -	$ 39,057	$ 443,202
Liabilities:						
Accounts payable and accrued expenses	$ 4,555	$ 1,411	$ -	$ -	$ 11,347	$ 17,313
Due to other funds	(81,710)	53,542	992	-	27,176	-
Unearned revenue	4,985	-	-	-	534	5,519
Total liabilities	$ (72,170)	$ 54,953	$ 992	$ -	$ 39,057	$ 22,832
Fund Balance:						
Nonspendable						
Prepaid items	$ 13,259	$ -	$ -	$ -	$ -	$ 13,259
Unassigned	407,111	-	-	-	-	407,111
Total fund balance	$ 420,370	$ -	$ -	$ -	$ -	$ 420,370
Total liabilities and fund balance	$ 348,200	$ 54,953	$ 992	$ -	$ 39,057	$ 443,202

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
At June 30, 2015

Total fund balance for governmental funds (Exhibit 3)		$ 420,370
Total net position reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Depreciable capital assets, net of accumulated depreciation	$ 10,921	
Total capital assets		10,921
The net pension asset is not an available resource and, therefore, is not reported in the funds.		222,026
Pension contributions made subsequent to the measurement date will be an increase in the net pension asset in the next fiscal year and therefore, are not reported in the funds.		21,536
Items related to the measurement of the net pension liability which includes the net difference between projected and actual earnings on plan investments		(97,481)
Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Balances of long-term liabilities affecting net position are as follows:		
Capital lease	$ (211)	
Compensated absences	(43,002)	
Total long-term liabilities		(43,213)
Total net position of governmental activities (Exhibits 1 and 2)		$ 534,159

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

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION **Exhibit 5**

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Department of Transportation	HOME Department of Housing and Urban Development	Sustainable Communities Department of Housing and Urban Development	Other Governmental Funds	Total Governmental Funds
Revenues:						
Federal Grants:						
Commission	$ -	$ 501,629	$ 34,867	$ -	$ 29,162	$ 565,658
Pass-Through	-	7,741	804,605	-	-	812,346
State Grants	75,971	29,500	-	-	154,071	259,542
Other:						
Localities	186,258	114,235	1,154	86	156,512	458,245
Charges for services	364	-	-	-	-	364
Revenue from the use of money and property	2,922	-	-	-	-	2,922
Total revenues	$ 265,515	$ 653,105	$ 840,626	$ 86	$ 339,745	$ 2,099,077
Expenditures:						
Current:						
Administrative	$ 242,350	$ -	$ -	$ -	$ -	$ 242,350
Department of Transportation	-	653,105	-	-	-	653,105
Department of Housing and Urban Development	-	-	840,626	86	-	840,712
Environmental Protection Agency	-	-	-	-	29,162	29,162
Virginia Department of Rail and Public Transportation	-	-	-	-	192,625	192,625
Legislative Liason	-	-	-	-	117,958	117,958
Debt service:						
Principal retirement	2,433	-	-	-	-	2,433
Interest and other fiscal charges	110	-	-	-	-	110
Total expenditures	$ 244,893	$ 653,105	$ 840,626	$ 86	$ 339,745	$ 2,078,455
Excess (deficiency) of revenues over (under) expenditures	$ 20,622	$ -	$ -	$ -	$ -	$ 20,622
Net changes in fund balance	$ 20,622	$ -	$ -	$ -	$ -	$ 20,622
Fund balance at beginning of year	399,748	-	-	-	-	399,748
Fund balance at end of year	$ 420,370	$ -	$ -	$ -	$ -	$ 420,370

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balance - total governmental funds (Exhibit 5)	$	20,622
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Depreciation expense		(9,628)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Details of this adjustment are as follows:		
Principal retired on capital lease		2,433
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Difference in pension expense and employer contributions made to the pension plan during the year		16,655
Change in compensated absences		9,324
Change in net position of governmental activities (Exhibit 2)	$	39,406

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

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

B. Basic Financial Statements – Government-wide Statements

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

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

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

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

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

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

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

C. Basic Financial Statements – Fund Financial Statements

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

The following fund types are used by the Commission:

Governmental Funds:

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

1. *General Fund* is the general operating fund of the Commission. It is used to account for and report all financial resources except those required to be accounted for in another fund.

2. *Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenses for specified purposes.

Major and Nonmajor Funds:

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

1. The General Fund is always classified as major.

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

The Commission's funds are classified as follows:

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

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

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

Major and Nonmajor Funds: (Continued)

Fund	Brief Description
Nonmajor–Other Governmental Funds:	
Special Revenue Funds:	
Department of Mines, Minerals and Energy	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Department of Mines, Minerals and Energy.
Department of Conservation and Recreation	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Department of Conservation and Recreation.
Virginia Department of Rail and Public Transportation	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Rail and Public Transportation.
Department of Emergency Management	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Emergency Management.
Legislative Liaison	See Note 14–Local Legislative Liaison note.

D. Basis of Accounting

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

1. *Accrual* – Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

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

E. Budgets and Budgetary Accounting

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

1. Prior to December 31, the Executive Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

2. After the budget is approved by the Commission, it is presented to the local governing bodies within its jurisdiction for approval of appropriations to the Commission.

3. The budget amounts depend on the staff securing grants and contracts throughout the year; therefore, appropriate budget revisions are proposed and approved by the Commission during the year. The Commission adopts a working budget for the fiscal year beginning July 1 at their May meeting, per the Bylaws. The Commission adopts the final budget for use in financial reporting at the November meeting.

4. The approved budget is utilized as a management control device.

5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. All budgetary data presented in the accompanying financial statements represents both the original and revised budgets as of June 30.

F. Use of Estimates

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

G. Cash and Cash Equivalents

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

The Commission had no investments as of June 30, 2015. All savings, money market accounts, and certificates of deposit are considered deposits and, therefore, included in the above referenced deposits.

H. Receivables and Payables

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

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

I. Prepaid Items

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

J. Net Position

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

K. Net Position Flow Assumption

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

L. Property and Equipment

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

Furniture and equipment	3 - 10 years
Vehicle	5 years
Leasehold improvements	Remaining life of lease

M. Unearned Revenue

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

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

N. Deferred Outflows/Inflows of Resources Equipment

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has one type of item that qualifies for reporting in this category. Certain items related to the measurement of the net pension liability are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan investments. For more detailed information on these items, reference the pension note.

O. Pensions

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.

P. Fund Equity

The Commission reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

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

P. Fund Equity: (Continued)

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

NOTE 2–DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

Statutes authorize the Commission to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The Commission does not have any investments.

NOTE 3–ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS:

Accounts and due from other governments are as follows:

Federal government:		
Department of Transportation	$	49,943
Department of Housing and Urban Development		992
EPA		29,160
Total Federal Government	$	80,095
State:		
Department of Transportation	$	5,010
Department of Rail and Public Transportation		9,897
Total State	$	14,907
Accounts Receivable:		
Louisa	$	9,832
Greene		5,108
Other		8,308
Total Other	$	23,248

NOTE 4–INTERFUND OBLIGATIONS:

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

	Interfund Receivable	Interfund Payable
General Fund	$ 81,710	$ -
Department of Transportation	-	53,542
HOME Department of Housing and Urban Development	-	992
Non-major Governmental Funds	-	27,176
Total	$ 81,710	$ 81,710

NOTE 5–CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital assets, being depreciated:				
Office furniture and equipment	$ 98,012	$ -	$ -	$ 98,012
Vehicle	31,734	-	-	31,734
Leasehold improvements	11,993	-	-	11,993
Total capital assets being depreciated	$ 141,739	$ -	$ -	$ 141,739
Less accumulated depreciation for:				
Office furniture and equipment	$ 77,463	$ 9,628	$ -	$ 87,091
Vehicle	31,734	-	-	31,734
Leasehold improvements	11,993	-	-	11,993
Total accumulated depreciation	$ 121,190	$ 9,628	$ -	$ 130,818
Total capital assets being depreciated, net	$ 20,549	$ (9,628)	$ -	$ 10,921
Governmental activities capital assets, net	$ 20,549	$ (9,628)	$ -	$ 10,921

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Office administration	$ 9,628
Total governmental activities	$ 9,628

NOTE 6–COMPENSATED ABSENCES:

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

Years of Services	Days Per Month	Days of Annual Leave Per Year
0-5	1	12
6-10	1 1/4	15
Over 10	1 1/2	18

An employee may accumulate a maximum of 30 days of annual leave. At the time of separation of employment, the employee will be compensated for the accumulated leave balance. Accrued annual leave was $43,002 as of June 30, 2015. The following is a summary of changes in accrued annual leave for the year ended June 30, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
$ 52,326	$ -	$ 9,324	$ 43,002

NOTE 7–LONG-TERM LIABILITIES:

The following is a summary of changes in long-term liabilities for the year:

	Balance July 1, 2014	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities:					
Capital lease	$ 2,644	$ -	$ 2,433	$ 211	$ 211
Compensated absences	52,326	-	9,324	43,002	43,002
Total Governmental Activities	$ 54,970	$ -	$ 11,757	$ 43,213	$ 43,213

NOTE 7–LONG-TERM LIABILITIES: (CONTINUED)

The annual requirements to amortize long-term liabilities and related interest are as follows:

Year Ending June 30,	Capital Lease Principal	Capital Lease Interest
2016	$ 211	$ 1
Total	$ 211	$ 1

Details of long-term liabilities as of June 30, 2014 are as follows:

	Amount	Due within One Year
Capital lease:		
Capital lease issued in July 2012, payable in monthly installments of principal and interest in the amount of $212 through July 2015, interest payable at 7.13%. Lease is for a plotter with a cost of $6,850.	$ 211	$ 211
Compensated absences	$ 43,002	$ 43,002
Total long-term liabilities	$ 43,213	$ 43,213

NOTE 8–COMMITMENTS/CONTINGENT LIABILITIES:

Federal programs in which the Commission participates were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

NOTE 9–PENSION PLAN:

Plan Description

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

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:

RETIREMENT PLAN PROVISIONS		
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, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for 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.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members") • The defined benefit is based on a member's age, creditable service 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.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
		• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013. **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.	**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.	**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.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Hybrid Opt-In Election (Cont.) 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.	**Hybrid Opt-In Election (Cont.)** Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	***Non-Eligible Members (Cont.)** 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 Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.	**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 required to match those voluntary contributions according to specified percentages.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service 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.	**Creditable Service** Same as Plan 1.	**Creditable Service** **Defined Benefit Component:** Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service 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. **Defined Contributions Component:** Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT 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 creditable service. 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** **Defined Benefit Component:** 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 creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **Defined Contributions Component:** 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.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Vesting (Cont.)	**Vesting (Cont.)**	**Vesting (Cont.)** **<u>Defined Contributions Component:</u> (Cont.)** 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. • 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 by law until age 70½.
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **<u>Defined Benefit Component:</u>** See definition under Plan 1

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Calculating the Benefit (Cont.) An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	**Calculating the Benefit (Cont.)**	**Calculating the Benefit (Cont.)** **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 their 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%. **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:** 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 creditable service earned, purchased or granted on or after January 1, 2013. **Sheriffs and regional jail superintendents:** Same as Plan 1. **Political subdivision hazardous duty employees:** 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. **Political subdivision hazardous duty employees:** Not applicable. **Defined Contribution Component:** Not applicable.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Normal Retirement Age **VRS:** Age 65. **Political subdivisions hazardous duty employees:** Age 60.	**Normal Retirement Age** **VRS:** Normal Social Security retirement age. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Normal Retirement Age** **Defined Benefit Component:** **VRS:** Same as Plan 2. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** 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 creditable service or at age 50 with at least 30 years of creditable service. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.	**Earliest Unreduced Retirement Eligibility** **VRS:** Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** 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 creditable service or age 50 with at least 10 years of creditable service.	**Earliest Reduced Retirement Eligibility** **VRS:** Age 60 with at least five years (60 months) of creditable service.	**Earliest Reduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Earliest Reduced Retirement Eligibility (Cont.) **Political subdivisions hazardous duty employees:** 50 with at least five years of creditable service.	**Earliest Reduced Retirement Eligibility (Cont.)** **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility (Cont.)** **Political subdivisions hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
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 creditable service, 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 creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	**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	**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.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Cost-of-Living Adjustment (COLA) in Retirement (Cont.) **Exceptions to COLA Effective Dates:** 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 or long-term disability under the Virginia Sickness and Disability Program (VSDP). • 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.	**Cost-of-Living Adjustment (COLA) in Retirement (Cont.)** **Exceptions to COLA Effective Dates:** Same as Plan 1	**Cost-of-Living Adjustment (COLA) in Retirement (Cont.)** **Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.

NOTE 9–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**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. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	**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 an 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 service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service 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** **<u>Defined Benefit Component:</u>** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. **<u>Defined Contribution Component:</u>** Not applicable.

NOTE 9–PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2013 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	7
Inactive members:	
Vested inactive members	7
Non-vested inactive members	8
Inactive members active elsewhere in VRS	8
Total inactive members	23
Active members	13
Total covered employees	43

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. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Commission's contractually required contribution rate for the year ended June 30, 2015 was 3.82% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were $21,536 and $37,157 for the years ended June 30, 2015 and June 30, 2014, respectively.

NOTE 9–PENSION PLAN: (CONTINUED)

Net Pension Asset

The Commission's net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

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, 2013, 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, 2014.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 – Non-LEOS:
Pre-Retirement:
RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:
RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:
RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

NOTE 9–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

All Others (Non 10 Largest) – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:
- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:
- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

NOTE 9–PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

NOTE 9–PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Commission's Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability /Asset

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) - (b)**
Balances at June 30, 2013	$ 1,273,173	$ 1,365,442	$ (92,269)
Changes for the year:			
Service cost	$ 69,411	$ -	$ 69,411
Interest	87,524	-	87,524
Differences between expected and actual experience	-	-	-
Contributions - employer	-	37,157	(37,157)
Contributions - employee	-	32,439	(32,439)
Net investment income	-	218,230	(218,230)
Benefit payments, including refunds of employee contributions	(45,653)	(45,653)	-
Administrative expenses	-	(1,145)	1,145
Other changes	-	11	(11)
Net changes	$ 111,282	$ 241,039	$ (129,757)
Balances at June 30, 2014	$ 1,384,455	$ 1,606,481	$ (222,026)

NOTE 9–PENSION PLAN: (CONTINUED)

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

The following presents the net pension liability/asset of the Commission using the discount rate of 7.00%, as well as what the Commission's net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	(6.00%)	**(7.00%)**	**(8.00%)**
Commission			
Net Pension Liability (asset)	$ (31,012)	$ (222,026)	$ (377,685)

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

For the year ended June 30, 2015, the Commission recognized pension expense of $4,881. At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	97,481
Employer contributions subsequent to the measurement date	21,536	-
Total	$ 21,536	$ 97,481

NOTE 9–PENSION PLAN: (CONTINUED)

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

$21,536 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2016	$	(24,370)
2017		(24,370)
2018		(24,370)
2019		(24,371)
Thereafter		-

NOTE 10–DEFERRED COMPENSATION PLAN:

During the year ended June 30, 1998, the employees of the Commission adopted a Section 457 Deferred Compensation Plan. The Commission delegates administrative and investment responsibilities for its 457 Plan assets to a third-party administrator. Based on an analysis of GASB Statement No. 32, it appears the Commission does not have to report these assets on their financial statements.

Employee contributions to this plan for the year ended June 30, 2015 were $23,750. There were no matching contributions.

NOTE 11–UNEARNED REVENUE:

The details of unearned revenue at June 30, 2015 are as follows:

General Fund	$	4,985
Special Revenue Funds		534
	$	5,519

NOTE 12–LITIGATION:

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

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

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

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

This ratio is calculated on an annual basis. The rate used during the fiscal year ended June 30, 2015 was 79%.

The actual indirect cost rate for the fiscal year ended June 30, 2015 was 86% and was calculated as follows:

Indirect costs	$	393,827	=	86%
Individual programs' personnel costs		457,393		

NOTE 14–LOCAL LEGISLATIVE LIAISON:

The Liaison reports regularly to the local governments during the General Assembly session and when studies are undertaken by the General Assembly and are pertinent to local government interests. The Liaison prepares a Legislative Program in consultation with the localities who subsequently adopt the Program. This Program is fully funded by the six participating members (Charlottesville, Albemarle, Fluvanna, Greene, Louisa, and Nelson), with additional appropriations from local government funds. The Program is located at the Planning District at the localities' request. The Liaison is generally supervised by the Executive Director, but receives direction from the local governments.

NOTE 15–ADOPTION OF ACCOUNTING PRINCIPLES:

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* **and Statement No. 71,** *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68***:**

The Commission implemented the financial reporting provisions of the above Statements for the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and required supplementary information requirements about pensions are also addressed. The requirements of these Statements will improve financial reporting by improving accounting and financial reporting by state and local governments for pensions.

Net position at June 30, 2014 was restated as follows:

Net Position as reported at June 30, 2014	$	365,327
Implementation of GASB 68		129,426
Net Position as restated at June 30, 2014	$	494,753

Required Supplementary Information

Schedule of Revenues, Expenditures and Change in Fund Balance -
Budget and Actual - Governmental Funds
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Federal Grants:				
Commission	$ 349,760	$ 368,054	$ 565,658	$ 197,604
Pass-Through	500,006	500,006	812,346	312,340
State Grants	612,006	589,785	259,542	(330,243)
Other:				
Localities	290,810	376,959	458,245	81,286
Charges for Services	153,983	7,500	364	(7,136)
Revenue from the use of money	400	2,400	2,922	522
Total revenues	$ 1,906,965	$ 1,844,704	$ 2,099,077	$ 254,373
Expenditures				
Current:				
Administrative	$ 1,375,484	$ 1,344,777	$ 242,350	$ 1,102,427
Department of Transportation	21,770	23,452	653,105	(629,653)
Department of Housing and Urban Development	500,006	500,006	840,712	(340,706)
Environmental Protection Agency	-	-	29,162	(29,162)
Virginia Department of Rail and Public Transportation	-	-	192,625	(192,625)
Legislative Liaison	-	-	117,958	(117,958)
Debt service:				
Principal retirement	-	-	2,433	(2,433)
Interest and other fiscal charges	-	-	110	(110)
Total expenditures	$ 1,897,260	$ 1,868,235	$ 2,078,455	$ (210,220)
Excess (deficiency) of revenues over (under) expenditures	$ 9,705	$ (23,531)	$ 20,622	$ 44,153
Net change in fund balance	$ 9,705	$ (23,531)	$ 20,622	$ 44,153
Fund balance, beginning of year	399,748	399,748	399,748	-
Fund balance, end of year	$ 409,453	$ 376,217	$ 420,370	$ 44,153

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

Schedule of Components of and Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2015

		2014
Total pension liability		
Service cost	$	69,411
Interest		87,524
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions		-
Benefit payments, including refunds of employee contributions		(45,653)
Net change in total pension liability	$	111,282
Total pension liability - beginning		1,273,173
Total pension liability - ending (a)	$	1,384,455
Plan fiduciary net position		
Contributions - employer	$	37,157
Contributions - employee		32,439
Net investment income		218,230
Benefit payments, including refunds of employee contributions		(45,653)
Administrative expense		(1,145)
Other		11
Net change in plan fiduciary net position	$	241,039
Plan fiduciary net position - beginning		1,365,442
Plan fiduciary net position - ending (b)	$	1,606,481
Commission's net pension liability(asset) - ending (a) - (b)	$	(222,026)
Plan fiduciary net position as a percentage of the total pension liability (asset)		116.04%
Covered-employee payroll	$	529,976
Commission's net pension liability as a percentage of covered-employee payroll		-41.89%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions
For the Year Ended June 30, 2015

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
2015	$ 21,536	$ 21,536	$ -	$ 563,802	3.82%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 – Non-LEOS:
- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:
- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Other Supplementary Information

Supporting Schedules

Schedule of Expenditures - General Fund
For the Year Ended June 30, 2015

Administrative		
Current operating:		
Salaries	$	343,190
Employee benefits		67,550
Contractual		13,492
Insurance		3,419
Subscriptions and publications		5,625
Advertising		1,070
Supplies		5,063
Copier		719
Meetings		4,960
Rent		77,487
Janitorial service		9,396
Postage		2,983
Travel		4,284
Telephone		8,201
Audit and legal		14,000
Indirect costs allocation		(323,317)
Equipment use and maintenance		4,228
Total current operating expenditures	$	242,350
Debt Service:		
Principal	$	2,433
Interest		110
Total expenditures	$	244,893

Schedule of Indirect Costs
For the Year Ended June 30, 2015

Administrative		
Current operating:		
Salaries	$	203,828
Employee benefits		34,679
Postage		2,947
Subscriptions and publications		5,625
Supplies		4,782
Travel		3,300
Audit/legal/advertising services		14,081
Professional meetings and development		4,355
Contractual services		13,492
Insurance/bonding		3,419
Printing and copier		102
Rent		74,957
Janitorial		9,396
Equipment repair/maintenance/use		10,382
Telephone		8,201
Bank charges		281
Total indirect costs	$	393,827

Schedule of Individual Programs' Personnel Costs
For the Year Ended June 30, 2015

Total Salaries and Fringes:		
Salaries	$	664,137
Fringe benefits		163,856
Total	$	827,993
Less Administrative Personnel Costs:		
Administration	$	229,035
Mapping		73
General services		4,904
Network support		4,495
Total Administrative Personnel Costs	$	238,507
Less Contractual Personnel Costs:		
Fluvanna Community Development		68,668
Stanardsville TE Grant		38
Grant Writer		55,214
JPA		6,998
Sustainable Communities		1,175
Total Contractual Personnel Costs	$	132,093
Total Individual Programs' Personnel Costs	$	457,393
Calculation of indirect cost rate:		
Indirect costs /		393,827
Individual Programs' Personnel Costs		457,393
Indirect cost rate		86%

Schedule of Grant Contracts
For the Year Ended June 30, 2015

Grant or Contract	Grant-Contract Start Date	Grant-Contract End Date		Grant-Contract Total	Year to Date FY15	Grant-Contract To Date	Grant-Contract Remaining
MPO-FTA	07/01/14	06/30/15	$	96,878 $	90,695 $	90,695 $	6,183
MPO-PL	07/01/14	06/30/15		199,925	175,596	175,596	24,329
STANARDSVILLE TE GRANT	09/05/08	01/17/14		833,500	17,001	833,500	-
HOME CONSORTIUM							
PASS-THROUGH	07/01/14	06/30/15	*	1,154,487	804,606	804,606	349,881
ADMINISTRATION	07/01/14	06/30/15		34,867	34,867	34,867	-
HOUSING MARKETING	01/09/15	01/09/16		5,000	1,506	1,506	3,494
STATE SUPPORT TO PDC	07/01/14	06/30/15		75,971	75,971	75,971	-
RIDESHARE	07/01/14	06/30/15		171,858	171,539	171,539	319
RIDESHARE - TDMP	07/01/14	06/30/15		21,808	16,870	16,870	4,938
RURAL TRANSPORTATION PLANNING	07/01/14	06/30/15		58,000	58,000	58,000	-
FLUVANNA/LOUISA HOUSING FOUNDATION	07/01/14	06/30/15		68,666	68,666	68,666	-
ECO-LOGIC	08/08/13	10/31/15		250,000	83,958	213,628	36,372
JPA/EMMET BIKE PED	11/01/12	06/30/15		375,000	183,814	375,000	-
LEGISLATIVE LIAISON	07/01/14	06/30/15		95,000	95,000	95,000	-
SOLID WASTE	07/01/14	06/30/15		14,527	13,236	13,236	1,291
ROCKFISH PHASE I	06/01/14	06/30/15		6,000	4,132	4,593	1,407
MEMBER PER CAPITA	07/01/14	06/30/15		148,075	148,075	148,075	-
WATER STREET CENTER	07/01/14	06/30/15			1,030	1,030	
STANARDSVILLE TAP	04/06/15	12/31/17		11,500	1,547	1,547	9,953
ALB-BROADBAND	02/05/15	06/30/15		3,900	3,900	3,900	-
FLUVANNA MAPPING	07/01/14	06/30/15			182	182	
SCOTTSVILLE MAPPING	07/01/14	06/30/15			182	182	
LOGO - TJ VOL DIS NTWK	07/01/14	06/30/15			650	650	
DEQ STORM WATER - TJPDC	05/01/15	10/01/15		51,508	19,198	19,198	32,310
DEQ STORMWATER CONTRACTS	05/01/15	10/01/15		39,117	9,963	9,963	29,154
RRBC	07/01/14	06/30/15		15,500	15,220	15,220	280
INTEREST/CLEAN DAY COMMUTE/MISC	07/01/14	06/30/15		400	1,282	447	
TJPDC CORPORATION	07/01/14	06/30/15		-	2,390	2,390	
TOTAL			$	3,731,487 $	2,099,076 $	3,236,057 $	499,911

* Funds are available for completion of the project.

Compliance

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Thomas Jefferson Planning District Commission's basic financial statements and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thomas Jefferson Planning District Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 9, 2015

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

Report on Compliance for Each Major Federal Program

We have audited Thomas Jefferson Planning District Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Thomas Jefferson Planning District Commission's major federal programs for the year ended June 30, 2015. Thomas Jefferson Planning District Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Thomas Jefferson Planning District Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Thomas Jefferson Planning District Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Thomas Jefferson Planning District Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Thomas Jefferson Planning District Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Thomas Jefferson Planning District Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Thomas Jefferson Planning District Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Thomas Jefferson Planning District Commission's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 9, 2015

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Primary Government:			
Department of Housing and Urban Development:			
Direct payments:			
Home Investment Partnerships Program	14.239	N/A	$ 839,472
Department of Transportation:			
Pass-through payments:			
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	EN07-039-118,P101, C501	$ 344,793
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	FTA VA-80-0019-00	80,619
Public Transportation Research, Technical Assistance, and Training	20.514	N/A	83,958
Total Department of Transportation			$ 509,370
Environmental Protecton Agency:			
Direct Payments:			
Chesapeake Bay Program	66.466	N/A	$ 29,162
Total Expenditures of Federal Awards			$ 1,378,004

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Thomas Jefferson Planning District Commission under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Thomas Jefferson Planning District Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Thomas Jefferson Planning District Commission.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note 3 - Subrecipients

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

CFDA Number	Program Name		Amount provided to subrecipients
14.239	HOME Investment Partnerships Program	$	804,605
20.205	Highway Planning and Construction		7,741
	Total	$	812,346

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
Department of Transportation	$	509,370
HOME Department of Housing and Urban Development		839,472
Other Governmental Funds		29,162
Total primary government	$	1,378,004
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	1,378,004

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133?	No

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Audit Findings

None