GEORGE WASHINGTON REGIONAL COMMISSION

PLANNING DISTRICT 16

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

GEORGE WASHINGTON
REGIONAL COMMISSION

GEORGE WASHINGTON REGIONAL COMMISSION
PLANNING DISTRICT 16

DIRECTORY OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2024

OFFICERS

Darrell E. English, Chairperson
Lori Hayes, First Vice Chairperson
Cathy Binder, Second Vice Chairperson
Jeffrey S. Black, Treasurer
Jason Graham, Secretary
Charles P. Boyles II, Executive Director

COMMISSIONERS

CAROLINE COUNTY

Jeffrey S. Black
Nancy Long

CITY OF FREDERICKSBURG

Jonathan A. Gerlach
Jason Graham
Jannan W. Holmes (Alternate)

KING GEORGE COUNTY

Cathy Binder
David Sullins

SPOTSYLVANIA COUNTY

Drew Mullins
Lori Hayes
Gerald Childress (Alternate)
Chris Yakabouski (Alternate)

STAFFORD COUNTY

Deuntay Diggs
Darrell E. English
Crystal L. Vanuch (Alternate)
Pamela Yeung (Alternate)

GEORGE WASHINGTON REGIONAL COMMISSION

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GEORGE WASHINGTON REGIONAL COMMISSION

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To the Board of Commissioners
George Washington Regional Commission
Fredericksburg, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of George Washington Regional Commission as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the George Washington 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, the major fund, and the aggregate remaining fund information of George Washington Regional Commission, as of June 30, 2024, and the changes in financial position for the year then 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 George Washington 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 George Washington Regional Commission's ability to continue as a going concern for twelve months beyond November 25, 2024, 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 George Washington 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 George Washington 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 management's discussion and analysis and schedules related to pension and OPEB 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise George Washington Regional Commission's basic financial statements. The combining and individual fund financial statements, and schedules and the 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,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 combining and individual fund financial statements, and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of George Washington 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 George Washington 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 George Washington Regional Commission's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
November 25, 2024

GEORGE WASHINGTON REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the annual financial report of the George Washington Regional Commission ("GWRC" or the "Commission"), the Commission's management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2024. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects and is reported in a manner designed to fairly represent the Commission's financial position and the result of operations of its various funds. All disclosures necessary to enable the reader to gain an accurate understanding of the Commission's financial activities have been included. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

The financial statements presented herein include all the activities of the Commission using the integrated approach as prescribed by GASB Statement No. 34. Management's Discussion and Analysis (MD&A) is intended to introduce the Commission's financial statements. In addition to this MD&A, this annual report consists of the basic financial statements (including government-wide financial statements as well as fund and fiduciary financial statements) and notes to the financial statements. The Commission also includes in this report additional information to supplement the basic financial statements.

Both government-wide financial statements distinguish the *governmental* activities of the Commission - which are principally supported by locality contributions and governmental revenues such as grants - which are intended to recover all or a significant portion of their costs through user fees and charges.

Basic Financial Statements

The Statement of Net Position presents information on all the Commission's assets, liabilities, and Net Position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities shows the actual revenues and expenditures of the Commission for Fiscal Year 2024 and the resulting change in net position.

In April of each year, the Commission receives a draft recommended budget for a May or June adoption for a July 1st implementation. A budgetary comparison has been provided to demonstrate compliance with the budget by comparing actual revenues and expenditures to those budgeted for the fiscal year, and the resulting variance is calculated.

Finally, the resulting excess of revenues over expenditures is added (or subtracted if expenditures exceeded revenues) from the fund balance at the beginning of the fiscal year. This determines the net asset balance for the new fiscal year.

GEORGE WASHINGTON REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Government-Wide Financial Analysis

Summary Statements of Net Position June 30, 2024 and 2023

	Table 1 Net Postion			
		2024		**2023**
Assets				
Current Assets	$	1,283,610	$	1,010,265
Capital Assets (net)		483,770		535,388
Total assets	$	1,767,380	$	1,545,653
Deferred Outflows of Resources:	$	294,809	$	280,971
Liabilities	$	1,525,475	$	1,326,851
Deferred Inflows of Resources:	$	68,080	$	128,890
Net Position				
Investment in capital assets	$	-	$	612
Unrestricted		468,634		370,271
Total net position	$	468,634	$	370,883

Current assets are comprised of cash and investments and grants receivable. These resources are available to the Commission for ongoing operations. In FY 2024:

- The Commission's total assets exceeded its liabilities by $468,634 (net position). This is compared to the previous year when assets exceeded liabilities by $370,883. This represents an increase of $97,751. Total assets/liabilities include governmental funds and fiduciary funds of Go Virginia, RRBC and AdVantage.

- The Commission's governmental only funds reported total ending fund balance of $845,204 in FY 2024. This compares to the prior year ending fund balance of $750,366 indicating an increase of $94,838 in the fund balance during FY 2024.

Capital assets consist solely of furniture, office equipment, leasehold improvements, leased building, and other durable goods used for the operation of the Commission. It should be noted that assets purchased with funds from a grantor may revert to said grantor in the event the program for which the assets were purchased is discontinued. However, this option has not been exercised by any agency providing funding to the Commission.

Liabilities are the obligations of the Commission. This category includes accounts payable, accrued expenses, compensated absences, deferred revenue, lease liability, net pension and OPEB liabilities.

Summary Statements of Activities for the Years Ended June 30, 2024 and 2023.

	Table 2 Changes in Net Position	
	2024	**2023**
Revenues		
Intergovermental	$ 2,144,725	$ 2,245,847
Local assessments	597,353	277,973
Other	23,660	32
Total revenue	2,765,738	2,523,852
Expenses		
Planning and community development	2,667,987	2,533,981
Interest on long-term debt	10,395	10,675
Total expenses	2,678,382	2,544,656
Change in net position	97,751	(20,804)
Net position at beginning of year	370,883	391,687
Net position at end of year	$ 468,634	$ 370,883

As indicated in the preceding statement there was an increase in net position of $97,751 from FY 2023 to FY 2024.

GEORGE WASHINGTON REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

GWRC Activities

The Commission's local contribution structure has been in place for decades. The principal purpose of the local contributions is to provide the required "match" for the sundry federal and state grants that fund the Commission's annual work program, predominately in the areas of economic development, environmental services, housing and community health, transportation demand management, and transportation planning. Section 110.1 of the "Amended and Restated Charter Agreement of the George Washington Regional Commission" establishes that the rate of contribution of the member localities be based on a per capita rate using a population estimate of each of its localities from either the U.S. Census Bureau or the Weldon Cooper Center for Public Service, whichever is most current.

In November 2008, the Commission established a per capita local contribution rate of $0.6433 for FY 2010 based on the anticipated amount of required matching funds. Beginning in FY 2020, the per capita rate was erroneously transposed to $0.6344; this was corrected in FY 2023. In FY 2024 the Commission approved a new per capita rate of $0.7401 resulting in $293,003 from member governments in per capita contributions. The per capita increase was a result of increased grant funding requiring local funding match that was beginning to exceed the current per capita funding. DHCD funding is used to offset operational expenses. Additionally, support from the Virginia Department of Housing and Community Development (DHCD) in FY 2024 was increased from $89,971 to $114,971. One additional increased revenue result was partially implemented in FY23 and fully implemented in FY24 with moving GWRC investments from checking/savings accounts and Certificates of Deposits to the Virginia Investment Pool netting the GWRC $23,660 in interest income in FY24.

In late winter/early spring of every year the executive director begins developing the budget for the upcoming fiscal year. This is done in close consultation with the Commission's other senior staff members. Revenue and expense projections are based largely on available guidance from current funders as well as historical funding trends. In all cases, initial draft budgets are developed using conservative income and expense projections.

Projected income included the anticipated total of local contributions, federal contracts, state contracts, and other sources.

Current revenue and expenses are provided to the Commission monthly through income statements, balance sheet and a financial information dashboard that includes accounts receivable and accounts payables levels, cash flow and unrestricted net assets. The Executive Director's monthly report provides additional financial conditions to the Commission. The Commission's Executive Committee receives twice monthly lists of GWRC payments requiring dual signature and all automated clearing house (ACH) payments.

The term "reimbursement-based" refers to funding that is received only after the Commission submits invoices to the grantor or their administrator (such as VDOT, in the case of the FHWA PL funding) for expenditures which have already been made and which are eligible for reimbursement under the terms of the grant. Invoicing is normally done either monthly or quarterly, but in all cases always in accordance with the requirements of the grant.

The Commission's primary projected expenses and other liabilities include personnel costs, occupancy expenses, equipment rental and purchases, project consultants, and pass-through expenses.

The Commission maintains insurance through the Virginia Risk Sharing Association (VRSA) to protect itself from a loss of assets resulting from negligence, accident, theft or fire. Additionally, the Commission carries "errors and omissions" and "directors' and officers' liability" policies. Coverage levels are reviewed periodically and adjusted as circumstances necessitate.

Because the Commission is dedicated to the continuing development of its staff, each staff member may join and maintain membership in professional organizations, paid for by the Commission with the approval of the executive director. Additionally, the Commission itself maintains memberships in a variety of professional and regional organizations, which are deemed to be appropriate and beneficial to carrying out its mission.

Economic Factors and Development of the Fiscal Year 2024 Budget

Planning District 16, which is served by the George Washington Regional Commission, is the fifth- largest and fastest growing of Virginia's 21 planning districts over the 2020 to 2023 period as estimated by the Weldon Cooper Center of University of Virginia. Since the adoption of the "Amended and Restated Charter Agreement of the George Washington Regional Commission" in 2006, which itself was largely a response to the rapid growth of the region, the Commission's programs have expanded significantly to address the myriad issues facing Planning District 16 more proactively and to assist its member localities as they address many of the same issues in their own jurisdictions. It is anticipated that this level of effort will be maintained into the foreseeable future.

Every effort is made on the part of the Commission's administration to accurately predict revenues and expenses for the upcoming year so that staff can provide the Board with the most reliable estimates possible for the purpose of budgeting. To this end, factors such as regional and state economic indicators, historical spending and revenue levels, projected population growth and the current GWRC Strategic Plan are considered during the budget development process. The budget is routinely monitored and adjusted for changes in revised or new program funds.

Presently, the management of the Commission is not aware of any significant changes in conditions that would have a significant effect on the financial position or results of activity of the Commission in the near future.

Future Budgetary Planning

Management had become extremely concerned with the loss of Agency Fund Balance around FY 2007. Under direct consultation with the GWRC Board as well the agency's auditor, management developed a plan to increase the financial viability of the organization. A reserve account fund request by member jurisdictions was replaced with a local contribution rate increase in FY24.

To that end management will continue to make recommendations to explore areas of budgetary saving by studying true staff needs and ability to fund positions and provide adequate fringe benefits for those positions.

GWRC staff has implemented a new classification and compensation plan that appears to be stabilizing the staffing tenure with a fully staffed organization for early FY25. The class & compensation plan is revised as area jurisdictions update their pay and benefit schedules. GWRC leadership provides an annual total compensation statement to each employee. Staff is currently negotiating an indirect cost rate with the US Department of the Interior that would be applied for all federal, state and local programs.

Management will continue to explore new revenue options to expand our regional presence by providing enhanced services to our members. FY24 experienced newly funded programs in the areas of septic repair and replacement and the new Southeast Crescent Regional Commission economic development program. All new programs and efforts will be aligned with the updated GWRC Strategic Plan adopted in early 2022 and in the process of being updated in early 2025.

Contacting the Commission's Financial Management

This financial report was prepared to provide a general overview of the Commission's finances, to comply with finance-related laws and regulations, and to demonstrate the Commission's commitment to public accountability. If you have questions about this report or would like to request additional information, please direct your inquiry to the following address:

Chip Boyles, Executive Director
George Washington Regional Commission
406 Princess Anne Street
Fredericksburg, VA 22401
(540) 642-1580
chip.boyles@gwregion.org

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GEORGE WASHINGTON REGIONAL COMMISSION
STATEMENT OF NET POSITION
At JUNE 30, 2024

		Governmental Activities
Assets:		
Cash and cash equivalents	$	635,893
Prepaid expenses		14,270
Due from other governments		633,447
Capital assets, net of accumulated depreciation		483,770
Total assets	$	1,767,380
Deferred Outflows of Resources:		
Pension related items	$	271,832
OPEB related items		22,977
Total deferred outflows of resources	$	294,809
Liabilities:		
Accounts payable and accrued expenses	$	256,213
Unearned revenue		182,193
Long-term liabilities:		
Due within one year		143,647
Net pension liability		457,948
Net OPEB liability		55,236
Due in more than one year		430,238
Total liabilities	$	1,525,475
Deferred Inflows of Resources:		
Pension related items	$	59,763
OPEB related items		8,317
Total deferred inflows of resources	$	68,080
Net Position:		
Net investment in capital assets	$	-
Unrestricted		468,634
Total net position	$	468,634

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

GEORGE WASHINGTON REGIONAL COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					George Washington Regional Commission
Program Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental Activities					
Planning and community development	$ 2,657,592	$ 2,144,725	$ 597,353	$ -	$ 84,486
Interest on long-term debt	10,395	-	-	-	(10,395)
Total Governmental Activities	$ 2,667,987	$ 2,144,725	$ 597,353	$ -	$ 74,091
	General revenues:				
	Unrestricted revenues from use of money and property				$ 23,660
	Total general revenues				$ 23,660
	Change in net position				$ 97,751
	Net position - beginning of year				$ 370,883
	Net position - ending				$ 468,634

FUND FINANCIAL STATEMENTS

GEORGE WASHINGTON REGIONAL COMMISSION
BALANCE SHEET - GOVERNMENTAL FUNDS
AT JUNE 30, 2024

Assets		
Cash and cash equivalents	$	635,893
Prepaid expenses		14,270
Due from other governments		633,447
Total Assets	$	1,283,610
Liabilities		
Accounts payable and accrued expenses	$	256,213
Unearned revenue		182,193
Total Liabilities	$	438,406
FUND BALANCE		
Unassigned	$	845,204
Total Fund Balance	$	845,204
Total liabilities and fund balance	$	1,283,610

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

GEORGE WASHINGTON REGIONAL COMMISSION
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
AT JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances - total governmental funds		$ 845,204
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		483,770
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	$ 271,832	
OPEB related items	22,977	294,809
Long-term liabilities, applicable to the Commission's governmental activities are not due and payable in the current period and therefore are not reported in the fund.		
Compensated absences	$ (89,447)	
Net pension liability	(457,948)	
Net OPEB liabilities	(55,236)	
Lease liabilities	(484,438)	(1,087,069)
Deferred inflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.		
Pension related items	$ (59,763)	
OPEB related items	(8,317)	(68,080)
Net Position of Governmental Activities		$ 468,634

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

GEORGE WASHINGTON REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR END JUNE 30, 2024

Revenues:		
Federal	$	1,381,250
State		763,475
Local		597,353
Interest income		23,660
Total revenues	$	2,765,738
Expenditures:		
Personnel	$	1,525,117
Subgrants		162,967
Consultant and professional fees		616,214
Conferences, training and travel		29,966
Equipment		3,110
Information technology		56,920
Insurance		3,017
Marketing and public relations		119,726
Meetings		28,252
Membership dues and subscriptions		16,004
Miscellaneous		2,414
Occupancy		71,310
Office supplies		14,410
Postage		1,737
Telephone and internet		9,341
Interest expense		10,395
Total expenditures	$	2,670,900
Change in fund balance	$	94,838
Fund balance, beginning of year		750,366
Fund Balance, end of year	$	845,204

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

GEORGE WASHINGTON REGIONAL COMMISSION
RECONCILIATION OF STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activites are different because:				
Net Changes in Fund Balance - Total Governmental Funds			$	94,838
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. The following details support this adjustment				
Capital outlay	$	9,777		
Depreciation expense		(61,395)		(51,618)
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.				
Repayments:				
Lease liabilities	$	50,338		50,338
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.				
Compensated absences	$	(18,357)		
Pension expense		4,536		
OPEB expense		18,014		4,193
Change in net position of governmental activities			$	97,751

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

GEORGE WASHINGTON REGIONAL COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
At JUNE 30, 2024

		Custodial Funds
Assets:		
Cash and cash equivalents	$	138,906
Accounts receivable		568,383
Total assets	$	707,289
Liabilities:		
Accounts payable and accrued expenses	$	570,113
Unearned revenue		136,183
Total liabilities	$	706,296
Net Position:		
Restricted for:		
Other organization	$	993
Total net position	$	993

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

GEORGE WASHINGTON REGIONAL COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR END JUNE 30, 2024

		Custodial Funds
Additions:		
Contributions		
State grant revenue	$	2,753,246
Local contributions		12,000
Insurance premiums		471,438
Miscellaneous		3,025
Total contributions	$	3,239,709
Investment earnings		
Interest	$	2,613
Total investment earnings	$	2,613
Total additions	$	3,242,322
Deductions:		
Personnel	$	227,536
Subgrants		2,472,095
Insurance premiums		464,030
Consultant and professional fees		29,419
Conferences, training and travel		12,958
Information technology		10,699
Marketing and public relations		8,403
Meetings		12,671
Membership dues and subscriptions		1,460
Office supplies		2,058
Total deductions	$	3,241,329
Change in net position	$	993
Net Position, beginning of year		-
Net Position, end of year	$	993

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of George Washington Regional Commission (Commission) conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant polices:

A. Financial Reporting Entity

The Rappahannock Area Development Commission, Planning District 16, (RADCO or the Commission) was established on January 1, 1970 under the Virginia Area Development Act (Title 15.1, Chapter 34, Sections 15.1 - 1400, et. seq., Code of Virginia (1950) as amended). The Commission promotes, encourages and assists the counties of Caroline, King George, Spotsylvania, Stafford and the City of Fredericksburg in planning for the orderly and efficient development for the future and such other activities as determined by the Commission. RADCO was renamed George Washington Regional Commission (GWRC or Commission) on October 1, 2006.

B. Government-wide Statements and Fund Financial Statements

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

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

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

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

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

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

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

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

B. Government-wide Statements and Fund Financial Statements: (continued)

The following fund types are used by the Commission:

Governmental Funds:

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

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

Fiduciary Fund Types – (Trust and Custodial Funds):

Fiduciary Funds (Trust and Custodial Funds) account for assets held in a trustee capacity or as custodian for individuals, private organizations, or other governmental units. The Commission reports the following Fiduciary Funds:

Mary Washington Go Virginia Region 6 Council Custodial Fund: This fund provides assistance to encourage regional cooperation among business, education, and government on strategic, economic, and workforce development efforts is accounted for in essentially the same manner as a proprietary fund type.

AdVANtage Self-Insurance Program: This fund provides affordable liability, uninsured motorist and physical damage protection for commuter vanpools. Vanpools that are licensed and registered in the Commonwealth of Virginia are eligible to become members. Vanpool owners join by paying annual membership fees to the pool that they would traditionally make payments to in the form of premiums. These fees are used to self-insure the AdVANtage member vanpools. The goal of the AdVANtage Program is to ensure that current vanpools remain in service and to encourage the formation of new vanpools.

Rappahannock River Basin Commission: This fund is to provide guidance for the stewardship and enhancement of the water quality and natural resources of the Rappahannock River Basin.

C. Basis of Accounting

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

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

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

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

C. Basis of Accounting: (continued)

to this general rule is that debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recognized when due.

D. Budgets and Budgetary Accounting

A budget is prepared for informational and fiscal planning purposes. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses. The budget is prepared on the same basis of accounting as the basic financial statements are prepared.

E. Use of Estimates

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

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Commission consider demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

G. Project Expenses

The costs of goods and services which are identifiable for specific projects are directly charged to those projects at the time costs are incurred. Indirect costs are allocated to projects as described in Note 12. Personnel costs for Commission employees are direct charges to the appropriate projects. Expenses of annual, sick, and other types of paid leave and fringe benefits are allocated to projects as described in Note 12.

H. Prepaid Items

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

I. Net Position

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

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

J. Net Position Flow Assumption

Sometimes the Commission funds 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 position to have been depleted before unrestricted net position is applied.

K. Capital Assets

Capital assets consisting of furniture and equipment are recorded at cost. Property and equipment with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year is recorded as capital assets unless instructed otherwise by the funding grant document. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets ranging from five to fifteen years. Lease assets are amortized on a straight-line basis over the shorter of the lease term or their estimated useful lives.

L. Unearned Revenue

The Commission reports unearned revenue on its statement of net position. Unearned revenues also arise when resources are received by the Commission before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Commission has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

M. Revenue Recognition

Intergovernmental revenues, consisting primarily of federal, state, local and other grants for the purpose of funding specific expenditures, are recognized when earned. Contributions of the member governments are based on population and are assessed annually. There is also provision for special assessments where problems warrant. The Commission recognizes a liability for funds received in excess of project expenditures. Operating revenues and expenses are defined as those items that result from providing services and include all transactions and events which are not capital and related financing, noncapital financing or investing activities. Nonoperating revenues are defined as investment and other revenues. Nonoperating expenses are defined as noncapital related financing and other expenses.

N. 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 has one type of item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

N. Deferred Outflows/Inflows of Resources: (continued)

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 has one type of item that qualifies for reporting in this category. Certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

O. Pensions

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

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Standalone OPEB Plans and the additions to/deductions from the VRS OPEB Plans' 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.

Q. Leases

The Commission has one lease requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee
The Commission recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of $5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

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

Q. Leases: (continued)

Key Estimates and Judgments
Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability.

The Commission monitors changes in circumstances that would require a remeasurement or modification of its leases. The Commission will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 2–DEPOSITS AND INVESTMENTS:

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.

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 & 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). There were no investments as of June 30, 2024.

NOTE 3– DUE FROM OTHER GOVERNMENTS:

Amounts due from other governments at June 30, 2024 are as follows:

Federal Government:		
U.S. Department of Housing and Urban Development:	$	11,585
Total Federal Government	$	11,585
State and Local:		
Virginia Department of Housing & Community Development	$	24,302
Virginia Department of Rail and Public Transportation		98,049
Virginia Department of Transportation		408,493
Virginia Department of Environmental Quality		61,406
Virginia Housing Development Authority		14,503
Other		15,109
Total State and Local	$	621,862
Total Due from Other Governments	$	633,447

NOTE 4–CAPITAL ASSETS:

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, being depreciated:				
Office Furniture and equipment	$ 96,916	$ 9,777	$ -	$ 106,693
Leasehold improvements	195,274	-	-	195,274
Lease building	629,975	-	-	629,975
Lease equipment	13,082	-	-	13,082
Total capital assets being depreciated	$ 935,247	$ 9,777	$ -	$ 945,024
Accumulated depreciation:				
Office Furniture and equipment	$ 89,145	$ 1,508	$ -	$ 90,653
Leasehold improvements	195,274	-	-	195,274
Lease building	114,540	57,271	-	171,811
Lease equipment	900	2,616	-	3,516
Total accumulated depreciation	$ 399,859	$ 61,395	$ -	$ 461,254
Total capital assets being depreciated, net	$ 535,388	$ (51,618)	$ -	$ 483,770

Depreciation expense for the year ended June 30, 2024 was $61,395.

NOTE 5–COMPENSATED ABSENCES:

The Commission policy allows employees to accumulate annual leave. Accumulated annual leave up to 30 days is paid upon termination, while accrued sick leave is paid at a rate of 25%.

NOTE 6–LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Other obligations:					
Compensated absences	$ 71,090	$ 89,447	$ 71,090	$ 89,447	$ 89,447
Lease liabilities	534,776	-	50,338	484,438	54,200
Net pension liability	396,346	468,236	406,634	457,948	-
Net OPEB liabilities	64,740	29,482	38,986	55,236	-
Total other obligations	$ 1,066,952	$ 587,165	$ 567,048	$ 1,087,069	$ 143,647
Total long-term liabilities	$ 1,066,952	$ 587,165	$ 567,048	$ 1,087,069	$ 143,647

As of June 30, 2024, the Commission's long-term leases consisted of the following:

Building Lease:
The Commission entered into a lease agreement for office space, with the lease term to expire on June 30, 2032, with an option to renew for one additional five year period. The lease also provides for annual base rent escalations not to exceed 2% per year. The Commission used the rate of 2% as the discount rate.

Equipment Lease:
The Commission entered into a lease agreement for equipment, with the lease term to expire on February 27, 2028, with an option to renew for one additional five year period. The Commission used the rate of 4.25% as the discount rate.

Future principal and interest lease payments as of June 30, 2024, under the lease for office space are as follows:

	Lease Liabilities	
June 30,	Principal	Interest
2025	$ 54,200	$ 10,476
2026	55,751	9,377
2027	58,170	8,231
2028	59,708	7,035
2029	60,285	5,791
2030-2032	196,324	10,748
Totals	$ 484,438	$ 51,658

NOTE 7–COMMITMENTS/CONTINGENT LIABILITIES:

Federal programs in which the Commission participates were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

NOTE 8–LITIGATION:

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

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Note 9—Pension Plan:

Plan Description

All full-time, salaried permanent employees of the Commission are automatically covered by a VRS Retirement Plan upon employment, through the County of Stafford, Virginia. 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, several entities participate in the VRS plan through the County of Stafford, Virginia and the participating entities report 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.

Note 9—Pension Plan: (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, 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, 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.

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, 2024, was 13.12% 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 $146,005 and $131,226 for the year ended June 30, 2024 and June 30, 2023, respectively.

Note 9—Pension Plan: (Continued)

Net Pension Liability

At June 30, 2023, the Commission reported a liability of $457,948 for its proportionate share of the net pension liability. The Commission's 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 and rolled forward to the measurement date of June 30, 2023. The Commission's proportionate share of the same was calculated using contributions as of June 30, 2022, and as a basis for allocation. At June 30, 2024 the Commission's proportion was 1.35%.

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

Note 9—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-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

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:

Note 9—Pension Plan: (Continued)

Long-Term Expected Rate of Return: (Continued)

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 that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 9—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 Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2022, 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% and 112%, respectively 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		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Commission's proportionate share of the County's Retirement Plan Net Pension Liability (Asset)	$ 1,049,313	$ 457,948	$ (25,717)

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 $145,654. 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.

Note 9—Pension Plan: (Continued)

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

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	$ 84,834	$ 9,796
Change in assumptions	40,993	-
Net difference between projected and actual earnings on pension plan investments	-	49,967
Employer contributions subsequent to the measurement date	146,005	-
Total	$ 271,832	$ 59,763

$146,005 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government
2025	$ 35,083
2026	(40,095)
2027	68,535
2028	2,542
2029	-
Thereafter	-

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 https://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 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

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 Plan. 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 plan, it is not included as part of the GLI Plan 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.

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, seatbelt 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 adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $9,470 and $8,516 for the year ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Act, and is classified as a non-employer contribution.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2024, the entity reported a liability of $53,674 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 1.35% as compared to 1.36% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of $4,483. 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.

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,361	$ 1,657
Net difference between projected and actual earnings on GLI OPEB plan investments	-	2,157
Change in assumptions	1,147	3,719
Changes in proportionate share	5,226	-
Employer contributions subsequent to the measurement date	9,470	-
Total	$ 21,204	$ 7,533

$9,470 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, 2025. 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:

Year Ended June 30	
2025	$ 1,481
2026	(557)
2027	2,009
2028	562
2029	10
Thereafter	-

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability 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. The assumptions include several employer groups. Salary increases and 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

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

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

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (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:

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 from 75 to 80 for all
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

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, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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.

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (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 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 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 that time, providing a median return of 7.14%, including expected inflation of 2.50%.

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, 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 113% of the actuarially determined contribution rate. From July 1, 2023, 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	79,561	53,674	32,744

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is 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 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 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 participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The Commission's contractually required employer contribution rate for the year ended June 30, 2024 was .09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from the Commission to the HIC Plan were $622 and $564 for the year ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The Commission's net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total HIC OPEB liability 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:		
Locality - General employees		3.50%-5.35%
Investment rate of return		6.75%, net of investment expenses,
		including inflation

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

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

The actuarial assumptions used in the June 30, 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:

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 from 75 to 80 for all
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

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (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 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%

*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 that time, providing a median return of 7.14%, including expected inflation of 2.50%.

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC 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 HIC OPEB liability.

Sensitivity of the Commission's Proportionate Share of the HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the Commission's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Commission's net HIC 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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Commission's proportionate share of the County's Net HIC OPEB Liability	3,340	1,562	63

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2024, the Commission recognized HIC Plan OPEB expense of $363. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Commission's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 661	$ 639
Net difference between projected and actual earnings on HIC OPEB plan investments	-	141
Change in assumptions	490	4
Employer contributions subsequent to the measurement date	622	-
Total	$ 1,773	$ 784

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: (Continued)

$622 reported as deferred outflows of resources related to the HIC OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30		
2025	$	52
2026		(66)
2027		307
2028		101
2029		(27)
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is 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 12–COST ALLOCATION BASIS – INDIRECT COSTS AND FRINGE BENEFITS:

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's direct salaries, leave, and fringe benefits to total direct salaries, leave, and fringe benefits (excluding temporary help). The indirect cost rate for the fiscal year ended June 30, 2024, was calculated as follows:

$$\frac{\text{Indirect costs}}{\text{Total direct salaries and fringe benefits}} = \frac{\$\ 618{,}090}{1{,}344{,}982} = 45.96\%$$

The following are included in indirect costs allocated to projects:

Indirect salaries	$	270,496
Fringe on indirect salaries		155,532
Building expenses		82,113
Telephone and internet		9,341
Equipment rental and maintenance		25,962
Equipment purchase		3,110
Office supplies and printing		7,306
Postage, shipping and delivery		740
Newspaper subscriptions		327
Memberships		6,778
Professional services		39,595
Meeting expenses		3,903
Conferences and training		4,200
Travel and meals		4,736
Insurance		3,017
Bank fees		405
Public relations		529
Total	$	618,090

Fringe benefit expense is allocated using the percentage of benefits to total salaries including all personnel costs included in other categories. The fringe benefit rate for the fiscal year ended June 30, 2024 was calculated as follows:

$$\frac{\text{Fringe Benefit expense}}{\text{Total salaries}} = \frac{\$\ 646{,}550}{1{,}124{,}460} = 57.50\%$$

NOTE 12–COST ALLOCATION BASIS – INDIRECT COSTS AND FRINGE BENEFITS: (CONTINUED)

Components of fringe benefits expense for the year ended June 30, 2024 are shown below:

Fringe Benefits		
Annual leave	$	73,817
Sick leave		59,397
Holiday leave and office closings		70,393
Social security		77,497
Medicare		24,070
Workers compensation		1,599
Retirement		172,195
Health and dental insurance		140,042
Life and disability insurance		27,540
	$	646,550

NOTE 13– 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 fiscal years 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.

SCHEDULE OF COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE MEASUREMENT DATES OF JUNE 30, 2021 THROUGH JUNE 30, 2023

Share of County of Stafford Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)

Date (1)	Proportion of the Net Pension Liability (NPL) (2)	Proportionate Share of the NPL (3)	Employer's Covered Payroll (4)	Proportionate Share of the NPL as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (6)
2023	1.35%	$ 457,948	$ 1,000,198	45.79%	94.59%
2022	1.36%	396,346	727,925	54.45%	94.59%
2021	1.09%	156,998	768,665	20.42%	94.59%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

GEORGE WASHINGTON REGIONAL COMMISSION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION PLAN
YEAR ENDED JUNE 30, 2022 THROUGH JUNE 30, 2024

Share of County of Stafford Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)

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	$ 146,005	$ 146,005	$ -	$ 1,112,843	13.12%
2023	131,226	131,226	-	1,000,198	13.12%
2022	79,999	79,999	-	727,925	10.99%

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

Schedule is intended to show information for 10 years. Information prior to 2022 is not available. However, additional years will be included as they become available.

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

GEORGE WASHINGTON REGIONAL COMMISSION

SCHEDULE OF COMMISSION'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE MEASUREMENT DATE OF JUNE 30, 2021 THROUGH JUNE 30, 2023

Share of County of Stafford Virginia's GLI Plan (a cost-sharing multiple employer plan administered by the VRS)

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	1.35%	$ 53,674	$ 1,062,010	5.05%	69.30%
2022	1.36%	53,345	727,925	7.33%	67.21%
2021	1.09%	40,197	768,665	5.23%	67.45%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

GEORGE WASHINGTON REGIONAL COMMISSION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE (GLI) PLAN
YEAR ENDED JUNE 30, 2022 THROUGH JUNE 30, 2024

Share of County of Stafford Virginia's GLI Plan (a cost-sharing multiple employer plan administered by the VRS)

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	$ 5,226	$ 5,226	$ -	$ 1,184,114	0.44%
2023	8,516	8,516	-	1,062,010	0.80%
2022	6,160	6,160	-	727,925	0.85%

Schedule is intended to show information for 10 years. Information prior to 2022 is not available. However, additional years will be included as they become available.

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:

Non-Largest Ten Locality Employers - General Employees

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 from 75 to 80 for all
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

GEORGE WASHINGTON REGIONAL COMMISSION

SCHEDULE OF COMMISSION'S SHARE OF NET OPEB LIABILITY
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE MEASUREMENT DATE OF JUNE 30, 2021 THROUGH JUNE 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	1.35%	$ 1,562	$ 619,333	0.25%	67.45%
2022	1.36%	1,014	445,022	0.23%	67.45%
2021	1.09%	755	410,759	0.18%	67.45%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

GEORGE WASHINGTON REGIONAL COMMISSION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT (HIC) PLAN
YEAR ENDED JUNE 30, 2022 THROUGH JUNE 30, 2024

Share of County of Stafford Virginia's HICI Plan (a cost-sharing multiple employer plan administered by the VRS)

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	$ 622	$ 622	$ -	$ 692,418	0.09%
2023	564	564	-	619,333	0.09%
2022	489	489	-	445,022	0.11%

Schedule is intended to show information for 10 years. Information prior to 2022 is not available. However, additional years will be included as they become available.

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 though 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:

Non-Largest Ten Locality Employers - General Employees

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 from 75 to 80 for all
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

GEORGE WASHINGTON REGIONAL COMMISSION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
At JUNE 30, 2024

	Custodial Funds			
	Mary Washington GO Virginia Region 6 Council	Rappahannock River Basin Commission	AdVANtage Self-Insurance Program	Total
Assets:				
Cash and cash equivalents	$ -	$ 100,239	$ 38,667	$ 138,906
Accounts receivable	568,383	-	-	568,383
Total assets	$ 568,383	$ 100,239	$ 38,667	$ 707,289
Liabilities:				
Accounts payable and accrued expenses	$ 568,383	$ -	$ 1,730	$ 570,113
Unearned revenue	-	100,139	36,044	136,183
Total liabilities	$ 568,383	$ 100,139	$ 37,774	$ 706,296
Net Position:				
Restricted for:				
Other organization	$ -	$ 100	$ 893	$ 993
Total net position	$ -	$ 100	$ 893	$ 993

GEORGE WASHINGTON REGIONAL COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR END JUNE 30, 2024

	Custodial Funds			
	Mary Washington GO Virginia Region 6 Council	Rappahannock River Basin Commission	AdVANtage Self-Insurance Program	Total
Additions:				
Contributions				
State grant revenue	$ 2,735,308	$ 17,938	$ -	$ 2,753,246
Local contributions	-	12,000	-	12,000
Insurance premiums	-	-	471,438	471,438
Miscellaneous	3,025	-	-	3,025
Total contributions	$ 2,738,333	$ 29,938	$ 471,438	$ 3,239,709
Investment earnings				
Interest	$ -	$ 1,720	$ 893	$ 2,613
Total investment earnings	$ -	$ 1,720	$ 893	$ 2,613
Total additions	$ 2,738,333	$ 31,658	$ 472,331	$ 3,242,322
Deductions:				
Personnel	$ 227,536	$ -	$ -	$ 227,536
Subgrants	2,467,850	4,245	-	2,472,095
Insurance premiums	-	-	464,030	464,030
Consultant and professional fees	4,500	24,919	-	29,419
Conferences, training and travel	12,746	212	-	12,958
Information technology	3,291	-	7,408	10,699
Marketing and public relations	8,403	-	-	8,403
Meetings	11,573	1,098	-	12,671
Membership dues and subscriptions	1,460	-	-	1,460
Office supplies	974	1,084	-	2,058
Total deductions	$ 2,738,333	$ 31,558	$ 471,438	$ 3,241,329
Change in net position	$ -	$ 100	$ 893	$ 993
Net Position, beginning of year	-	-	-	-
Net Position, end of year	$ -	$ 100	$ 893	$ 993

OTHER SUPPLEMENTARY INFORMATION

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENDITURES - ACTUAL AND BUDGET
(NON-GAAP BASIS)
YEAR ENDED JUNE 30, 2024

	Actual	Approved Budget	Variance Positive (Negative)
Revenues:			
Federal	$ 1,381,250	$ 1,156,723	$ 224,527
State	3,516,721	4,691,172	(1,174,451)
Local Miscellaneous	255,671	274,089	(18,418)
Miscellaneous	828,145	2,352,108	(1,523,963)
Total Revenues	$ 5,981,787	$ 8,474,092	$ (2,492,305)
Expenses:			
Personnel	$ 1,748,460	$ 1,836,493	$ 88,033
Subgrants	3,099,092	5,413,407	2,314,315
Consultant and professional fees	645,633	286,995	(358,638)
Conferences, training and travel	42,924	60,512	17,588
Depreciation	61,395	-	(61,395)
Equipment	3,110	16,500	13,390
Information technology	55,453	90,412	34,959
Insurance	3,017	2,715	(302)
Marketing and public relations	128,129	107,288	(20,841)
Meetings	40,923	32,056	(8,867)
Membership dues and subscriptions	17,464	18,453	989
Miscellaneous	2,414	132	(2,282)
Occupancy	23,361	82,844	59,483
Office supplies	16,468	12,289	(4,179)
Postage	1,737	936	(801)
Telephone and internet	9,341	9,180	(161)
Total Expenses	$ 5,898,921	$ 7,970,212	$ 2,071,291
Operating income (loss)	$ 82,866	$ 503,880	$ (421,014)
Nonoperating revenue (expenses):			
Interest income	26,273	-	26,273
Interest expense	(10,395)	-	(10,395)
Total nonoperating income (expenses)	$ 15,878	$ -	$ 15,878
Change in net position	$ 98,744	$ 503,880	$ (405,136)

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	SCRC (ECONOMIC DEVELOPMENT)	TOTAL (ECONOMIC DEVELOPMENT)	CZM TECHNICAL ASSISTANCE (ENVIRONMENTAL SERVICES)	WIP III (ENVIRONMENTAL SERVICES)	TOTAL (ENVIRONMENTAL SERVICES)
Resources					
Federal	$ 13,230	$ 13,230	$ 67,764	$ 58,500	$ 126,264
State	-	-	-	-	-
Local	-	-	6,689	22,650	29,339
Miscellaneous	-	-	-	-	-
Interest income	-	-	-	-	-
Total Resources	$ 13,230	$ 13,230	$ 74,453	$ 81,150	$ 155,603
Expenditures					
Personnel	$ 12,878	$ 12,878	$ 71,436	$ 72,262	$ 143,698
Subgrants	-	-	-	100	100
Consultant and professional fees	-	-	-	-	-
Conferences, training and travel	352	352	2,496	722	3,218
Depreciation	-	-	-	-	-
Equipment	-	-	-	-	-
Information technology	-	-	484	8	492
Insurance	-	-	-	-	-
Marketing and public relations	-	-	-	1,812	1,812
Meetings	-	-	37	496	533
Membership dues and subscriptions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Occupancy	-	-	-	-	-
Office supplies	-	-	-	52	52
Postage	-	-	-	-	-
Telephone and internet	-	-	-	-	-
Interest expense	-	-	-	-	-
Total Expenditures	$ 13,230	$ 13,230	$ 74,453	$ 75,452	$ 149,905

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	CAROLINE -LEASED PARKING (GW RIDECONNECT)	CMAQ 103685 (GW RIDECONNECT)	DRPT ADVANTAGE FY22 (GW RIDECONNECT)	DRPT VANPOOL (GW RIDECONNECT)	GW RIDESHARE (GW RIDECONNECT)	TOTAL (GW RIDECONNECT)
Resources						
Federal	$ -	$ 30,419	$ -	$ -	$ -	$ 30,419
State	-	7,605	59,535	120,498	265,408	453,046
Local	-	-	-	30,125	66,352	96,477
Miscellaneous	2,600	-	15,000	-	300	17,900
Interest income	-	-	-	-	-	-
Total Resources	$ 2,600	$ 38,024	$ 74,535	$ 150,623	$ 332,060	$ 597,842
Expenditures						
Personnel	$ -	$ -	$ 73,878	$ 114,718	$ 233,411	$ 422,007
Subgrants	2,600	-	-	1,950	-	4,550
Consultant and professional fees	-	35,316	-	-	-	35,316
Conferences, training and travel	-	-	-	818	5,368	6,186
Depreciation	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Information technology	-	3,090	540	-	52	3,682
Insurance	-	-	-	-	-	-
Marketing and public relations	-	-	-	33,136	82,142	115,278
Meetings	-	-	-	-	60	60
Membership dues and subscriptions	-	-	-	-	4,399	4,399
Miscellaneous	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-
Office supplies	-	-	-	-	5,578	5,578
Postage	-	-	-	-	997	997
Telephone and internet	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total Expenditures	$ 2,600	$ 38,406	$ 74,418	$ 150,622	$ 332,007	$ 598,053

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	HMIS USER FEES (HUMAN SERVICES)	HUD COC PLANNING (HUMAN SERVICES)	HUM - MWHF HAC Housing Advisor (HUMAN SERVICES)	HUM MWHF-CBF Com. Base Eligibil (HUMAN SERVICES)	Phase 41 Caroline EFSP (HUMAN SERVICES)
Resources					
Federal	$ -	$ 15,104	$ -	$ -	$ 260
State	-	728	-	-	-
Local	-	3,776	-	-	-
Miscellaneous	15,530	-	60,644	39,821	-
Interest income	-	-	-	-	-
Total Resources	$ 15,530	$ 19,608	$ 60,644	$ 39,821	$ 260
Expenditures					
Personnel	$ -	$ 19,608	$ 37,291	$ 1,100	$ -
Subgrants	15,530	-	555	38,721	260
Consultant and professional fees	-	-	-	-	-
Conferences, training and travel	-	-	-	-	-
Depreciation	-	-	-	-	-
Equipment	-	-	-	-	-
Information technology	-	-	-	-	-
Insurance	-	-	-	-	-
Marketing and public relations	-	-	-	-	-
Meetings	-	-	21,195	-	-
Membership dues and subscriptions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Occupancy	-	-	-	-	-
Office supplies	-	-	1,603	-	-
Postage	-	-	-	-	-
Telephone and internet	-	-	-	-	-
Interest expense	-	-	-	-	-
Total Expenditures	$ 15,530	$ 19,608	$ 60,644	$ 39,821	$ 260

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	RUW COORD. ASSESS (HUMAN SERVICES)	UNSHELTERED HOMELESSNESS (HUMAN SERVICES)	USHUD (HMIS) (HUMAN SERVICES)	VHDA HOUSING DEV. (HUMAN SERVICES)	VHSP COC (HUMAN SERVICES)	TOTAL (HUMAN SERVICES)
Resources						
Federal	$ -	$ -	$ 55,125	$ -	$ -	$ 70,489
State	7	-	725	9,488	72,519	83,467
Local	-	-	13,781	-	17,752	35,309
Miscellaneous	20,000	40,672	-	84,264	267	261,198
Interest income	-	-	-	-	-	-
Total Resources	$ 20,007	$ 40,672	$ 69,631	$ 93,752	$ 90,538	$ 450,463
Expenditures						
Personnel	$ 1,007	$ 867	$ 62,696	$ 64,991	$ 76,422	$ 263,982
Subgrants	19,000	39,806	-	28,761	3,923	146,556
Consultant and professional fees	-	-	-	-	-	-
Conferences, training and travel	-	-	81	-	5,641	5,722
Depreciation	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Information technology	-	-	6,854	-	3,291	10,145
Insurance	-	-	-	-	-	-
Marketing and public relations	-	-	-	-	354	354
Meetings	-	-	-	-	-	21,195
Membership dues and subscriptions	-	-	-	-	667	667
Miscellaneous	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-
Office supplies	-	-	-	-	240	1,843
Postage	-	-	-	-	-	-
Telephone and internet	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total Expenditures	$ 20,007	$ 40,673	$ 69,631	$ 93,752	$ 90,538	$ 450,464

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	DRPT 5303 (MPO- FAMPO)	FHWA PL (MPO- FAMPO)	DRPT 5303 FY22 (MOBILITY STUDY)	MPO - SS4A (MPO- FAMPO)	STBG - RIVER CROSSING STUDY (MPO- FAMPO)	STBG - VCR STUDY (VCR Trail Study)	TOTAL (MPO- FAMPO)
Resources							
Federal	$ 188,697	$ 445,483	$ -	$ 96,000	$ 342,355	$ 10,313	$ 1,082,848
State	23,587	62,290	(6,649)	294	85,589	2,578	167,689
Local	23,590	56,420	-	-	-	-	80,010
Miscellaneous	-	922	-	24,000	-	-	24,922
Interest income	-	-	-	-	-	-	-
Total Resources	$ 235,874	$ 565,115	$ (6,649)	$ 120,294	$ 427,944	$ 12,891	$ 1,355,469
Expenditures							
Personnel	$ 233,771	$ 541,275	$ -	$ 43,274	$ -	$ -	$ 818,320
Subgrants	-	5,761	-	-	-	-	5,761
Consultant and professional fees	-	-	-	76,667	427,944	12,891	517,502
Conferences, training and travel	401	4,961	-	-	-	-	5,362
Depreciation	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Information technology	-	7,329	-	-	-	-	7,329
Insurance	-	-	-	-	-	-	-
Marketing and public relations	-	1,753	-	-	-	-	1,753
Meetings	801	1,056	-	353	-	-	2,210
Membership dues and subscriptions	900	2,861	-	-	-	-	3,761
Miscellaneous	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-
Office supplies	-	97	-	-	-	-	97
Postage	-	-	-	-	-	-	-
Telephone and internet	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total Expenditures	$ 235,873	$ 565,093	$ -	$ 120,294	$ 427,944	$ 12,891	$ 1,362,095

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	DHCD PLANNING (OTHER SERVICES)	FUND BALANCE CONTRIBUTIONS (OTHER SERVICES)	LEGISLATIVE (OTHER SERVICES)	LEPC REGIONAL EMERGENCY FUND (OTHER SERVICES)	UNALLOCATED FUNDS (OTHER SERVICES)	TOTAL (OTHER SERVICES)
Resources						
Federal	$ -	$ -	$ -	$ -	$ -	$ -
State	75,053	-	-	-	-	75,053
Local	-	-	-	-	36	36
Miscellaneous	-	2,839	543	23,800	2,770	29,952
Interest income	-	-	-	-	23,660	23,660
Total Resources	$ 75,053	$ 2,839	$ 543	$ 23,800	$ 26,466	$ 128,701
Expenditures						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Subgrants	6,000	-	-	-	-	6,000
Consultant and professional fees	-	-	-	23,800	-	23,800
Conferences, training and travel	-	-	191	-	-	191
Depreciation	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Information technology	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Marketing and public relations	-	-	-	-	-	-
Meetings	-	-	352	-	-	352
Membership dues and subscriptions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Telephone and internet	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total Expenditures	$ 6,000	$ -	$ 543	$ 23,800	$ -	$ 30,343

GEORGE WASHINGTON REGIONAL COMMISSION
SCHEDULE OF RESOURCES AND EXPENDITURES BY PROGRAM (CONTINUED)
(Non-GAAP Basis)
YEAR ENDED JUNE 30, 2024

	SPR RURAL TRANSPORTATION	DIRECT PROGRAM TOTAL	GENERAL	PROGRAM AND GENERAL TOTAL
Resources				
Federal	$ 58,000	$ 1,381,250	$ -	$ 1,381,250
State	2,157	781,412	-	781,412
Local	14,500	255,671	-	255,671
Miscellaneous	-	333,972	-	333,972
Interest income	-	23,660	-	23,660
Total Resources	$ 74,657	$ 2,775,965	$ -	$ 2,775,965
Expenditures				
Personnel	$ 74,656	$ 1,735,541	$ (214,617)	$ 1,520,924
Subgrants	-	162,967	-	162,967
Consultant and professional fees	-	576,618	39,596	616,214
Conferences, training and travel	-	21,031	8,935	29,966
Depreciation	-	-	61,395	61,395
Equipment	-	-	3,110	3,110
Information technology	-	21,648	23,106	44,754
Insurance	-	-	3,017	3,017
Marketing and public relations	-	119,197	529	119,726
Meetings	-	24,350	3,902	28,252
Membership dues and subscriptions	-	8,827	7,177	16,004
Miscellaneous	-	-	2,414	2,414
Occupancy	-	-	23,361	23,361
Office supplies	-	7,570	6,840	14,410
Postage	-	997	740	1,737
Telephone and internet	-	-	9,341	9,341
Interest expense	-	-	10,395	10,395
Total Expenditures	$ 74,656	$ 2,678,746	$ (10,759)	$ 2,667,987

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 Board of Commissioners
George Washington Regional Commission
Fredericksburg, 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, the major fund and the aggregate remaining fund information of George Washington Regional Commission as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the George Washington Regional Commission's basic financial statements and have issued our report thereon dated November 25, 2024.

Report on Internal Control Over Financial Reporting

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

Fredericksburg, Virginia
November 25, 2024

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

To the Board of Commissioners
George Washington Regional Commission
Fredericksburg, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited George Washington 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 George Washington Regional Commission's major federal programs for the year ended June 30, 2024. George Washington 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, George Washington Regional Commission complied, in all material respects, with the 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 George Washington 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 George Washington 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 George Washington 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 George Washington 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 George Washington 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 George Washington 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 George Washington 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 George Washington 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

Fredericksburg, Virginia
November 25, 2024

GEORGE WASHINGTON REGIONAL COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assitance Listing Number	Pass-through Entity Identifying Number		Federal Expenditures
Environmental Protection Agency:				
Pass-through Payments:				
Virginia Department of Environmental Quality:				
Geographic Programs - Chesapeake Bay Program Implementation, Regulatory/Accountability and Monitoring Grants	66.964	17323/CTR022689	$	58,500
Total Department of Environmental Protection Agency			$	58,500
Department of Transportation:				
Pass-through Payments:				
Virginia Department of Transportation:				
Highway Planning and Construction	20.205	UPC 0000119008	$	886,570
Safe Streets and Roards for all	20.939	DOT-OST-2024-01		96,000
Virginia Department of Rail and Public Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	VA-2022-036 / 46023-04		188,697
Total Department of Transportation			$	1,171,267
Department of Commerce:				
Pass-through Payments:				
Virginia Department of Environmental Quality:				
Coastal Zone Management Administration Awards	11.419	22 NOS 41366 TK 47/ 23 NOS 41367 TK 47	$	67,764
Total Department of Commerce			$	67,764
Southeast Crescent Regional Commission:				
Direct Payments:				
Southeast Crescent Regional Commission - Economic and Infrastructure Development Grants	90.705	N/A	$	13,230
Total Southeast Crescent Regional Commission			$	13,230
Department of Housing and Urban Development:				
Direct Payments:				
Continuum of Care Program	14.267	N/A	$	70,229
Total Department of Housing and Urban Development			$	70,229
Department of Homeland Security:				
Direct Payments:				
Emergency Food and Shelter National Board Program	97.024	N/A	$	260
Total Department of Homeland Security			$	260
Total expenditures of federal awards			$	1,381,250

See accompanying notes to the schedule of expenditures of federal awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of George Washington Regional Commission under programs of the federal government for the year ended June 30, 2024. 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 George Washington Regional Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of George Washington Regional 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 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 elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

(4) The Commission did not pass any federal awards through to sub-recipients during the year ended June 30, 2024.

Note 3 - Relationship to Financial Statements:

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

Federal revenues per the basic financial statements	$ 1,381,250
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 1,381,250

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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?	None reported
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
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	No

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.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

There are no prior audit findings to report.