

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2024

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
Cumberland Plateau Planning District Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Cumberland Plateau Planning District Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Cumberland Plateau Planning District Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Cumberland Plateau Planning District Commission, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cumberland Plateau Planning District Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland Plateau Planning District Commission's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and 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 nonmajor fund financial statements 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024 on our consideration of the Cumberland Plateau Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cumberland Plateau Planning District Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cumberland Plateau Planning District Commission's internal control over financial reporting and compliance.

Lucker, Brandenburg & Company, PLLC

Lebanon, Virginia

November 18, 2024

Basic Financial Statements

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2024

Exhibit 1

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 922,140	\$ 791,094	\$ 1,713,234
Accounts receivable	734,867	-	734,867
Due from other governmental units	346,850	-	346,850
Prepaid expenses	48,706	-	48,706
Total current assets	<u>2,052,563</u>	<u>791,094</u>	<u>2,843,657</u>
Non-current assets:			
Restricted cash and cash equivalents	-	262,105	262,105
Notes receivable (net of allowances for uncollectibles)	-	860,348	860,348
Capital assets, net	26,761	-	26,761
Total non-current assets	<u>26,761</u>	<u>1,122,453</u>	<u>1,149,214</u>
Total assets	<u>\$ 2,079,324</u>	<u>\$ 1,913,547</u>	<u>\$ 3,992,871</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 842,688	\$ -	\$ 842,688
Accrued liabilities	30,280	-	30,280
Due to other funds	(5,323)	5,323	-
Accrued leave	23,041	-	23,041
Total current liabilities	<u>890,686</u>	<u>5,323</u>	<u>896,009</u>
Non-current liabilities:			
Accrued leave	20,734	-	20,734
Total non-current liabilities	<u>20,734</u>	<u>-</u>	<u>20,734</u>
Total liabilities	<u>911,420</u>	<u>5,323</u>	<u>916,743</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue from local sources and United States government	1,297,907	-	1,297,907
Total deferred inflows of resources	<u>1,297,907</u>	<u>-</u>	<u>1,297,907</u>
NET POSITION			
Net investment in capital assets	26,761	-	26,761
Restricted for:			
Revolving loan fund	-	1,122,453	1,122,453
Unrestricted	(156,764)	785,771	629,007
Total net position	<u>(130,003)</u>	<u>1,908,224</u>	<u>1,778,221</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,079,324</u>	<u>\$ 1,913,547</u>	<u>\$ 3,992,871</u>

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Planning activities	\$ 634,547	\$ -	\$ 627,079	\$ -	\$ (7,468)	\$ -	\$ (7,468)
Administrative services	134,818	243,058	-	-	108,240	-	108,240
Community development	1,284,047	-	870,228	-	(413,819)	-	(413,819)
Management	8,796,974	-	8,948,479	-	151,505	-	151,505
Interest on long-term debt	-	-	-	-	-	-	-
Total government activities	10,850,386	243,058	10,445,786	-	(161,542)	-	(161,542)
Business-type activities:							
Revolving Loan Fund	15,983	11,114	-	-	-	(4,869)	(4,869)
GIS Fund	-	-	-	-	-	-	-
Total business type-activities	15,983	11,114	-	-		(4,869)	(4,869)
Total primary government	\$ 10,866,369	\$ 254,172	\$ 10,445,786	\$ -	(161,542)	(4,869)	(166,411)
General Revenues:							
Miscellaneous					-	74	74
Interest earnings					3,096	4,868	7,964
Investment gain (loss)					-	(249,897)	(249,897)
Transfers					-	-	-
Total general revenues, special items and transfers					3,096	(244,955)	(241,859)
Change in net position					(158,446)	(249,824)	(408,270)
Net position - beginning					28,443	2,158,048	2,186,491
Net position - ending					\$ (130,003)	\$ 1,908,224	\$ 1,778,221

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Exhibit A-1

	General	Planning Grants	Community Development	Grant Administration	Water Projects	Special Projects	Telecomm Projects	Housing Projects	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 922,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922,140
Accounts receivable	344	-	-	-	-	-	711,378	23,145	734,867
Prepaid expense	48,706	-	-	-	-	-	-	-	48,706
Due from other funds	5,323	8,079	-	53,940	1,073,350	-	-	12,260	1,152,952
Due from other governmental units	30,355	116,050	176,508	23,937	-	-	-	-	346,850
Total assets	<u>\$ 1,006,868</u>	<u>\$ 124,129</u>	<u>\$ 176,508</u>	<u>\$ 77,877</u>	<u>\$ 1,073,350</u>	<u>\$ -</u>	<u>\$ 711,378</u>	<u>\$ 35,405</u>	<u>\$ 3,205,515</u>
LIABILITIES									
Accounts payable	\$ 819,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,145	\$ 842,688
Accrued liabilities	30,280	-	-	-	-	-	-	-	30,280
Due to other funds	270,034	-	166,217	-	-	-	711,378	-	1,147,629
Due to other governmental units	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,119,857</u>	<u>-</u>	<u>166,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>711,378</u>	<u>23,145</u>	<u>2,020,597</u>
DEFERRED INFLOWS OF RESOURCES									
Unearned revenue from local sources and United States government	-	124,129	10,291	77,877	1,073,350	-	-	12,260	1,297,907
Total deferred inflows of resources	<u>-</u>	<u>124,129</u>	<u>10,291</u>	<u>77,877</u>	<u>1,073,350</u>	<u>-</u>	<u>-</u>	<u>12,260</u>	<u>1,297,907</u>
FUND BALANCES									
Non-spendable	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(112,989)	-	-	-	-	-	-	-	(112,989)
Total fund balances	<u>(112,989)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,989)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,006,868</u>	<u>\$ 124,129</u>	<u>\$ 176,508</u>	<u>\$ 77,877</u>	<u>\$ 1,073,350</u>	<u>\$ -</u>	<u>\$ 711,378</u>	<u>\$ 35,405</u>	<u>\$ 3,205,515</u>

(See accompanying notes to financial statements)

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF NET POSITION
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION AT JUNE 30, 2024**

Exhibit A-2

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

Fund Balance - Governmental Funds	\$ (112,989)
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When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the locality as a whole.

26,761

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets (receivables) are offset by deferred revenues in the governmental funds and not included in fund balance.

-

Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

(43,775)

Fund balance of General Government Activities

\$ (130,003)

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

Exhibit A-3

									Total Governmental Funds
REVENUES	General	Planning Grants	Community Development	Grant Administration	Water Projects	Special Projects	Telecomm Projects	Housing Projects	
Local sources	\$ 108,240	\$ 84,607	\$ 154,218	\$ 134,818	\$ -	\$ 100,000	\$ 464,849	\$ -	\$ 1,046,732
Federal sources	-	352,810	18,587	-	-	-	3,084,058	-	3,455,455
State sources	13,588	189,662	-	-	716,010	-	5,028,207	239,190	6,186,657
Interest	3,096	-	-	-	-	-	-	-	3,096
Total revenues	124,924	627,079	172,805	134,818	716,010	100,000	8,577,114	239,190	10,691,940
EXPENDITURES									
Current programs:									
Planning activities	-	627,079	-	-	-	-	-	-	627,079
Administrative services	-	-	-	134,818	-	-	-	-	134,818
Community development	-	-	172,805	-	922,637	-	-	188,605	1,284,047
Management	215,846	-	-	-	-	-	8,577,114	22,763	8,815,723
Total expenditures	215,846	627,079	172,805	134,818	922,637	-	8,577,114	211,368	10,861,667
Excess (deficiency) of revenues over expenditures	(90,922)	-	-	-	(206,627)	100,000	-	27,822	(169,727)
OTHER FINANCING SOURCES AND USES									
Capital outlay	-	-	-	-	-	-	-	-	-
Operating transfers in	127,822	-	-	-	223,394	-	-	-	351,216
Operating transfers out	(223,394)	-	-	-	-	(100,000)	-	(27,822)	(351,216)
Total other financing sources (uses)	(95,572)	-	-	-	223,394	(100,000)	-	(27,822)	-
Net change in fund balances	(186,494)	-	-	-	16,767	-	-	-	(169,727)
Fund balances (deficit) beginning of year	73,505	-	-	-	(16,767)	-	-	-	56,738
FUND BALANCES (DEFICIT) END OF YEAR	\$ (112,989)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (112,989)

(See accompanying notes to financial statements)

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Exhibit A-4

Net change in fund balances - total government funds		\$ (169,727)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds		-
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Add capital acquisitions	\$ -	
Subtract depreciation	(7,468)	
	<u> </u>	(7,468)
Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Add debt repayment	\$ -	
Subtract debt proceeds	-	
	<u> </u>	-
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 (such as compensated absences and accrued interest on long-term debt).		
		<u>18,749</u>
Change in Net Assets of Governmental Activities		<u>\$ (158,446)</u>

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit A-5

	Original and Final Budget	Actual	Positive (Negative) Variance
Revenues:			
Local sources	\$ 350,000	\$ 1,046,732	\$ 696,732
Federal sources	281,967	3,455,455	3,173,488
State sources	964,297	6,186,657	5,222,360
Other income	103,500	-	(103,500)
Interest	-	3,096	3,096
	<hr/>	<hr/>	<hr/>
Total revenues	1,699,764	10,691,940	8,992,176
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current programs:			
Planning activities	350,000	627,079	(277,079)
Administrative services	96,000	134,818	(38,818)
Community development	510,038	1,284,047	(774,009)
Management	75,000	238,609	(163,609)
Telecommunications	-	8,577,114	(8,577,114)
Pass Through	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,031,038	10,861,667	(9,830,629)
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	668,726	(169,727)	(838,453)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Operating transfers in	-	351,216	351,216
Operating transfers out	-	(351,216)	(351,216)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	668,726	(169,727)	(838,453)
	<hr/>	<hr/>	<hr/>
Fund balance (deficit) - beginning	-	56,738	56,738
	<hr/>	<hr/>	<hr/>
Fund balance (deficit) - ending	\$ 668,726	\$ (112,989)	\$ (781,715)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

Exhibit B-1

	Revolving Loan Fund	GIS Fund	Totals
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 791,094	\$ -	\$ 791,094
Total current assets	<u>791,094</u>	<u>-</u>	<u>791,094</u>
Non-current assets:			
Restricted cash and cash equivalents	262,105	-	262,105
Notes receivable (net of allowances for uncollectibles)	860,348	-	860,348
Capital assets, net	-	-	-
Total non-current assets	<u>1,122,453</u>	<u>-</u>	<u>1,122,453</u>
Total assets	<u><u>\$ 1,913,547</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,913,547</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities:			
Due to other funds	\$ 5,323	\$ -	\$ 5,323
Total current liabilities	<u>5,323</u>	<u>-</u>	<u>5,323</u>
Total Liabilities	<u>5,323</u>	<u>-</u>	<u>5,323</u>
Net position			
Net investment in capital assets	-	-	-
Restricted for:			
Program	1,908,224	-	1,908,224
Unrestricted	-	-	-
Total net position	<u>1,908,224</u>	<u>-</u>	<u>1,908,224</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 1,913,547</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,913,547</u></u>

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit B-2

	Revolving Loan Fund	GIS Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 11,114	\$ -	\$ 11,114
Other	74	-	74
	<hr/>	<hr/>	<hr/>
Total operating revenues	11,188	-	11,188
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Management services	15,983	-	15,983
	<hr/>	<hr/>	<hr/>
Total operating expenses	15,983	-	15,983
	<hr/>	<hr/>	<hr/>
Net operating income (loss)	(4,795)	-	(4,795)
	<hr/>	<hr/>	<hr/>
OTHER REVENUE AND (EXPENSES)			
Interest and dividend income	4,868	-	4,868
Loss on bad debt	(249,897)	-	(249,897)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues and expenses	(245,029)	-	(245,029)
	<hr/>	<hr/>	<hr/>
Net income (loss)	(249,824)	-	(249,824)
	<hr/>	<hr/>	<hr/>
Net assets - beginning of year	2,158,048	-	2,158,048
	<hr/>	<hr/>	<hr/>
NET ASSETS - END OF YEAR	<u><u>\$ 1,908,224</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,908,224</u></u>

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit B-3

	Revolving Loan Fund	GIS Fund	Total
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 11,188	\$ -	\$ 11,188
Cash Payments to Suppliers for Goods & Services	(10,660)	-	(10,660)
Net Cash Provided by Operating Activities	528	-	528
Cash Flows From Financing Activities:			
Interest Earned	4,868	-	4,868
Investment gain (loss)	(249,897)	-	(249,897)
Notes Receivable Payments (Loans)	522,420	-	522,420
Net Cash Used by Noncapital Financing Activities	277,391	-	277,391
Cash Flows From Capital and Related Financing Activities:			
Net Cash Used by Capital and Related Financing Activities	-	-	-
Net Increase in Cash and Cash Equivalents	277,919	-	277,919
Cash at Beginning of Year	775,280	-	775,280
Cash at End of Year	\$ 1,053,199	\$ -	\$ 1,053,199
Classified As:			
Current Cash and Cash Equivalents	\$ 791,094	\$ -	\$ 791,094
Restricted Cash and Cash Equivalents	262,105	-	262,105
Total Cash and Cash Equivalents	\$ 1,053,199	\$ -	\$ 1,053,199
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (4,795)	\$ -	\$ (4,795)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Interfund Receivable/Payables	5,323	-	5,323
Total Adjustments	5,323	-	5,323
Net Cash Provided by Operating Activities	\$ 528	\$ -	\$ 528

(See accompanying notes to financial statements)

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF FIDUCIARY NET POSITION (Unaudited)
FIDUCIARY FUNDS
JUNE 30, 2024

Exhibit C-1

	Retirement Trust Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ -
Accounts receivable	-
Investments	
Mutual funds	2,030,543
Participant loans	6,898
	<hr/>
Total assets	\$ 2,037,441
	<hr/> <hr/>
LIABILITIES AND NET POSITION	
Total liabilities	\$ -
Net position:	
Held in trust for retirement benefits	2,037,441
	<hr/>
Total liabilities and net position	\$ 2,037,441
	<hr/> <hr/>

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Unaudited)
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit C-2

	Retirement Trust Funds
Additions to Net Assets	
Contributions:	
Employer	\$ 60,138
Deferral	15,510
Total contributions	<u>75,648</u>
Investment income	<u>-</u>
Participant loan payments	<u>3,597</u>
Total additions	<u>79,245</u>
Deductions from Net Assets	
Participant distributions	165,983
Administrative fees	<u>14,436</u>
Total deductions from Net Assets	<u>180,419</u>
Adjustment to Market Value	
Change in market value	<u>204,890</u>
Total adjustments to market value	<u>204,890</u>
Change in Net Assets	103,716
Assets, beginning	<u>1,933,725</u>
Assets, ending	<u><u>\$ 2,037,441</u></u>

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Individual component unit disclosures

The Cumberland Plateau Planning District Commission (the Commission) operates on behalf of the Counties of Russell, Dickenson, Buchanan, and Tazewell in the promotion of physical, social, and economic development by planning and assisting local governments to “plan for the future” as provided for in Title 15.1, Chapter thirty-four of the Code of Virginia. In addition, the Commission runs a geographic information systems program, a shell building program, promotes economic development, provides financing, and administers Community Development Block Grants.

B. Individual component unit disclosures

The financial statements of the Commission (reporting entity), as required by generally accepted accounting principles, include those of the Cumberland Plateau Planning District Commission (the primary government) and its component units. The Commission has determined that it has no component units for the year ended.

C. Government – wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by grants and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are supplied for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and related items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is accrued and has been recognized as revenues of the current fiscal period. Intergovernmental revenues, consisting primarily of federal, state, and other grants funding specific expenditures, are recognized when earned or at the time of the specific expenditures. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered measurable and available only when cash is received by the government.

The government reports the following **major** governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The *Planning Grants fund* accounts for revenues derived from specific revenue sources that are legally restricted to expenditures for technical aid to counties for industrial development and other community planning activities. Programs are primarily funded with Federal and State grants.

The *Community Development fund* accounts for revenues derived from specific revenue sources that are legally restricted to expenditures for community development such as public housing projects, water and sewer projects, construction of medical facilities, construction of daycare centers, community revitalization projects, etc. Programs are primarily funded with Community Development Block Grant funds.

The *Administration Grants Fund* accounts for revenues derived from specific revenue sources that are legally restricted to expenditures for administration of funds for waste management and other projects. Programs are primarily funded with local sources.

The *Southwest Regional Water Fund* accounts for revenues that are considered pass-through funds that are used to reimburse local public service authorities and localities for regional water projects. Programs are primarily funded with State grants.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government reports the following **major** proprietary funds:

The *Revolving Loan Fund* accounts for activities involving the loaning of funds to local industries or localities for business development and job creation. Federal monies, which are to be used for the loan activity and then re-loaned as current loans are collected fund the program. Interest charged on the loans help fund the program.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the choice of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Generally, the effect of inter-fund activity has been eliminated from government-wide financial statements. Exceptions to this general rule include administrative charges between the government's individual funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from supplying services and producing and delivering goods in the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and that of the Government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

2. Receivables and payables

Activity between the funds is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current part of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Allowance for uncollectible accounts

All receivables are reported at their gross value and where proper are reduced by the estimated part that is expected to be uncollectible. Management believes that ten percent of the outstanding loan balances will be uncollectable. An allowance has been set up to show receivables' net value. The amount in the allowance account at year end was \$41,782.

4. 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. So, actual results could differ from those estimates.

5. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of \$1,000 for machinery and equipment, land, and buildings, and an estimated useful life of more than one year. Such assets are recorded at historical cost if bought or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous year.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following useful lives:

Buildings	30 – 40 years
Building improvements	15 – 40 years
Machinery and equipment	3 – 25 years

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

6. Compensated absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Following the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive benefits. The Commission accrues salary related costs associated with the payment of compensated absences.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond payables are reported net of the applicable premiums or discounts. Bond issuance costs are reported as deferred charges and amortized over the life of the related bond. There were no outstanding bonds.

In the funds' financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

7. Fund equity

In the funds' financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Net position

Net position is the difference between assets and liabilities. Net assets invested in capital assets are capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction, or improvement of those assets.

9. Investments

Investments in the Pension Trust Fund and the Expendable Trust Fund – Deferred Compensation Plan are reported at fair value; investment income is recognized as earned. Funds on deposit with the deferred compensation plan are stated at the market value. For the purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

10. Restricted assets

The Commission segregates monies held on behalf of third parties and restricted donations which have not yet been totally spent for their intended purposes.

11. Indirect cost allocation plan

For the year ended the Commission used a cost rate of 20% to distribute indirect costs between the general, special revenue and enterprise funds.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

Budgetary Accounting: The Cumberland Plateau Planning District Commission's annual budget is a management tool for aiding users in analyzing financial activity for the fiscal year. The Commission's primary funding sources are federal, state, and local grants that have grant periods that may or may not coincide with the Commission's fiscal year. These grants are normally for a twelve-month period, but may, however, be awarded for periods shorter or longer than twelve months.

The Commission is dependent on federal, state, and local budgetary decisions. Revenue estimates are based upon the best available information as to sources of revenue. The Commission's annual budget differs from that of local government in two respects (1) the uncertain nature of grant awards from other entities and (2) conversion of grant awards to a fiscal year basis. The resultant annual budget is subject to constant change with the fiscal year due to:

- *Increases or decreases in actual grant awards from those estimated
- *Changes in grant period
- *Unanticipated grant awards not included in the budget
- *Expected grant awards that do not materialize

Greater emphasis is placed upon compliance with the grant budget, terms, and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits: All cash of the primary government is kept in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance.

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

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments are made up of those held separately by the Pension Trust Fund and the Deferred Compensation Plan. Responsibility for the management of funds and investments has been assigned to professional investment managers. The Pension Trust Fund and the Deferred Compensation Plan are authorized to invest in obligations of the U.S. Government and its agencies; corporate or state tax exempt bonds rated by Moody's and/or Standard & Poor's Corporation; and Commercial Paper Record, respectively.

Investments (continued): In addition, the Pension Trust Fund and the Deferred Compensation Plan may invest in corporate stocks, repurchase agreements, money market/mutual funds, and certificates of deposit. The Pension Plan and Deferred Compensation Plan currently invest in mutual funds having two types of investments: fixed income securities (U.S. Government obligations, corporate bonds and corporate notes) and corporate stocks.

Investments are generally classified into three categories to give a sign of the level of risk assumed by the fund. Category 1 includes investments that are insured or registered or for which the Plan or its agent in the Plan's name holds the securities. Category 2 includes uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the Plan's name. Category 3 includes uninsured and unregistered investments with the securities held by the counterparty or by its trust department or agent but not in the Plan's name. Investments in mutual funds are not categorized because they are not shown by securities that exist in physical or book entry form. Investments in the Cumberland Plateau Planning District Commission Retirement Savings Plan & Trust are long-term investments in mutual funds which at year end had a market value of \$2,037,441.

NOTE 4. CONTINGENT LIABILITIES (INCLUDING FEDERALLY ASSISTED PROGRAMS - COMPLIANCE AUDITS)

The Commission receives funding under Federal, State, and local grant programs. These grants, and the programs they fund, are subject to compliance audits by the grantors or their representatives. The amount, if any, of expenditures that might be disallowed by the granting agencies is not determinable. Management believes any adjustments would not be material to the Commission's financial position.

NOTE 5. INDIRECT COSTS

Indirect costs are pooled and allocated among the several cost centers in accordance with an indirect cost plan. Allocated indirect costs and employee benefits for the year was \$381,424 which was 5.08% of total allowable costs.

NOTE 6. UNEARNED REVENUE

Unearned revenue is amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the accrual basis of accounting, such amounts are measurable, but not available. Total deferred revenue at year end was \$1,297,907 for governmental activities and none for business type activities. Deferred revenue results from advanced grant funding. Advanced grant funding occurs when grant funds are not fully spent in accordance with the grant or contractual agreement at year-end. The liability is reduced, and revenue recorded when expenditures are eventually made. If expenditures are not made, the funds will be refunded.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other Governmental units at year end:

	Primary	Business	Total
Federal Government	\$ 166,508	\$ -	\$ 166,508
Commonwealth of Virginia	137,896	-	137,896
Local governments	42,446	-	42,446
	<u>\$ 346,850</u>	<u>\$ -</u>	<u>\$ 346,850</u>

NOTE 8. INTERFUND TRANSFERS

Following are the interfund transfers for the year:

	Transfers In	Transfers Out	Totals
Primary Government:			
General	\$ 127,822	\$ 223,394	\$ (95,572)
Planning	-	-	-
Community Development	-	-	-
Grant Administration	-	-	-
Water Projects	223,394	-	223,394
Special Projects	-	100,000	(100,000)
Telecomm Projects	-	-	-
PDC Housing	-	27,822	(27,822)
Business-Type Activities:			
Revolving Loan Fund	-	-	-
GIS Fund	-	-	-
	<u>\$ 351,216</u>	<u>\$ 351,216</u>	<u>\$ -</u>

NOTE 9. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disaster. The Commission takes part in a self-insured liability plan sponsored by the state of Virginia for local political subdivisions. The plan supplies \$1,000,000 coverage against public official liability claims. The Commission also takes part in a local government group self-insurance pool. The pool supplies coverage for worker's compensation insurance. The Commission has secured coverage in the areas of general liability, property, business interruption, and employee's criminal acts through a private insurance carrier. Management believes such coverage is enough to prevent any significant uninsured losses to the Commission. Settled claims have not exceeded coverage in previous fiscal years.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 18, 2024, which is the date the financial statements were available to be issued.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. NOTES RECEIVABLE

The following is a summary of the outstanding loans from the Revolving Loan Fund:

Loan Type	Interest	Loan Date	Security	Balance
Business Type Activities:				
Promissory note	0.00%	2/24/1993	Equipment	\$ 32,155
Promissory note	1.00%	12/1/2014	Personal	25,672
Promissory note	2.50%	1/9/2015	Personal	43,361
Promissory note	2.50%	8/1/2017	Equipment	13,729
Promissory note	2.50%	11/16/2017	Equipment	10,640
Promissory note	2.50%	11/1/2018	Equipment	16,177
Promissory note	3.60%	3/3/2020	Equipment	8,869
Promissory note	2.50%	6/11/2020	Equipment	47,046
Promissory note	2.40%	11/20/2020	Equipment	67,711
Promissory note	1.00%	12/17/2020	Equipment	163,047
Promissory note	2.00%	12/17/2020	Equipment	57,666
Promissory note	2.00%	2/5/2021	Equipment	6,330
Promissory note	1.00%	3/1/2021	Equipment	93,215
Promissory note	1.00%	3/1/2021	Equipment	101,387
Promissory note	1.00%	4/1/2021	Equipment	47,259
Promissory note	1.00%	7/1/2021	Equipment	37,663
Promissory note	1.00%	6/27/2022	Equipment	23,975
Promissory note	5.00%	4/12/2023	Equipment	14,446
Promissory note	6.00%	9/15/2023	Equipment	50,000
Total				860,348
Less allowance for uncollectable accounts				-
Total for Business-type Activity				<u>\$ 860,348</u>

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12. RETIREMENT PLAN

The Commission contributes annually to a defined contribution plan, the Cumberland Plateau Planning District Commission Retirement Savings Plan, on behalf of substantially all full-time employees.

A defined contribution plan supplies pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participants' account, the returns earned on investment of those contributions, and forfeitures of other participants' benefits that may be distributed to such participants' account.

Employees are eligible to take part in the plan once they have completed one year of service. The Commission begins contributions after two years of service. Contributions made by the employee vest at once and contributions made by the Commission vest after 2 years of full-time employment. Contributions are decided annually by the Commission's Board of Directors and are based on a percentage of covered payrolls. The Commission's total active payroll for the year was \$646,039. The payroll for Commission employees covered by the Pension Plan was \$589,914 or 91 % of the total active payroll.

During the year contributions to the plan by the Commission were \$35,538, which represented 6.02% of covered payroll for the fiscal year.

The Retirement Plan held no securities of the Commission or other related parties during the year or as of the close of the fiscal year.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13. CAPITAL ASSETS

	Beginning	Increases	Decreases	Ending
Governmental activities capital assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Vehicles	37,340	-	-	37,340
Furniture and equipment	118,566	-	-	118,566
Construction in progress	-	-	-	-
Total capital assets at cost	<u>155,906</u>	<u>-</u>	<u>-</u>	<u>155,906</u>
Less accumulated depreciation:				
Land	-	-	-	-
Buildings	-	-	-	-
Vehicles	3,112	-	-	3,112
Furniture and equipment	118,566	7,468	-	126,034
Total accumulated depreciation	<u>121,678</u>	<u>7,468</u>	<u>-</u>	<u>129,146</u>
Capital assets, net	<u>\$ 34,228</u>	<u>\$ (7,468)</u>	<u>\$ -</u>	<u>\$ 26,760</u>
Business-type activities capital assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Vehicles	-	-	-	-
Furniture and equipment	70,695	-	-	70,695
Construction in progress	-	-	-	-
Total capital assets at cost	<u>70,695</u>	<u>-</u>	<u>-</u>	<u>70,695</u>
Less accumulated depreciation:				
Land	-	-	-	-
Buildings	-	-	-	-
Vehicles	-	-	-	-
Furniture and equipment	70,695	-	-	70,695
Total accumulated depreciation	<u>70,695</u>	<u>-</u>	<u>-</u>	<u>70,695</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Net Assets All Activities	<u>\$ 34,228</u>	<u>\$ (7,468)</u>	<u>\$ -</u>	<u>\$ 26,760</u>
Depreciation expense was charged to the following functions:				
Governmental activities:				
General government				\$ -
Planning grants				7,468
Community development				-
Administrative grants				-
Other functions				-
				<u>7,468</u>
Business-type activities:				
Revolving loan fund				-
Total All Activities				<u>\$ 7,468</u>

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14. 457 DEFERRED COMPENSATION PLAN

The Commission set up a deferred compensation plan in December 1993. The plan, available to all Commission employees who fulfill the plan participation criteria, allows them to defer a portion of their salary until future years. Participation in the plan is optional. Payments from the plan do not occur until retirement, death, termination, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights bought with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the Commission, subject only to the claims of the Commission's general creditors. Participants' rights under the plan are equal to those of the general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant. Investments held by the deferred compensation fund are recorded at market value. It is the opinion of the Commission's management that the Commission has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

Following the amended provisions of IRC Section 457, which were enacted into law and were subsequently adopted by the Commission, all assets and income of the plan were transferred to an Expendable Trust Fund and held for the exclusive benefit of participants and their beneficiaries.

This report is in accordance with Governmental Accounting Standards Board Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The account balances and transactions for the year follow:

Market value, beginning	\$ 461,765
Contributions	25,800
Investment earnings	56,492
Distributions	-
Fees	(6,433)
	<hr/>
Market value, ending	<u>\$ 537,624</u>

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15. LONG-TERM DEBT

A. Changes in long-term obligations

The following is a summary of long-term obligations for the year:

	Payable	Increases	Decreases	Payable	Due Within One Year
Governmental Activities:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total notes payable	-	-	-	-	-
Other liabilities:					
Claims, judgements, and compensated absences payable	62,524	-	18,749	43,775	23,041
Total other liabilities	62,524	-	18,749	43,775	23,041
Total Long-term liabilities for Governmental Activities:	\$ 62,524	\$ -	\$ 18,749	\$ 43,775	\$ 23,041
 Total Long-term Liabilities for All Activities	 \$ 62,524	 \$ -	 \$ 18,749	 \$ 43,775	 \$ 23,041

B. Notes Payable

The Commission has the authority to borrow funds from local banks for the acquisition and construction of buildings and equipment.

There were no outstanding notes payable for governmental activities.

There were no outstanding notes payable for business-type activities.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15. LONG-TERM DEBT (continued)

C. Claims, Judgements, and Compensated Absences

Commission employees are entitled to certain compensated absences based on length of employment. Upon termination, employees may be paid up to a maximum of 90 days (720 hours) at their normal pay rate. The commission adopted the policy of allowing employees with twenty years service to elect to be paid a lump sum payout at their current pay rate of their accumulated vacation leave. Under this policy, employees electing to receive a lump sum payout must leave 14 days accumulated leave. Only the current portion of unpaid leave benefits is accrued in the General Fund of the fund financial statements. The amount of accrued leave at year end follows:

	Governmental	Business	Total
Amount due within year	\$ 23,041	\$ -	\$ 23,041
Amount long-term	20,734	-	20,734
Total	<u>\$ 43,775</u>	<u>\$ -</u>	<u>\$ 43,775</u>

Other Supplementary Information

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Schedule 1

Federal Agency Name	Pass Through Agency	Federal Program Title	CFDA Number	Other ID Number	Expenditures		
					From Direct Awards	From Pass Through Awards	Total
Appalachian Regional Commission		Local Development District (12/31/24)	23.011	N/A	\$ 57,709	\$ -	\$ 57,709
		Local Development District (06/30/24)	23.011	N/A	54,982	-	54,982
		Subtotal of Appalachian Regional Commission			112,691	-	112,691
U.S. Department of Commerce Economic Development Administration		Planning Assistance Grant	11.302	N/A	135,848	-	135,848
		Revolving Loan Funds	11.307	N/A	54,803	-	54,803
		Subtotal of U.S. Department of Commerce Economic Development Administration			190,651	-	190,651
U.S. Department of Transportation	Virginia Department of Transportation	Federal SPR Funds	20.219	N/A	-	58,000	58,000
U.S. Department of Treasury	VA Dept of Housing & Comm Dev	Telecommunications Initiative	21.027		-	3,227,358	3,227,358
U.S. Department of Homeland Security	VA Dept of Emergency Management	Hazard Mitigation Grant	97.039	N/A	-	91,570	91,570
TOTAL FEDERAL AWARDS EXPENDED					\$ 303,342	\$ 3,376,928	\$ 3,680,270

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the District's financial statements. The District uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2 - VALUATION OF FEDERAL REVOLVING LOAN FUNDS and CARES RLF

Value of new loans made during audit period	\$ 50,000
Administrative expenses for the year ended	4,803
	54,803
EDA's Share Percentage	100%
Total Revolving Loan Funds	\$ 54,803

NOTE 3 - IDENTIFIES A MAJOR PROGRAM

Tested as a major program

NOTE 4 - INDIRECT COST RATE

The District has not elected to use the 10% de minimus indirect cost rate.

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
SCHEDULE OF INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 2

<u>Description</u>	<u>Amount</u>
<u>INDIRECT COSTS APPLIED--</u>	
Chargeable salaries - indirect	\$ 56,447
Employee benefits	36,216
Legal	60
Professional fees	11,000
Contractual	-
Soft Main/LIC	4,913
Travel	3,377
Equipment lease	2,079
Supplies	23,587
Insurance	3,435
Printing	300
Telephone / internet	9,103
Postage and freight	469
Utilities	18,084
Publications and subscriptions	320
Maintenance	657
	<hr/>
Total Indirect Costs Applied	\$ 170,047
	<hr/>
Total Allowable Expenditures	\$ 10,861,667
	<hr/>
Percentage of indirect costs applied to total allowable expenditures	5.08%
	<hr/>
<u>EMPLOYEE BENEFITS APPLIED--</u>	
Accrued leave	\$ 60,867
Accrued sick pay	29,771
Holidays	26,840
Payroll taxes	48,132
Employee insurance	147,574
Life insurance	5,648
Workman's compensation	500
Pension costs	62,092
	<hr/>
Total Employee Benefits Applied	\$ 381,424
	<hr/>

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Schedule 3

I. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? No

Noncompliance material to financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified? No

Type of auditor's report issued on compliance
for major program? Unmodified

Any audit findings disclosed that are required to be reported
in accordance with Uniform Guidance Section 200.516? No

Dollar threshold used to distinguish between
Type A and Type B programs? \$750,000

Auditee qualified as low-risk auditee? Yes

Identification of Federal Programs:

<u>CFDA#</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
21.027	Telecommunications Initiative

II. SUMMARY OF AUDIT RESULTS

There are no financial statement findings to report.

III. FEDERAL AWARDS FINDINGS

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

IV. STATUS OF PRIOR AUDIT FINDINGS

There are no prior audit findings.

Compliance Section

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Members of the Board of Directors
Cumberland Plateau Planning District Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Cumberland Plateau Planning District Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Cumberland Plateau Planning District Commission's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Lucker, Brandenburg & Company, PLLC

Lebanon, Virginia

November 18, 2024

Tucker, Brandenburg & Company, PLLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the Board of Directors
Cumberland Plateau Planning District Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cumberland Plateau Planning District 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 Cumberland Plateau Planning District Commission's major federal programs for the year ended June 30, 2024. Cumberland Plateau Planning District Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cumberland Plateau Planning District Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cumberland Plateau Planning District 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 Cumberland Plateau Planning District 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 Cumberland Plateau Planning District Commission's federal programs.

Auditor's 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 Cumberland Plateau Planning District 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 Cumberland Plateau Planning District 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 Cumberland Plateau Planning District 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 Cumberland Plateau Planning District 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 Cumberland Plateau Planning District 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 Auditor's 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.

Lucker, Brandenburg & Company, PLLC

Lebanon, Virginia

November 18, 2024