

**CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION**

**FINANCIAL REPORT**

**YEARS ENDED JUNE 30, 2021 and 2020**

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## **CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION**

### **DIRECTORY OF PRINCIPAL OFFICIALS**

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#### **BOARD OF DIRECTORS**

Mayor Richard Conner, Chair  
Town of Appomattox, Virginia

John Sharp, Vice-Chair  
Bedford County, Virginia

Gary F. Christie, Secretary  
Central Virginia Planning District Commission

Gary Shanaberger, Treasurer  
Town of Appomattox, Virginia

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#### **KEY EMPLOYEES**

Traci Blido, Workforce Development Director

Gary F. Christie, Executive Director

Kelly Hitchcock, Planning and Development Director

Rosalie Majerus, Deputy Director of Finance



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

## Independent Auditors' Report

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To the Board of Directors  
Central Virginia Planning District Commission  
Lynchburg, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Central Virginia Planning District Commission, as of and for the years ended June 30, 2021 and 2020, 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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Central Virginia Planning District Commission, as of June 30, 2021 and 2020, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 3-6 and 39-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Central Virginia Planning District Commission's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of Central Virginia Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Virginia Planning District Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Virginia Planning District Commission's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 30, 2021

**To the Board of Directors  
Central Virginia Planning District Commission  
Lynchburg, Virginia**

As management of the Central Virginia Planning District Commission, (the "Commission"), we offer readers of our financial statements this narrative and overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements section of this report.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's annual financial report consists of three basic financial statements: a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. For ease of presentation, all statements are in a condensed format. This report also contains other required supplementary information in addition to the basic financial statements themselves.

The statement of net position presents information on the Commission's assets, deferred outflows, deferred inflows and liabilities. Equity of the Commission is reported as net position. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, reduced by accumulated depreciation and by any outstanding debt, deferred outflows of resources and deferred inflows of resources related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The statement of revenues, expenses and changes in net position presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The statement of cash flows indicates the net increase or decrease of cash resources for the Commission during the year and the activities that produced the increase or decrease. The statement concludes with a reconciliation tying the beginning cash balance and results for the year to the ending balance.

Notes to financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 10 through 38 of this report.

Other information. In addition to the basic financial statements and accompanying notes, certain required supplementary information concerning the Commission's funding of its obligation to provide Virginia Retirement System Benefits and other post-employment benefits to its employees is located immediately following the notes to financial statements.

### **Financial Highlights**

- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,480,739 (net position). Of this amount \$3,560,940 (unrestricted) may be used to meet the Commission's ongoing obligations to customers and creditors.

The Commission's total net position increased by \$1,725,932.

**Financial Highlights: (Continued)**

As noted earlier, net position may serve over time as a useful indicator of a Commission's financial position. In the case of the Commission, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,480,739 at the close of the most recent fiscal year.

	<b>Net Position</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 4,344,407	\$ 2,969,973
Capital assets	12,459,436	13,159,656
Total assets	<u>\$ 16,803,843</u>	<u>\$ 16,129,629</u>
Deferred outflows of resources	<u>\$ 126,398</u>	<u>\$ 90,602</u>
Current liabilities	\$ 276,459	\$ 1,200,801
Long-term liabilities	6,122,248	6,137,590
Total liabilities	<u>\$ 6,398,707</u>	<u>\$ 7,338,391</u>
Deferred inflows of resources	<u>\$ 50,795</u>	<u>\$ 127,033</u>
Net position:		
Net investment in capital assets	\$ 6,479,436	\$ 6,287,656
Restricted - net pension asset	440,363	531,644
Unrestricted	3,560,940	1,935,507
Total net position	<u>\$ 10,480,739</u>	<u>\$ 8,754,807</u>

The table below is a summary of the changes in net position.

	<b>Change in Net Position</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Operating revenues, other than dues	\$ 3,594,869	\$ 3,366,424
Participating government operating contributions (Dues)	156,242	155,420
Nonoperating revenue	1,112,020	1,132,010
Total revenues	<u>\$ 4,863,131</u>	<u>\$ 4,653,854</u>
Expenses:		
Operating expenses	\$ 4,553,693	\$ 4,399,108
Interest expense	204,389	230,822
Total expenses	<u>\$ 4,758,082</u>	<u>\$ 4,629,930</u>
Capital contributions	\$ 1,620,883	\$ -
Change in net position	\$ 1,725,932	\$ 23,924
Net position - July 1	8,754,807	8,730,883
Net position - June 30	<u>\$ 10,480,739</u>	<u>\$ 8,754,807</u>

Total revenues increased \$1,830,160 including capital contributions of \$1,620,883 received from Campbell County to participate in the Radio Board. Total expenses increased \$128,152 from fiscal year 2020 levels.

## **Capital Asset Administration**

The Commission's investment in capital assets as of June 30, 2021 amounts to \$12,459,436 (net of accumulated depreciation). Investment in capital assets decreased 5.32% during the year. Below is a comparison of the items that makeup capital assets as of June 30, 2021 with that of June 30, 2020.

	<b>Capital Assets</b>	
	<b>2021</b>	<b>2020</b>
Leasehold Improvements	\$ -	\$ -
Furniture and equipment	13,600	22,909
Regional Radio	12,345,836	13,036,747
Land	100,000	100,000
Total Capital Assets	<u>\$ 12,459,436</u>	<u>\$ 13,159,656</u>

## **Review of Operations - FY 21**

The Central Virginia Planning District Commission has served the local governments surrounding Lynchburg since 1969 with planning, grant writing and project management services.

### **Staffing Services**

The Planning District Commission continues to provide staffing services to important regional organizations:

- Central Virginia Transportation Planning Organization (TPO)
- Central Virginia Radio Communications Board
- Region 2000 Services Authority
- Central Virginia Workforce Development Board and Workforce Council
- Ride Solutions

These organizations provide valuable services to the community. Having staff to serve these organizations under the Planning District Commission framework allows for more cost effective, uniform, transparent, and responsive staffing delivery services.

### **Radio Board**

The Central Virginia Radio Communications Board continues to provide a public safety grade communications network for Lynchburg, Amherst and Bedford. During 2023, Campbell County will be joining the system.

Other organizations such as Liberty University, the Central Virginia Community College, the Region 2000 Services Authority, the Blue Ridge Regional Jail and the Greater Lynchburg Transit Company also use this communications system.

This interoperable and redundant radio communications system provides valuable services in the event of a local or regional public safety event.

### **Regional Economic Development Planning**

Planning District Commission staff continued work on implementation of the Comprehensive Economic Development Strategic Plan in coordination with the Lynchburg Regional Business Alliance. The Commission places a high priority on the continued development and implementation of the regional economic development strategic plan.



## **Workforce Development**

The Central Virginia Workforce Development staff continue to shape the region's workforce development by coordinating with service providers. HumanKind serves as the Workforce Board's contract vendor providing direct services.

A new Workforce Director has been hired.

## **Transportation**

The Central Virginia TPO and the Planning District Commission continued to provide transportation planning services in the region. We provided technical assistance to Smart Scale and Transportation Alternative Program Grants in the region. Staff also completed a corridor study on Village Highway in Rustburg.

## **Transit Services**

The Planning District Commission and Central Virginia TPO continue to serve the Greater Lynchburg Transit Company with planning and support services. Work continued refining bus stop locations, ADA accessibility to sidewalks and signage.

## **Housing and Utilities**

We continue to assist Amherst County with a housing rehabilitation project in Old Town Madison Heights improving neighborhoods and sub-standard housing. We completed our work with Appomattox Town in the Meadowlark Neighborhood. We were selected to receive \$2 million from Virginia Housing for new housing starts and received authorization to apply for funds for a regional housing study.

## **Central Virginia Community College Career and Technical Education Academy**

The Planning District Commission approved \$134,000 in funding to match GO Virginia funds to provide staffing for CVCC's new Career and Technical Education Academy.

## **Ride Solutions**

The Ride Solutions and Vanpool programs were dormant due to COVID-19 during the year. It is expected that they will restart with the new year.

## **Solid Waste Disposal**

The Region 2000 Services Authority continues to handle about 200,000 tons of solid waste annually in an environmentally safe and cost-effective way. Discussions continue with the Campbell County Board of Supervisors on waste disposal options for post 2029, when the current permitted area is filled.

## **Hazard Mitigation Planning and other grants**

The Hazard Mitigation Plan was updated and accepted by all of our jurisdictions. The PDC authorized staff to apply for a Brownfields Assessment grant from the federal Environmental Protection Agency.

## **Requests for Information**

This financial report is designed to provide a general overview of the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 828 Main Street, 12<sup>th</sup> Floor, Lynchburg, VA 24504.

## **Basic Financial Statements**

**STATEMENTS OF NET POSITION  
AT JUNE 30, 2021 AND 2020**

	At June 30,	
	2021	2020
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 3,364,616	\$ 2,013,757
Accounts/grants receivable/Due from other governments (Note 3)	532,693	398,678
Prepaid expenses	6,735	25,894
Total current assets	\$ 3,904,044	\$ 2,438,329
<b>Long-term assets:</b>		
Net pension asset (Note 5)	\$ 440,363	\$ 531,644
Capital assets, net (Note 4)	12,459,436	13,159,656
Total long-term assets	\$ 12,899,799	\$ 13,691,300
Total assets	\$ 16,803,843	\$ 16,129,629
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 108,304	\$ 69,858
OPEB related items	18,094	20,744
Total deferred outflows of resources	\$ 126,398	\$ 90,602
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and other liabilities	\$ 176,840	\$ 210,297
Accrued interest payable	30,299	34,818
Funds held for others	5,042	4,667
Compensated absences (Note 6)	64,278	59,019
Revenue bonds, current portion (Note 14)	920,000	892,000
Total current liabilities	\$ 1,196,459	\$ 1,200,801
<b>Long-term liabilities:</b>		
Revenue bonds, less current portion (Note 14)	\$ 5,060,000	\$ 5,980,000
Net OPEB liabilities	142,248	157,590
Total long-term liabilities	\$ 5,202,248	\$ 6,137,590
Total liabilities	\$ 6,398,707	\$ 7,338,391
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 33,219	\$ 103,979
OPEB related items	17,576	23,054
Total deferred inflows of resources	\$ 50,795	\$ 127,033
<b>NET POSITION</b>		
Net investment in capital assets	\$ 6,479,436	\$ 6,287,656
Restricted - net pension asset	440,363	531,644
Unrestricted	3,560,940	1,935,507
Total net position	\$ 10,480,739	\$ 8,754,807

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

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	Year Ended June 30,	
	2021	2020
<b>Operating Revenues</b>		
Grants		
Commonwealth of Virginia		
Department of Housing and Community Development	\$ 99,097	\$ 112,796
Virginia Employment Commission	70,691	56,790
Department of Emergency Management	6,266	15,734
Department of Transportation	68,508	59,062
Federal		
Department of Transportation - Highway Planning and Construction	282,368	255,174
Department of Transportation - Planning	115,137	87,333
Environmental Protection Agency		
Chesapeake Bay Program	52,000	21,500
Workforce Investment Act		
Adult Programs	453,309	349,259
Youth Programs	459,948	543,189
Dislocated Worker Formula Grants	406,808	394,212
Department of Labor - Employment Service/Wagner-Peyser Funded Activities	124,905	-
Department of Treasury - Coronavirus Relief Funds	22,086	-
Department of Emergency Management		
Hazard Mitigation Grant	23,498	59,002
Other Revenue		
Regional Radio Board	1,200,313	1,204,981
Dues and matching funds - participating localities	156,242	155,420
Grant management and other fees	205,462	181,897
Miscellaneous	4,473	25,495
Total operating revenues	\$ 3,751,111	\$ 3,521,844
<b>Operating Expenses</b>		
Administrative		
Salaries	\$ 68,346	\$ 91,558
Fringe benefits	37,004	46,471
Other unallocated overhead	127,212	130,434
Program		
Allocated administrative salaries	623,688	699,914
Allocated fringe benefits	318,792	355,250
Direct program	3,378,651	3,075,481
Total operating expenses	\$ 4,553,693	\$ 4,399,108
Operating income (loss)	\$ (802,582)	\$ (877,264)
<b>Nonoperating Revenues (Expenses)</b>		
Interest Income	\$ 7,042	\$ 26,517
Interest expense	(204,389)	(230,822)
Member jurisdiction payments	1,104,978	1,105,493
Total nonoperating revenues (expenses)	\$ 907,631	\$ 901,188
Income (loss) before contributions	\$ 105,049	\$ 23,924
Capital contributions	\$ 1,620,883	\$ -
Change in net position	\$ 1,725,932	\$ 23,924
Net position - beginning at July 1	8,754,807	8,730,883
Net position - ending at June 30	\$ 10,480,739	\$ 8,754,807

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

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>Year Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flow From Operating Activities</b>		
Receipts from granting agencies and participating localities	\$ 3,617,096	\$ 3,640,303
Payments to suppliers	(2,596,812)	(2,324,689)
Payments to and on behalf of employees	(1,078,666)	(1,239,468)
Net cash provided by (used for) operating activities	\$ (58,382)	\$ 76,146
<b>Cash Flow From Capital and Related Financing Activities</b>		
Purchase of capital assets	\$ (222,754)	\$ (202,009)
Capital contributions	1,620,883	-
Member jurisdiction payments	1,104,978	1,105,493
Principal payments on bond	(892,000)	(865,000)
Interest paid on bond	(208,908)	(235,205)
Net cash provided by (used for) capital and related financing activities	\$ 1,402,199	\$ (196,721)
<b>Cash Flow From Investing Activities</b>		
Interest income	\$ 7,042	\$ 26,517
Net increase (decrease) in cash and cash equivalents	\$ 1,350,859	\$ (94,058)
Cash and cash equivalents at beginning of year	2,013,757	2,107,815
Cash and cash equivalents at end of year	\$ 3,364,616	\$ 2,013,757
<b>Reconciliation of Operating income (loss) to Net Cash provided by (used for) operating activities</b>		
Operating income (loss)	\$ (802,582)	\$ (877,264)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	922,974	858,176
Accounts and grants receivable	(134,015)	118,459
Prepaid expenses	19,159	33,694
Accounts payable	(33,457)	(10,646)
Funds held for others	375	2
Compensated absences	5,259	10,979
Net OPEB liabilities	(15,342)	(15,792)
Deferred outflows - net pension asset related	(38,446)	(27,964)
Deferred outflows - net OPEB group life related	2,650	(10,071)
Deferred inflows - pension related	(70,760)	(374)
Deferred inflows - OPEB related	(5,478)	15,758
Net pension asset	91,281	(18,811)
Net cash provided by (used for) operating activities	\$ (58,382)	\$ 76,146

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

# CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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#### Financial Reporting entity:

The Central Virginia Planning District Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia. It was established pursuant to the Virginia Area Development Act and by joint resolution of the governing bodies of its constituent jurisdictions. Those jurisdictions comprising the Commission’s regional area are the counties of Amherst, Appomattox, Bedford, and Campbell; the City of Lynchburg; and the towns of Altavista, Amherst, Appomattox, Bedford, and Brookneal. The purpose of the Commission is to promote the orderly and efficient development of the physical, social, and economic elements of the region by means of regional planning and fostering regional cooperation among the several region governments.

#### Measurement focus and basis of accounting:

The Commission’s financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Commission’s principal ongoing operations. The principal operating revenues of the Commission are grants received from state and federal agencies and operating contributions from member jurisdictions. Operating expenses include program and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Cash and cash equivalents:

For purposes of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition.

#### Valuation of receivables:

Receivables are stated at face amount with no allowance for doubtful accounts because probable uncollectible accounts are immaterial.

#### Capital assets:

Capital assets are stated at cost or estimated cost. Donated property is recorded at acquisition value prevailing at date of donation. Capital assets are defined as land, buildings and other improvements, furnishings and equipment with an initial individual cost of more than \$2,000 and an estimated useful life of more than one year. Depreciation for capital assets has been provided over the following estimated useful lives using the straight-line method:

Buildings and other improvements	15-39 years
Furnishings and leasehold improvements	3-7 years
Equipment and software	3-5 years

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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##### Compensated absences:

Each year employees accumulate a specified number of days of leave with pay based on years of service. The liability for compensated absences reflects unused leave as of June 30, including applicable employer taxes.

##### Funds Held for Others:

Funds held for others include funds that have been collected but are not for the Commission's use. They include WIA Train-It funds.

##### Use of Estimates:

Management uses estimates and assumptions in preparing its financial statements. Actual results could differ from those estimates.

##### Reclassifications:

Certain amounts in the prior year's financial statement have been reclassified to conform to the current year's presentation.

##### 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, reduced by accumulated depreciation and by any outstanding debt, deferred outflows of resources and deferred inflows of resources related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

##### Net Position Flow Assumption:

Sometimes the Commission will 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.

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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##### Deferred Inflows/Outflows of Resources:

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) until then. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension asset and net OPEB liability and contributions to the pension and OPEB plan(s) made during the current and subsequent to the net pension asset and net OPEB liability measurement date. For more detailed information on this item, reference the related notes.

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 asset and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on this item, reference the related notes.

##### Pensions:

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

##### Other Postemployment Benefits - Group Life Insurance:

For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 2—DEPOSITS AND INVESTMENTS:

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##### 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.

##### Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Commission does not have a formal investment policy.

##### Credit Risk of Debt Securities

The Commission’s rated debt investments as of June 30, 2021 were rated by Standard & Poor’s, and or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

Commission's Rated Debt Investments' Values	
	Fair Quality Ratings AAAm
Local Government Investment Pool	\$ 2,670,103
VIP Stable NAV Liquidity Pool	255,279
Total	\$ 2,925,382

Fair Value Measurements: Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Commission has measured fair value of the above investments at the net asset value (NAV).

Redemption Restrictions: The Commission is limited to two VIP Stable NAV Liquidity Pool withdrawals per month which requires a five day notice.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk

	Investment Maturities (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 2,670,103	\$ 2,670,103
VIP Stable NAV Liquidity Pool	255,279	255,279
	<u>\$ 2,925,382</u>	<u>\$ 2,925,382</u>

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

NOTE 3—ACCOUNTS/GRANTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS:

Accounts and grants receivable are as follows:

	2021	2020
Virginia Department of Transportation	\$ 88,636	\$ 126,726
Virginia Department of Rail and Public Transportation	34,029	24,458
Virginia Department of Emergency Management	29,764	38,769
Virginia Employment Commission	22,509	4,041
VCCS for Workforce Investment Opportunity Act	149,676	105,679
Radio Board	9,391	1,638
Region 2000 Services Authority	122,679	15,816
Appomattox Town	-	15,431
Others	76,009	66,120
	<u>\$ 532,693</u>	<u>\$ 398,678</u>

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

## NOTE 4—CAPITAL ASSETS:

Capital asset activity was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>2021</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	\$ 100,000	\$ -	\$ -	\$ 100,000
<b>Other capital assets:</b>				
Leasehold improvements	\$ 12,212	\$ -	\$ -	\$ 12,212
Regional radio	16,650,291	220,122	-	16,870,413
Furniture and equipment	77,569	2,632	-	80,201
Subtotal other capital assets	\$ 16,740,072	\$ 222,754	\$ -	\$ 16,962,826
Accumulated depreciation				
Leasehold improvements	\$ 12,212	\$ -	\$ -	\$ 12,212
Regional radio	3,613,544	911,033	-	4,524,577
Furniture and equipment	54,660	11,941	-	66,601
Subtotal accumulated depreciation	\$ 3,680,416	\$ 922,974	\$ -	\$ 4,603,390
Other capital assets, net	\$ 13,059,656	\$ (700,220)	\$ -	\$ 12,359,436
Total capital assets, net	\$ 13,159,656	\$ (700,220)	\$ -	\$ 12,459,436
<b>2020</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	\$ 100,000	\$ -	\$ -	\$ 100,000
<b>Other capital assets:</b>				
Leasehold improvements	\$ 19,660	\$ -	\$ 7,448	\$ 12,212
Regional radio	16,460,874	189,417	-	16,650,291
Furniture and equipment	64,977	12,592	-	77,569
Subtotal other capital assets	\$ 16,545,511	\$ 202,009	\$ 7,448	\$ 16,740,072
Accumulated depreciation				
Leasehold improvements	\$ 18,484	\$ 1,176	\$ 7,448	\$ 12,212
Regional radio	2,765,642	847,902	-	3,613,544
Furniture and equipment	45,562	9,098	-	54,660
Subtotal accumulated depreciation	\$ 2,829,688	\$ 858,176	\$ 7,448	\$ 3,680,416
Other capital assets, net	\$ 13,715,823	\$ (656,167)	\$ -	\$ 13,059,656
Total capital assets, net	\$ 13,815,823	\$ (656,167)	\$ -	\$ 13,159,656

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 5—PENSION PLAN:

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##### *Plan Description*

All full-time, salaried permanent employees of the Commission are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. However, one other entity whose financial information is not included in this report, Region 2000 Services Authority, participates in the VRS plan and reports their proportionate information on the basis of a cost-sharing plan. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

##### *Benefit Structures*

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 5—PENSION PLAN: (CONTINUED)

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##### *Benefit Structures: (Continued)*

##### *Average Final Compensation and Service Retirement Multiplier*

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

##### *Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits*

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

##### *Contributions*

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

The Commission's contractually required employer contribution rate for the year ended June 30, 2021 and 2020 was 4.20% and 4.71% of covered employee compensation, respectively. The rates are based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and 2017.

The rates, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during each year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$26,497 and \$39,033 for the years ended June 30, 2021 and June 30, 2020, respectively.

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 5—PENSION PLAN: (CONTINUED)

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

At June 30, 2021 and 2020, the Commission reported an asset of \$440,363 and \$531,644 respectively, for its proportionate share of the net pension asset. The Commission's net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The Commission's proportionate share of the same was calculated using creditable compensation as of June 30, 2021 and 2020 as a basis for allocation. At June 30, 2021 and 2020, the Commission's proportion was 43.91% and 48.14% respectively.

##### *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, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the fair 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% to simplify preparation of pension liabilities.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

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NOTE 5—PENSION PLAN: (CONTINUED)

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*Actuarial Assumptions - General Employees: (Continued)*

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board Action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

*Long-Term Expected Rate of Return*

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

\* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

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NOTE 5—PENSION PLAN: (CONTINUED)

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***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
Central Virginia Planning District Commission			
Net Pension Liability (Asset)	\$ (204,161)	\$ (440,363)	\$ (550,105)

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

For the year ended June 30, 2021, the Commission recognized pension expense of (\$9,651). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

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

At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,131	\$ 31,963
Change in assumptions	18,712	1,256
Net difference between projected and actual earnings on pension plan investments	51,964	-
Employer contributions subsequent to the measurement date	<u>26,497</u>	<u>-</u>
Total	\$ <u>108,304</u>	\$ <u>33,219</u>

\$26,497 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2022	\$ (5,330)
2023	17,109
2024	20,473
2025	16,336
2026	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 6—COMPENSATED ABSENCES:

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Following is a summary of changes in compensated absences:

		<u>2021</u>		<u>2020</u>
Balance, July 1	\$	59,019	\$	48,040
Increase (decrease)		5,259		10,979
Balance, June 30	\$	<u>64,278</u>	\$	<u>59,019</u>

#### NOTE 7—OPERATING LEASES:

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In August 2018 the Commission entered into a non-binding five-year lease agreement for office space. The Commission entered into an agreement with the Central Virginia Workforce Investment Board to share this office space under a sublease arrangement. Net rental expense was approximately \$98,605 and \$85,040 for 2021 and 2020, respectively.

The Commission also has arrangements for lease of towers for the Regional Radio Board. Lease payments totaled \$100,602 and \$98,950 for June 30, 2021 and 2020, respectively.

Total future minimum lease payments for all leases as of June 30, 2021 is \$584,953.

#### NOTE 8—RISK MANAGEMENT:

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The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission joined together with other local governments in the Commonwealth to form the Virginia Association of Counties Group Self-Insurance Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The Commission pays an annual premium to the pool for its workers compensation coverage, property and liability insurance. The Agreement for Formation of the association provides that the association will be self-sustaining through member premiums. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

#### NOTE 9—REGION 2000 SERVICES AUTHORITY:

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In June 2008, the Commission entered into an agreement with the Region 2000 Services Authority to provide management and operations services for the Services Authority. The Commission is responsible for all of the financial operations and day to day operation of the landfills owned by the Authority. The Authority shall pay the Commission for the actual cost of the employees at the Commission who provide administrative support for the Authority's operations plus an administrative overhead rate.

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 10—OTHER POSTEMPLOYMENT BENEFITS:

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##### Health Insurance

###### Plan Description

In addition to the pension benefits described in Note 5, the Commission administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Commission's pension plans. The plan does not issue a publicly available financial report.

###### Benefits Provided

Participants in Central Virginia Planning District Commission's OPEB plan must meet the eligibility requirements for retirement of the Virginia Retirement System to be eligible for benefits upon retirement. Participants must also retire directly from active service and meet one of the following criteria to be eligible:

- **Participants Hired by the Commission before July 1, 2006:** Attain the age of 50 with at least 10 years of consecutive service with the Commission.
- **Participants Hired by the Commission on or after July 1, 2006, but before April 17, 2009:** Attain the age of 50 with at least 20 years of consecutive service with the Commission.
- **Participants Hired by the Commission on or after April 17, 2009:** Not eligible to continue medical coverage into retirement.

###### Plan Membership

At June 30, 2021 (measurement date), the following employees were covered by the benefit terms (includes Region 2000 Services Authority and Central Virginia Planning District Commission employees):

Total active employees with coverage	12
Total retirees with coverage	<u>1</u>
Total	<u><u>13</u></u>

###### Contributions

The Commission does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Commission. The amount paid by the Commission for OPEB as the benefits came due during the years ended June 30, 2021 and 2020 was \$19,621 and \$16,160, respectively.

###### Total OPEB Liability

The Commission's total OPEB liability was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation as of January 1, 2020.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Health Insurance: (Continued)

**Actuarial Assumptions**

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2021 and 2020
Salary Increases	Graded scale
Discount Rate	2.16% as of June 30, 2021; 2.21% as of June 30, 2020

**Mortality Rates**

The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table fully generational using scale BB to 2020. The mortality rates for disabled retirees was calculated using the RP-2014 Disabled Mortality Table projected with Scale BB to 2020.

**Discount Rate**

The discount rate is based on the yield or index rate for 20 year tax exempt general obligation municipal bonds within an average rating of AA/Aa or higher as of the respective measurement dates. This rate was 2.21% as of June 30, 2020 and 2.16% as of June 30, 2021.

**Changes in Total OPEB Liability**

	<b>Total OPEB Liability</b>	
	<b>2021</b>	<b>2020</b>
Balances at Beginning of Year	\$ 84,973	\$ 105,987
Changes for the year:		
Service cost	8,595	7,443
Interest	1,852	3,690
Difference between expected and actual experience	132	(12,820)
Changes in assumptions	-	(3,167)
Benefit payments	(19,621)	(16,160)
Net changes	\$ (9,042)	\$ (21,014)
Balances at End of Year	<u>\$ 75,931</u>	<u>\$ 84,973</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance: (Continued)

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following amounts present the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
\$	78,390	\$ 75,931	\$ 73,124

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Trend Rate</u>	<u>Healthcare Cost Current Trend Rate</u>	<u>1% Increase in Trend Rate</u>
\$	65,208	\$ 75,931	\$ 88,316

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the Commission recognized OPEB expense in the amount of \$8,221. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 9,158
Changes of assumptions	-	2,062
Total	<u>\$ -</u>	<u>\$ 11,220</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Health Insurance: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30

2022	\$	(2,226)
2023		(2,226)
2024		(2,243)
2025		(2,260)
2026		(2,265)
Thereafter		-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

Group Life Insurance

*Plan Description*

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

*Eligible Employees*

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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##### Group Life Insurance: (Continued)

###### *Benefit Amounts*

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

###### *Contributions*

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$3,928 and \$4,660 for the years ended June 30, 2021 and June 30, 2020, respectively.

###### *GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB*

At June 30, 2021, the entity reported a liability of \$66,317 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was .0090% as compared to .00923% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$2,430. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB: (Continued)*

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,254	\$ 595
Net difference between projected and actual earnings on GLI OPEB plan investments	1,991	-
Change in assumptions	3,317	1,385
Changes in proportionate share	4,604	4,376
Employer contributions subsequent to the measurement date	<u>3,928</u>	<u>-</u>
Total	<u>\$ 18,094</u>	<u>\$ 6,356</u>

\$3,928 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ 887
2023	1,462
2024	2,680
2025	2,471
2026	326
Thereafter	(16)

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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##### Group Life Insurance: (Continued)

##### *Actuarial Assumptions*

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. The assumptions include several employer groups. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the fair 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% to simplify preparation of OPEB liabilities.

##### **Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

###### Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

###### Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

###### Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*Actuarial Assumptions: (Continued)*

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees: (Continued)**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Plan</b>
Total GLI OPEB Liability	\$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	\$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*Long-Term Expected Rate of Return*

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

Asset Class (Strategy)	Long-Term Target Asset Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

\*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*Discount Rate*

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance 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 ended June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

*Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate*

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
Commission's proportionate share of the GLI Plan				
Net OPEB Liability	\$	87,179	\$ 66,317	\$ 49,375

*GLI Program Fiduciary Net Position*

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

OPEB Aggregate Totals

	Central Virginia Planning District Commission			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 10)	\$ 18,094	\$ 6,356	\$ 66,317	\$ 2,430
Commission's Stand-Alone Plan (Note 10)	-	11,220	75,931	8,221
Totals	<u>\$ 18,094</u>	<u>\$ 17,576</u>	<u>\$ 142,248</u>	<u>\$ 10,651</u>

NOTE 11—INDIRECT COST ALLOCATIONS:

Fringe Benefits

Fringe benefit expense is allocated using the percentage of benefit to total labor costs. The fringe benefit rate developed and used by the Commission for the fiscal year ended June 30, 2021 was 51.41% and was calculated as follows:

Release time salaries	\$ 123,515	
Payroll taxes	58,512	
Insurance	127,989	
Retirement	31,662	
Other benefits	<u>14,118</u>	
Total fringe benefit expense	<u>\$ 355,796</u>	
Fringe benefit expenses	<u>\$ 355,796</u>	= 51.41%
Total labor costs	<u>\$ 692,034</u>	

Indirect Costs

Indirect costs which support all projects, are allocated to the various projects based on the allocation rate applied to the projects direct labor and fringe benefit charges. The indirect cost rate developed and used by the Commission for the fiscal year ended June 30, 2021 was 24.68% and was calculated as follows:

Total indirect costs	<u>\$ 232,562</u>	= 24.68%
Direct labor and fringes	<u>\$ 942,480</u>	

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

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NOTE 11—INDIRECT COST ALLOCATIONS: (CONTINUED)

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Indirect Costs: (Continued)

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

**Indirect Personnel Costs**

Indirect Chargeable Salary	\$	68,346
Employee Benefit Rate		37,004
Total Indirect Personnel Costs	\$	<u>105,350</u>

**Office Expenses**

Auditing Services	\$	4,440
Payroll Accounting Services		6,328
Legal Services		2,641
Liability Insurance (General Liability Insurance)		968
Contractual Services (Management Consulting Services)		15,084
Advertising (Job Postings and Procurement)		82
Postage		441
Telephone		7,364
Internet Services		670
Office Supplies		1,722
Printing & Binding		290
Travel		1,099
Education & Training (Travel - Convention & Education)		985
Dues, Subscriptions (Dues & Association Memberships)		8,699
Publications (Books & Subscriptions)		383
Miscellaneous Expenses (Miscellaneous Administrative Expenses)		1,893
Furniture & Fixtures		3,893
Rental Office Equipment (Lease/Rent - Equipment)		1,422
Office Rent/(Lease/Rent - Buildings)		59,359
Computer Equipment/Software (EDP Equipment)		9,449
Total Office Expenses	\$	<u>127,212</u>

Total Indirect Costs \$ 232,562

**DIRECT CHARGEABLE PERSONNEL COSTS**

Direct Chargeable Salaries	\$	623,688
Employee Benefit Rate		318,792
Total Direct Chargeable Personnel Costs	\$	<u>942,480</u>

**CALCULATION OF INDIRECT COST ALLOCATION RATE**

Total Indirect Costs	\$	232,562
Total Direct Chargeable Personnel Costs	\$	<u>942,480</u>

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020 (CONTINUED)

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#### NOTE 12—CONTINGENT LIABILITIES:

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Federal programs in which the organization participates were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

#### NOTE 13—JOINT VENTURE:

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Central Virginia Radio Communications Board, established as a committee of Central Virginia Planning District Commission's, is a joint venture formed in 1996, by a cooperative agreement between the County of Amherst, Virginia, the County of Bedford, Virginia, and the City of Lynchburg, Virginia, collectively the Member Jurisdictions, and Central Virginia Planning District Commission. The Board consists of representatives from each of the Member Jurisdictions.

The purpose of the Board is to operate the regional emergency communications system and to manage the project operations and maintenance in an efficient and cost effective manner. The system was in need of significant upgrades or replacement to maintain or improve the level of emergency services provided by the Member Jurisdictions. On May 8, 2012, the Commission, as fiscal agent, issued a bond in the amount of \$13,100,000 to finance the equipping of a new emergency communications system. The allocation of payments made to reimburse operational costs, capital costs, and any annual deficit associated with the project and system was determined pursuant to the following cost allocation methodology:

##### Capital Costs:

- Amherst County - 28.00%
- Bedford County - 41.90%
- City of Lynchburg - 30.10%

In FY2021, Campbell County joined the Board. Campbell County paid \$1,620,883.

**Operating Costs:** Each Member Jurisdiction's share of annual operating costs shall be based on the number of radios on the System attributable to the Member Jurisdiction as a percentage of total Member Jurisdiction radios on the System.

**Annual Deficit:** Each Member Jurisdiction's share of any Annual Deficit shall be based on the formulas for determining its share of Capital Costs or Operating Costs, or a combination of both formulas as appropriate, depending on the type of costs constituting the Annual Deficit. Any unforeseen Operating Costs not included in the Annual Budget shall be treated as part of the Annual Deficit.

The payments made by Member Jurisdictions to the Commission as described above are recorded as non-operating revenue with the exception of payments received for project costs, which are recorded as contributed capital.



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 14—LONG-TERM OBLIGATIONS:

On May 8, 2012, the Central Virginia Planning District Commission issued a Series 2012 Public Facilities Revenue bond in the amount of \$13,100,000 to finance the equipping of a new emergency communications system. Annual principal payments ranging from \$703,000 to \$1,076,000 are due annually on May 1, commencing May 1, 2013 through May 1, 2027. Interest at 3.04% is payable semi-annually commencing November 1, 2012, and on every May 1 and November 1 thereafter, until May 1, 2027. The Commission is responsible for making debt service payments from payments received from each Member Jurisdiction. The bonds are secured by the payments/revenue received from Member Jurisdictions and emergency communications equipment purchased with bond proceeds.

A summary of long-term obligations is presented below:

	Balance July 1, 2020	Issuances/ Additions	Retirements/ Reductions	Balance June 30, 2021	Due Within One Year
Direct Borrowings and Placements:					
Revenue bonds	\$ 6,872,000	\$ -	\$ 892,000	\$ 5,980,000	\$ 920,000
Compensated absences	59,019	5,259	-	64,278	64,278
Net OPEB liabilities	157,590	79,277	94,619	142,248	-
Totals	<u>\$ 7,088,609</u>	<u>\$ 84,536</u>	<u>\$ 986,619</u>	<u>\$ 6,186,526</u>	<u>\$ 984,278</u>

For the year ended June 30, 2020:

	Balance July 1, 2019	Issuances/ Additions	Retirements/ Reductions	Balance June 30, 2020	Due Within One Year
Direct Borrowings and Placements:					
Revenue bonds	\$ 7,737,000	\$ -	\$ 865,000	\$ 6,872,000	\$ 892,000
Compensated absences	48,040	10,979	-	59,019	59,019
Net OPEB liabilities	173,382	41,346	57,138	157,590	-
Totals	<u>\$ 7,958,422</u>	<u>\$ 52,325</u>	<u>\$ 922,138</u>	<u>\$ 7,088,609</u>	<u>\$ 951,019</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020 (CONTINUED)

NOTE 14—LONG-TERM OBLIGATIONS: (CONTINUED)

Annual requirements to amortize long-term obligations and related interest are as follows:

Fiscal Year Ended June 30	Direct Borrowings and Placements	
	Principal	Interest
2022	\$ 920,000	\$ 181,792
2023	950,000	153,824
2024	980,000	124,944
2025	1,011,000	95,152
2026	1,043,000	64,418
2027	1,076,000	32,710
Total	\$ 5,980,000	\$ 652,840
Less current portion:	920,000	181,792
Total Long-term Obligations	\$ 5,060,000	\$ 471,048

NOTE 15—UPCOMING PRONOUNCEMENTS:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

## **Required Supplementary Information**

Schedule of Commission's Proportionate Share of the Net Pension Asset  
For the Measurement Dates of June 30, 2014 through June 30, 2020

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Measurement Date (1)	Proportion of the Net Pension Asset (NPA) (2)	Proportionate Share of the NPA (3)	Covered Payroll (4)	Proportionate Share of the NPA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Asset (6)
2020	43.9100% \$	440,363 \$	896,218	49.14%	129.29%
2019	48.1400%	531,644	874,489	60.79%	141.39%
2018	48.1400%	512,833	844,650	60.72%	145.61%
2017	48.1400%	465,335	637,007	73.05%	146.06%
2016	42.7000%	266,609	703,759	37.88%	131.99%
2015	42.7000%	294,516	626,889	46.98%	141.90%
2014	52.0000%	231,364	703,759	32.88%	146.20%

This schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

## Schedule of Employer Contributions

## Pension Plan

Years Ended June 30, 2012 through June 30, 2021

Date	Contributions in Relation to				Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	
2021	\$ 26,497	\$ 26,497	\$ -	\$ 727,481	3.64%
2020	39,033	39,033	-	896,218	4.36%
2019	41,894	41,894	-	874,489	4.79%
2018	49,714	49,714	-	844,650	5.89%
2017	39,903	39,903	-	637,007	6.26%
2016	52,488	52,488	-	703,759	7.46%
2015	46,854	46,854	-	626,889	7.47%
2014	52,488	52,488	-	703,759	7.46%
2013	64,918	64,918	-	367,068	17.69%
2012	64,113	64,113	-	439,030	14.60%

## Notes to Required Supplementary Information

## Pension Plan

Year Ended June 30, 2021

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

## Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios

Health Insurance Plan

Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 8,595	\$ 7,443	\$ 7,127	\$ 7,185
Interest	1,852	3,690	4,256	4,076
Changes in assumptions	132	(3,167)	1,464	(1,499)
Differences between expected and actual experience	-	(12,820)	-	-
Benefit payments	(19,621)	(16,160)	(19,242)	(13,178)
<b>Net change in total OPEB liability</b>	\$ (9,042)	\$ (21,014)	\$ (6,395)	\$ (3,416)
<b>Total OPEB liability - beginning</b>	<u>84,973</u>	<u>105,987</u>	<u>112,382</u>	<u>115,798</u>
<b>Total OPEB liability - ending</b>	<u>\$ 75,931</u>	<u>\$ 84,973</u>	<u>\$ 105,987</u>	<u>\$ 112,382</u>
 <b>Covered payroll</b>	 \$ 125,816	 \$ 149,350	 \$ 203,642	 \$ 231,174
 <b>Commission's total OPEB liability (asset)</b>				
<b>as a percentage of covered payroll</b>	60.35%	56.90%	52.05%	48.61%

## Notes to Required Supplementary Information

## Health Insurance Plan

Year Ended June 30, 2021

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Valuation Date: January 1, 2020

Measurement Date: June 30, 2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry Age Normal cost method
Discount Rate	2.16% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2020
Healthcare Trend Rate	4.30% - 4.00% over 73 years
Salary Increase Rates	Salary increase rates of 3.50% - 5.35% including inflation
Demographic Assumptions	Assumed 90% of future retirees under normal retirement will elect to continue medical coverage and 60% under normal retirement that will also elect to cover their spouse. Assumed 30% of participants retiring due to disability before normal retirement eligibility will elect coverage and include their spouse.



## Schedule of Commission's Share of Net OPEB Liability

## Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2020

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
2020	0.00905%	\$ 66,317	\$ 896,218	7.40%	52.64%
2019	0.00923%	72,617	874,489	8.30%	52.00%
2018	0.00927%	67,396	844,650	7.98%	51.22%
2017	0.00809%	58,730	637,007	9.22%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

## Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

Years Ended June 30, 2017 through June 30, 2021

		Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
2021	\$ 3,928	\$ 3,928	\$ -	\$ 727,481		0.54%
2020	4,660	4,660	-	896,218		0.52%
2019	4,661	4,661	-	874,489		0.53%
2018	4,426	4,426	-	844,650		0.52%
2017	2,888	2,888	-	637,007		0.45%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 Year Ended June 30, 2021

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

## 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***

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**To the Board of Directors  
Central Virginia Planning District Commission  
Lynchburg, 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 business-type activities of Central Virginia Planning District Commission as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Central Virginia Planning District Commission's basic financial statements and have issued our report thereon dated December 30, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Central Virginia Planning District Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Virginia Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Virginia 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 Central Virginia Planning District Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 30, 2021



**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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**To the Board of Directors  
Central Virginia Planning District Commission  
Lynchburg, Virginia**

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

We have audited Central Virginia Planning District Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Virginia Planning District Commission's major federal programs for the year ended June 30, 2021. Central Virginia 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Central Virginia 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the Central Virginia 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 the Central Virginia Planning District Commission's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Central Virginia 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, 2021.

## Report on Internal Control over Compliance

Management of the Central Virginia 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 the Central Virginia 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 the Uniform Guidance, 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 the Central Virginia 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farmer Cox Associates*

Charlottesville, Virginia  
December 30, 2021



**CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Environmental Protection Agency</b>			
Pass-through payments:			
Virginia Department of Environmental Quality			
Chesapeake Bay Program	66.466	unavailable	\$ 52,000
Total Environmental Protection Agency			\$ 52,000
<b>Department of Treasury</b>			
Pass-through payments:			
Virginia Employment Commission:			
COVID-19 - Coronavirus Relief Fund	21.019	unavailable	\$ 22,086
Total Department of Treasury			\$ 22,086
<b>Department of Labor</b>			
Pass-through payments:			
Virginia Employment Commission:			
Employment Service Cluster:			
Employment Services/Wagner-Peyser Funded Activities	17.207	unavailable	\$ 124,905
Virginia Community College System:			
City of Lynchburg, Virginia:			
Workforce Innovation and Opportunity Act Cluster:			
WIOA Adult Program	17.258	LWDA 7	\$ 453,309
WIOA Youth Activities	17.259	LWDA 7	459,948
WIOA Dislocated Worker Formula Grants	17.278	LWDA 7	406,808
Subtotal Workforce Innovation and Opportunity Act Cluster			\$ 1,320,065
Total Department of Labor			\$ 1,444,970
<b>Department of Transportation</b>			
Pass-through payments:			
Virginia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	FY-20	\$ 282,368
Metropolitan Transportation Planning and State			
and Non-Metropolitan Planning and Research	20.505	unavailable	115,137
Total Department of Transportation			\$ 397,505
<b>Department of Homeland Security</b>			
Pass-through payments:			
Virginia Department of Emergency Management:			
Hazard Mitigation Grant	97.039	DR-4262	23,498
Total Department of Homeland Security			\$ 23,498
Total expenditures of federal awards			\$ 1,940,059

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

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#### **Note 1- Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Central Virginia Planning District Commission under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Central Virginia Planning District Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of Central Virginia Planning District Commission.

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

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

(3) The Commission did not have any loans or loan guarantees which are subject to reporting requirements for the year.

#### **Note 3 - Subrecipients**

No awards were passed through to subreipients.

#### **Note 4 - Indirect Cost Rate**

The Commission did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

#### **Note 5 - Relationship to Financial Statements**

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

Primary government:	
Operating activities	\$ 1,940,059
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 1,940,059

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021

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**Section I - Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Identification of major programs:	

Federal  
Assistance

Listing #

Name of Federal Program or Cluster

Workforce Innovation and Opportunity Act Cluster	
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

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

**Section IV - Prior Year Audit Findings**

There were no prior year audit findings.