NEW RIVER VALLEY REGIONAL COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

New River Valley Regional Commission
Financial Report
For the Year Ended June 30, 2024

Table of Contents

FINANCIAL SECTION

COMPLIANCE SECTION

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report

To the Members of the Board
New River Valley Regional Commission
Radford, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the New River Valley Regional Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the New River Valley Regional Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the New River Valley Regional Commission, as of June 30, 2024, and the respective changes in financial position as of and for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New River Valley Regional Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New River Valley Regional Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New River Valley Regional Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New River Valley Regional Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules related to pension funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New River Valley Regional Commission's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2025, on our consideration of the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional Commission's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
January 24, 2025

Basic Financial Statements

Exhibit 1

New River Valley Regional Commission
Statement of Net Position
June 30, 2024

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	812,957
Cash and cash equivalents with trustee - restricted		4,053,370
Accounts receivable		75,709
Loans receivable		37,396
Due from other governmental units		2,300,422
Capital assets, net of accumulated depreciation		30,676
Total assets	$	7,310,530
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	$	127,549
Total deferred outflows of resources	$	127,549
LIABILITIES		
Accounts payable	$	2,251,389
Accrued unemployment liability		39,071
Unearned revenue		3,849,932
Noncurrent liabilities:		
Due within one year		97,013
Due in more than one year		174,684
Total liabilities	$	6,412,089
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$	52,921
Total deferred inflows of resources	$	52,921
NET POSITION		
Investment in capital assets	$	30,676
Restricted		
Workforce Investment Act		16,348
Revolving loan program		107,447
Unrestricted		818,598
Total net position	$	973,069

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

Exhibit 2

New River Valley Regional Commission
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:				
Health and welfare	$ 4,805,595	$ -	$ 4,760,590	$ (45,005)
Community development	5,456,890	1,114,151	4,306,813	(35,926)
Total governmental activities	$ 10,262,485	$ 1,114,151	$ 9,067,403	$ (80,931)
General revenues:				
Interest Income				$ 104,600
Miscellaneous				45,368
Total general revenues				$ 149,968
Change in net position				$ 69,037
Net position - beginning				904,032
Net position - ending				$ 973,069

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

Exhibit 3

New River Valley Regional Commission
Balance Sheet
Governmental Funds
June 30, 2024

		General Fund		WIA Fund		Total
ASSETS						
Cash and cash equivalents	$	278,530	$	534,427	$	812,957
Cash and cash equivalents - restricted		4,053,370		-		4,053,370
Accounts receivable		7,600		68,109		75,709
Loans receivable		37,396		-		37,396
Due from other funds		204,470		-		204,470
Due from other governmental units		2,047,296		253,126		2,300,422
Total assets	$	6,628,662	$	855,662	$	7,484,324
LIABILITIES						
Accounts payable	$	1,734,135	$	517,254	$	2,251,389
Accrued unemployment liability		39,071		-		39,071
Unearned revenue		3,732,342		117,590		3,849,932
Due to other funds		-		204,470		204,470
Total liabilities	$	5,505,548	$	839,314	$	6,344,862
FUND BALANCE						
Restricted:						
Workforce Investment Act	$	-	$	16,348	$	16,348
Revolving loan program		107,447		-		107,447
Unassigned		1,015,667		-		1,015,667
Total fund balance	$	1,123,114	$	16,348	$	1,139,462
Total liabilities and fund balance	$	6,628,662	$	855,662	$	7,484,324

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

Exhibit 4

New River Valley Regional Commission
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet	$	1,139,462
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, being depreciated		58,615
Accumulated depreciation		(27,939)
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Pension related items		127,549
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(129,351)
Net pension liability		(142,346)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items		(52,921)
Net position of governmental activities	$	973,069

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

Exhibit 5

New River Valley Regional Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	WIA Fund	Total
Revenues:			
Interest Income	$ 104,600	$ -	$ 104,600
Charges for services	1,114,151	-	1,114,151
Contributions from localities	238,220	-	238,220
Contributions from others	376,521	-	376,521
Miscellaneous revenue	6,695	38,673	45,368
Intergovernmental	3,692,072	4,760,590	8,452,662
Total revenues	$ 5,532,259	$ 4,799,263	$ 10,331,522
Expenditures:			
Community development	$ 5,387,079	$ -	$ 5,387,079
Health and welfare	-	4,805,595	4,805,595
Total expenditures	$ 5,387,079	$ 4,805,595	$ 10,192,674
Excess (deficiency) of revenues over expenditures	$ 145,180	$ (6,332)	$ 138,848
Fund balance, beginning of year	977,934	22,680	1,000,614
Fund balance, end of year	$ 1,123,114	$ 16,348	$ 1,139,462

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

Exhibit 6

New River Valley Regional Commission
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 138,848
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Depreciation expense		(15,223)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	$ (23,692)	
Change in pension related items	(30,896)	(54,588)
Change in net position of governmental activities		$ 69,037

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

Note 1-Summary of Significant Accounting Policies:

The financial statements of the New River Valley Regional Commission have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The New River Valley Regional Commission ("Commission") was formed pursuant Title 15.2, Chapter 42 of the *Code of Virginia, (1950) as amended,* to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance. Functional areas in which the Commission may assist participating jurisdictions include, but are not limited to: (i) economic and physical infrastructure development; (ii) solid waste, water supply and other environmental management; (iii) transportation; (iv) criminal justice; (v) emergency management; (vi) human services; and (vii) recreation. The Commission was formed to serve the towns of Blacksburg, Christiansburg, Floyd, Narrows, Pearisburg, Pembroke, Pulaski, and Rich Creek; the counties of Floyd, Giles, Montgomery and Pulaski; and the City of Radford.

The New River Valley Regional Commission's financial statements include the accounts of all the Commission's operations. The Commission has no component units.

B. Government-wide and fund financial statements

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission (primary government). For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are other charges between the Commission's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and fund financial statements (continued)

The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the functions (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported using the *economic resources measurement focus* and 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1-Summary of Significant Accounting Policies: (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The Commission reports the following major governmental funds:

The General Fund is the Commission's primary operating fund. It accounts for and reports all financial resources of the Commission, except those required to be accounted for in other funds.

The Workforce Investment Act Fund (WIA) accounts for and reports the deposit and expenditure of grant proceeds under the Workforce Investment Act programs.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and Cash Equivalents*

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

3. *Allowance for Uncollectible Accounts*

Accounts receivable are stated at book value utilizing the direct write-off method for uncollectible accounts. Uncollected balances have not been significant and no allowance for uncollectible accounts has been recorded.

4. *Use of Estimates*

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

5. *Capital assets*

Capital assets are tangible and intangible assets, which include property, plant, and equipment, and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

As the Commission constructs or acquires capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Tangible and intangible property, plant, and equipment of the Commission are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Vehicles	5
Intangible asset (website)	3

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on this item, reference the related note.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on this item, reference the related note.

7. *Compensated Absences*

Vested or accumulated paid time off that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The Commission accrues salary-related payments associated with the payment of compensated absences. All paid time off is accrued when incurred in the government-wide financial statements.

8. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Retirement Plan and the additions to/deductions from the Commission's Retirement Plan's 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.

9. *Long-term obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, the face amount of debt issued is reported as other financing sources in the statement of revenues, expenditures and changes in fund balance and is not presented as a liability in the balance sheet.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

10. *Fund balance*

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the Commission's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

11. Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted—consist of assets that are restricted by the Commission's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g. restricted bond and 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.

Note 2-Deposits and Investments:

Deposits: Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

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 Investor Service, Inc; A-1 by Standard & 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). As of June 30, 2024, the Commission did not have any investments.

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Note 3-Due from Other Governmental Units:

The following amount represents payments due from other governmental units at year end:

	Amount Due
Local:	
Counties and Town	$ 277,303
New River Valley MPO	44,296
New River Health District	48,347
Radford University	26,142
Commonwealth of Virginia:	
Categorical aid	65,951
Federal government:	
Categorical aid	1,838,383
Total	$ 2,300,422

Note 4-Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Commission for the year ended June 30, 2024.

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amount Due Within One Year
Compensated Absences	$ 105,659	$ 102,936	$ (79,244)	$ 129,351	$ 97,013
Pension Liability	43,292	471,008	(371,954)	142,346	-
Total	$ 148,951	$ 573,944	$ (451,198)	$ 271,697	$ 97,013

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Note 5-Capital Assets:

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Vehicles	$ 32,365	$ -	$ -	$ 32,365
Intangible asset (website)	26,250	-	-	26,250
Total capital assets being depreciated	$ 58,615	$ -	$ -	$ 58,615
Accumulated depreciation:				
Vehicles	$ (3,237)	$ (6,473)	$ -	$ (9,710)
Intangible asset (website)	(9,479)	(8,750)	-	(18,229)
Total accumulated depreciation	$ (12,716)	$ (15,223)	$ -	$ (27,939)
Total capital assets, net	$ 45,899	$ (15,223)	$ -	$ 30,676

Depreciation expense was charged to the community development function.

Note 6-Pension Plan:

Plan Description

All full-time, salaried employees of the Commission are automatically covered by a 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. Members earn one month of service credit for each month they are employed and for which they and their employer pays 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 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.

Note 6-Pension Plan: (continued)

Benefit Structures (continued)

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.

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 and 1.85% for sheriffs and regional jail superintendents. 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 and 1.85% for sheriffs and regional jail superintendents. 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.

Note 6-Pension Plan: (continued)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	16
Inactive members:	
Vested inactive members	9
Non-vested inactive members	10
Inactive members active elsewhere in VRS	9
Total inactive members	28
Active members	28
Total covered employees	72

Contributions

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

The Commission's contractually required contribution rate for the year ended June 30, 2024 was 5.24% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were $81,123 and $72,041 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the New River Valley Regional Commission, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Note 6-Pension Plan: (continued)

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, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

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

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

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

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

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Note 6-Pension Plan: (continued)

Actuarial Assumptions – General Employees (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2000
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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Note 6-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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
	Expected arithmetic nominal return**		8.25%

*The above allocation provides a one-year expected return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.14%, including expected inflation of 2.50%.

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Note 6-Pension Plan: (continued)

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 New River Valley Regional Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, 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, 2022 actuarial valuations, whichever was greater. From July 1, 2023 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.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2022	$ 3,446,564	$ 3,403,272	$ 43,292
Changes for the year:			
Service cost	$ 158,049	$ -	$ 158,049
Interest	238,729	-	238,729
Differences between expected and actual experience	72,075	-	72,075
Contributions - employer	-	71,929	(71,929)
Contributions - employee	-	77,662	(77,662)
Net investment income	-	222,273	(222,273)
Benefit payments, including refunds of employee contributions	(135,775)	(135,775)	-
Administrative expenses	-	(2,155)	2,155
Other changes	-	90	(90)
Net changes	$ 333,078	$ 234,024	$ 99,054
Balances at June 30, 2023	$ 3,779,642	$ 3,637,296	$ 142,346

Note 6-Pension Plan: (continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
New River Valley Regional Commission's Net Pension Liability (Asset)	$ 749,428	$ 142,346	$ (348,462)

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

For the year ended June 30, 2024, the Commission recognized pension expense of $111,907. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,426	$ 3,493
Net difference between projected and actual earnings on pension plan investments	-	49,428
Employer contributions subsequent to the measurement date	81,123	-
Total	$ 127,549	$ 52,921

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Note 6-Pension Plan: (continued)

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

$81,123 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as an addition of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2025	$	(14,709)
2026		(42,028)
2027		48,674
2028		1,568

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 7-Unearned Revenue:

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unearned revenue totaling $3,849,932 is comprised of the following:

Montgomery County Grant Funds - Unspent grant funds for a broadband project totaling $1,656,594.

Pulaski County Grant Funds - Unspent grant funds for a broadband project totaling $2,000,000.

Montgomery County Opioid Abatement Authority Funds - Unspent opioid abatement authority funds for a opioid projects totaling $41,186.

Dues Paid in Advance – Annual dues received in advance and carried over for use in the next fiscal year totaling $32,265.

Miscellaneous Projects – Funding received in advance and carried over for use in the next fiscal year from various sources totaling $2,297.

WIA Miscellaneous Projects – Funding received in advance and carried over for use in the next fiscal year from various sources related to the WIA program totaling $117,590.

Note 8-Interfund Obligations:

At June 30, 2024, the general fund was due $204,470 from the WIA fund. The amount due is a result of timing of reimbursement from the WIA fund for expenses paid by the general fund.

Note 9-Risk Management:

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 participates with other government entities in a public entity risk pool for their coverage of public officials and liability insurance with the VRSA. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Commission pays the VRSA contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Commission carries insurance coverage for all other risk of loss. Settled claims have not exceeded coverage in the current or prior two fiscal years.

Note 10-Compensated Absences:

Commission employees earn paid time off each month at a scheduled rate in accordance with years of service. Accumulated unpaid paid time off is accrued when incurred. At June 30, 2024 the liability for accrued paid time off totaled $129,351.

Note 11-Loans Receivable:

Loans receivable include amounts due the Commission under their re-lending programs. The total amount due the Commission at June 30, 2024 was $37,396. The Commission has recorded no allowance for doubtful accounts.

Note 12-Litigation:

At June 30, 2024, there were no matters of litigation involving the Commission which would materially affect the Commission's financial position should any court decision on pending matters not be favorable to the Commission.

Note 13-Allocation of Indirect Costs:

The Commission has entered into various agreements to assist the management of various projects and grants. The Commission charges for direct costs incurred plus a portion of indirect costs. Indirect costs are allocated on the ratio of the individual project's personnel services, including fringe benefits, to total personnel, including fringe benefits. For the period ending June 30, 2024, the Commission's overall indirect cost rate of 40.51% was calculated as follows:

Indirect costs	$ 573,847
Total direct personnel, including fringe benefits	1,416,454
Rate	40.51%

Note 14-Upcoming Pronouncements:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures,* provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements,* improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

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

Required Supplementary Information

New River Valley Regional Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
Budget and Actual
For the Year Ended June 30, 2024

Revenues:	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue from local sources:				
Interest Income	$ -	$ 103,678	$ 104,600	$ 922
Charges for services	1,270,544	863,325	1,114,151	250,826
Contributions from localities	238,220	238,220	238,220	-
Contributions from localities - grant matches	8,000	190,995	376,521	185,526
Miscellaneous revenue	-	5,000	6,695	1,695
Total revenue from local sources	$ 1,516,764	$ 1,401,218	$ 1,840,187	$ 438,969
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
DHCD grants (administrative)	$ 89,971	$ 89,971	$ 89,971	$ -
DEQ Grant	14,500	80,522	80,853	331
Virginia Department of Health	425,000	240,000	250,677	10,677
VHDA	50,375	50,375	44,985	(5,390)
VDRPT RideSolutions	106,526	106,526	85,628	(20,898)
Total revenue from the Commonwealth	$ 686,372	$ 567,394	$ 552,114	$ (15,280)
Revenue from the federal government:				
Categorical aid:				
ARC grant	$ 185,842	$ 241,737	$ 241,825	$ 88
DHCD grants (projects)	90,000	1,530,000	2,625,206	1,095,206
Federal Department of Transportation	58,000	123,612	125,259	1,647
EDA grant	70,000	120,000	132,963	12,963
VDEM	25,000	25,000	14,705	(10,295)
Total revenue from the federal government	$ 428,842	$ 2,040,349	$ 3,139,958	$ 1,099,609
Total intergovernmental revenue	$ 1,115,214	$ 2,607,743	$ 3,692,072	$ 1,084,329
Total revenues	$ 2,631,978	$ 4,008,961	$ 5,532,259	$ 1,523,298

New River Valley Regional Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:				
Community Development:				
Personnel	$ 1,325,877	$ 1,410,000	$ 1,385,678	$ 24,322
Fringe benefits	340,515	420,000	424,637	(4,637)
Office rent	68,730	68,730	68,729	1
Telephone	20,832	23,911	19,375	4,536
Office supplies	66,892	78,702	81,951	(3,249)
Postage	900	1,400	1,143	257
Printing	8,285	65,000	60,260	4,740
Advertising	11,110	36,000	49,090	(13,090)
Travel	33,283	33,283	16,785	16,498
Equipment maintenance and rent	6,100	6,300	5,059	1,241
Dues and publications	20,395	20,395	17,986	2,409
Training	26,170	46,509	38,013	8,496
Meeting expense	13,573	19,716	19,358	358
Insurance	4,700	4,700	4,642	58
Contractual services	588,441	1,762,719	3,180,019	(1,417,300)
Audit fee	6,000	8,000	11,211	(3,211)
Miscellaneous	49,700	4,700	3,143	1,557
Total expenditures	$ 2,591,503	$ 4,010,065	$ 5,387,079	$ (1,377,014)
Excess (deficiency) of revenues over (under) expenditures	$ 40,475	$ (1,104)	$ 145,180	$ 146,284
Fund balance, beginning of year	-	1,104	977,934	976,830
Fund balance, end of year	$ 40,475	$ -	$ 1,123,114	$ 1,123,114

Exhibit 8

New River Valley Regional Commission
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 158,049	$ 122,124	$ 95,471	$ 102,015	$ 88,611	$ 74,436	$ 63,594	$ 60,289	$ 58,178	$ 73,896
Interest	238,729	223,050	195,110	177,512	163,344	156,893	148,310	135,569	144,082	134,557
Changes of assumptions	-	-	66,951	-	88,369	-	(17,049)	-	-	-
Differences between expected and actual experience	72,075	(11,909)	67,606	116,750	79,347	(40,686)	19,759	78,828	(238,023)	-
Benefit payments	(135,775)	(138,042)	(128,630)	(142,489)	(104,227)	(92,744)	(91,265)	(94,061)	(77,634)	(67,136)
Net change in total pension liability	$ 333,078	$ 195,223	$ 296,508	$ 253,788	$ 315,444	$ 97,899	$ 123,349	$ 180,625	$ (113,397)	$ 141,317
Total pension liability - beginning	3,446,564	3,251,341	2,954,833	2,701,045	2,385,601	2,287,702	2,164,353	1,983,728	2,097,125	1,955,808
Total pension liability - ending (a)	$ 3,779,642	$ 3,446,564	$ 3,251,341	$ 2,954,833	$ 2,701,045	$ 2,385,601	$ 2,287,702	$ 2,164,353	$ 1,983,728	$ 2,097,125
Plan fiduciary net position										
Contributions - employer	$ 71,929	$ 62,221	$ 51,568	$ 25,972	$ 27,748	$ 25,518	$ 22,496	$ 47,681	$ 45,215	$ 43,157
Contributions - employee	77,662	73,497	60,144	52,247	52,583	47,502	40,211	41,419	33,981	31,093
Net investment income	222,273	(5,298)	738,539	50,883	171,551	178,103	264,347	37,797	94,586	279,654
Benefit payments	(135,775)	(138,042)	(128,630)	(142,489)	(104,227)	(92,744)	(91,265)	(94,061)	(77,634)	(67,136)
Administrative charges	(2,155)	(2,098)	(1,804)	(1,779)	(1,681)	(1,525)	(1,525)	(1,321)	(1,274)	(1,486)
Other	90	80	70	(61)	(108)	(159)	(235)	(16)	(22)	15
Net change in plan fiduciary net position	$ 234,024	$ (9,640)	$ 719,887	$ (15,227)	$ 145,866	$ 156,695	$ 234,029	$ 31,499	$ 94,852	$ 285,297
Plan fiduciary net position - beginning	3,403,272	3,412,912	2,693,025	2,708,252	2,562,386	2,405,691	2,171,662	2,140,163	2,045,311	1,760,014
Plan fiduciary net position - ending (b)	$ 3,637,296	$ 3,403,272	$ 3,412,912	$ 2,693,025	$ 2,708,252	$ 2,562,386	$ 2,405,691	$ 2,171,662	$ 2,140,163	$ 2,045,311
Commission's net pension liability (asset) - ending (a) - (b)	$ 142,346	$ 43,292	$ (161,571)	$ 261,808	$ (7,207)	$ (176,785)	$ (117,989)	$ (7,309)	$ (156,435)	$ 51,814
Plan fiduciary net position as a percentage of the total pension liability	96.23%	98.74%	104.97%	91.14%	100.27%	107.41%	105.16%	100.34%	107.89%	97.53%
Covered payroll	$ 1,721,986	$ 1,624,885	$ 1,309,283	$ 1,119,239	$ 1,122,452	$ 1,007,089	$ 849,852	$ 749,202	$ 702,092	$ 621,860
Commission's net pension liabilility (asset) as a percentage of covered payroll	8.27%	2.66%	-12.34%	23.39%	-0.64%	-17.55%	-13.88%	-0.98%	-22.28%	8.33%

Exhibit 9

New River Valley Regional Commission
Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 81,123	$ 81,123	$ -	$ 2,018,807	4.02%
2023	72,041	72,041	-	1,721,986	4.18%
2022	62,220	62,220	-	1,624,885	3.83%
2021	51,568	51,568	-	1,309,283	3.94%
2020	25,972	25,972	-	1,119,239	2.32%
2019	27,748	27,748	-	1,122,452	2.47%
2018	25,518	25,518	-	1,007,089	2.53%
2017	22,496	22,496	-	849,852	2.65%
2016	47,681	47,681	-	749,202	6.60%
2015	45,215	45,215	-	702,092	6.60%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

New River Valley Regional Commission
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

WIA Fund Budget:
The WIA Fund is not legally required to adopt a budget, thus eliminating the requirement to present budgetary comparison information.

Pension Plan:

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COMPLIANCE SECTION

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

CPAs | CONSULTANTS

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

To the Members of the Board
New River Valley Regional Commission
Radford, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and each major fund of the New River Valley Regional Commission as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the New River Valley Regional Commission's basic financial statements and have issued our report thereon dated January 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New River Valley Regional Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New River Valley Regional Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the New River Valley Regional 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New River Valley Regional 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

Blacksburg, Virginia
January 24, 2025

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

To the Members of the Board
New River Valley Regional Commission
Radford, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the New River Valley Regional Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the New River Valley Regional Commission's major federal programs for the year ended June 30, 2024. The New River Valley Regional Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the New River Valley Regional 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the New River Valley Regional Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the New River Valley Regional Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the New River Valley Regional Commission's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the New River Valley Regional Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the New River Valley Regional Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the New River Valley Regional Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the New River Valley Regional Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the New River Valley Regional Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
January 24, 2025

New River Valley Regional Commission
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Federal Expenditures	Expenditures to Subrecipients
Department of Labor:					
Direct Payments:					
Youthbuild	17.274	Not applicable		$ 403,135	
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	Not applicable		415,383	
Community Project Funding/Congressionally Directed Spending	17.289	Not applicable		271,985	
Pass-through payments from:					
Hampton Roads Workforce Council					
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Not available		2,255	177
Commonwealth of Virginia - Virginia Community College System:					
County of Pulaski, Virginia:					
Workforce Innovation and Opportunity Act (WIOA) Cluster:					
WIOA Adult Program	17.258	23A55AT000020/TSD 22-02-01/OG 22-02-01/SST 22-02-01		1,095,495	575,768
WIOA Dislocated Worker Formula Grants	17.278	23A55W000023/AA-36350-21-55-A-51		609,037	395,994
WIOA Youth Activities	17.259	23A55Y000030/AA-36350-21-55-A-51		1,419,493	749,928
Total Workforce Innovation and Opportunity Act (WIOA) Cluster				$ 3,124,025	
Total Department of Labor				$ 4,216,783	
Social Security Administration:					
Direct Payments:					
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	96.009	Not applicable		$ 14,866	
Appalachian Regional Commission:					
Direct Payments:					
Appalachian Local Development District Assistance	23.009	Not applicable		$ 136,766	
Appalachian Area Development	23.002	Not applicable	$ 340,550		
Pass-through payments from:					
Department of Housing and Community Development					
Appalachian Area Development	23.002	VA-CO-19487/PW-20863-IM-2022	105,059	445,609	
Total Appalachian Regional Commission				$ 582,375	
Department of Transportation					
Pass-through payments from:					
Virginia Department of Transportation:					
Highway Planning and Construction	20.205	S241002; 0702033		$ 125,259	
Department of Commerce					
Direct Payments:					
Economic Development - Support for Planning Operations	11.302	Not applicable		$ 70,000	
Regional Technology and Innovation Hubs	11.039	Not applicable		62,963	
Total Department of Commerce				$ 132,963	
Department of Health and Human Services					
Pass-through payments from:					
Virginia Rural Health Association:					
Rural Health Care Services Outreach, Rural Health Network Development, and Small Health Care Provider Quality Improvement	93.912	1TR1RH45933-01-00		$ 188,391	
Department of Treasury					
Pass-through payments from:					
Virginia Department of Housing and Community Development:					
COVID-19 Coronavirus Capital Projects Fund	21.029	2022-011/2022-037		$ 2,281,800	
County of Montgomery, Virginia:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available		343,406	
Total Department of Treasury				$ 2,625,206	
Department of Homeland Security					
Pass-through payments from:					
Virginia Department of Emergency Management:					
BRIC: Building Resilient Infrastructure and Communities	97.047	EMP-2020-BR-036-0007		$ 14,705	
Total Expenditures of Federal Awards				$ 7,900,548	$ 1,721,867

Notes to Schedule of Expenditures of Federal Awards

Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the New River Valley Regional Commission under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budgets Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the New River Valley Regional Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the New River Valley Regional Commission.

Note B-Summary of Significant Accounting Policies

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

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

Note C-De Minimis Cost Rate:

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

Note D-Relationship to the Financial Statements:

Intergovernmental revenues per the basic financial statements	$ 8,452,662
Less: Aid from the Commonwealth of Virginia	(552,114)
Federal revenue as reported above	$ 7,900,548

New River Valley Regional Commission
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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:

Assistance Listing #	Name of Federal Program or Cluster
21.029	COVID-19 Coronavirus Capital Projects Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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 - Status of Prior Audit Findings

There were no prior year audit findings reported.