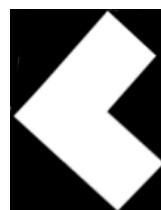


***West Piedmont Planning District Commission***

***Annual Comprehensive Financial Report***

***Year Ended June 30, 2024***



***Creedle, Jones  
& Associates, P.C.***  
*Certified Public Accountants*

## West Piedmont Planning District Commission

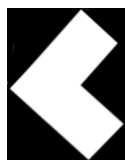
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## **FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

To the Commissioners  
West Piedmont Planning District Commission

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the governmental activities of the West Piedmont 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 West Piedmont 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 of the West Piedmont Planning District Commission, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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 *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 and specifications 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 West Piedmont 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.

#### **Prior Period Financial Statements**

The financial statements of West Piedmont Planning District Commission as of June 30, 2023 were audited by other auditors whose report dated November 30, 2023 expressed an unmodified opinion on those statements.

#### **Change in Accounting Principle**

As described in Note 1 to the financial statements, in 2024, the Commission adopted new accounting guidance, GASB Statement No. 99, Omnibus and No. 100, Accounting Changes and Error Corrections. Our opinion is not modified with respect to this matter.

### ***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 West Piedmont 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 West Piedmont 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 West Piedmont 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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 1-5, 18 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 the West Piedmont Planning District Commission's basic financial statements. The accompanying schedule of revenues and expenses – non-governmental accrual basis 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 schedule of revenues and expenses – non-governmental accrual basis 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 December 4, 2024, on our consideration of the West Piedmont 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 West Piedmont 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 West Piedmont Planning District Commission's internal control over financial reporting and compliance.



Creddie, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
December 4, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the West Piedmont Planning District Commission presents the following discussion and analysis as an overview of the West Piedmont Planning District Commission's financial activities for the fiscal year ending June 30, 2024. We encourage readers to read this discussion and analysis in conjunction with the Commission's basic financial statements.

### Financial Highlights

- At the close of the fiscal year, the assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources by \$995,724.
- For the fiscal year, revenues of the Commission's governmental activities were \$25,964,540 and expenses amounted to \$25,924,326. The Commission's total net position increased \$40,214.
- As of June 30, 2024, the Commission's Governmental Fund reported an ending fund balance of \$933,383, an increase of \$32,016 in comparison with the prior year. The entire amount is available for spending at the Commission's discretion (unassigned fund balance).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report consists of two sections: financial and compliance.

- The [financial section](#) has three component parts - management's discussion and analysis (this section), the basic financial statements which include government-wide financial statements and fund financial statements, and required and other supplementary information.
- The [compliance section](#) is required for *Government Auditing Standards*.

### Government-Wide Financial Statements

The government-wide financial statements report information about the Commission as a whole using accounting methods similar to those found in the private sector. They also report the Commission's net position and how they have changed during the fiscal year.

The first government-wide statement - the Statement of Net Position - presents information on all of the Commission's assets and liabilities. The difference between assets and liabilities, net position, can be used as one way to measure the Commission's financial health, or financial condition. Over time, increases or decreases in the net position can be one indicator of whether the Commission's financial condition is improving or deteriorating.

The second statement - the Statement of Activities - presents information using the accrual basis accounting method and shows how the Commission's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in the Statement of Activities, regardless of when cash is received or paid.

The government-wide statements are divided into the following category:

**Governmental Activities:** The Commission's basic services are reported here, including planning and community development. These activities are financed primarily by Federal and State grants. Governmental Funds are included in the governmental activities.

### Fund Financial Statements

Traditional users of government financial statements will find the fund financial statements more familiar. These statements provide more detailed information about the Commission's most significant funds. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenue and expenses for particular purposes. The Commission has one kind of fund:

Governmental Funds - The Commission's basic services are included in the Governmental Funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year end that are available for spending. The Governmental Funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the fund's financial statements to explain the relationship (or differences).

## FINANCIAL ANALYSIS OF THE COMMISSION AS A WHOLE

### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

#### Summary of Net Position

As of June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and other assets	\$ 9,389,633	\$ 5,072,971
Net capital assets	<u>100,866</u>	<u>87,521</u>
Total Assets	<u>\$ 9,490,499</u>	<u>\$ 5,160,492</u>
<b>Liabilities</b>		
Other liabilities	\$ 8,451,141	\$ 3,750,634
Long-term liabilities	<u>43,634</u>	<u>454,348</u>
Total Liabilities	<u>8,494,775</u>	<u>4,204,982</u>
<b>Net Position</b>		
Net investment in capital assets	100,866	87,521
Unrestricted	<u>894,858</u>	<u>867,989</u>
Total Net Position	<u>995,724</u>	<u>955,510</u>
Total Liabilities and Net Position	<u>\$ 9,490,499</u>	<u>\$ 5,160,492</u>

## Statement of Activities

The following table summarizes revenues and expenses for the primary government as of June 30, 2024 and 2023:

### Summary of Changes in Net Position

For the Fiscal Years Ended June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
<b>Program Revenues</b>		
Charges for services	\$ -	\$ 8,264,829
Operating grants and contributions	25,938,300	308,543
Miscellaneous	299	250
Investment earnings	25,941	18,205
Total Revenues	25,964,540	8,591,827
<b>Expenses</b>		
Planning and community development	25,924,326	8,551,507
Total Expenses	25,924,326	8,551,507
Increase in Net Position	40,214	40,320
Beginning Net Position	955,510	915,190
Ending Net Position	\$ 995,724	\$ 955,510

Governmental activities increased the Commission's net position by \$40,214. Revenues from governmental activities totaled \$25,964,540. Operating grants and contributions comprise the largest source of these revenues, totaling \$25,938,300 or 99.9% of all governmental activities revenue.

Planning and community development expenses total \$25,924,326 for the fiscal year.

For the Commission's governmental activities, the net expense (total cost less fees generated by the activities and program-specific governmental aid) is illustrated in the following table:

### Net Cost of Governmental Activities

For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>		<u>2023</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government administration	\$ -	\$ -	\$ 34,571	\$ 273,972
Planning and community development	25,924,326	13,974	8,516,936	(252,107)
Total	\$ 25,924,326	\$ 13,974	\$ 8,551,507	\$ 21,865

## FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

As previously stated, as of June 30, 2024, the Commission's Governmental Fund reported an ending fund balance of \$933,383, an increase of \$32,016 in comparison with the prior year. The entire amount is available for spending at the Commission's discretion (unassigned fund balance).

### BUDGETARY HIGHLIGHTS

#### General Fund

The following table provides a comparison of original budget, final budget, and actual revenues and expenditures in the General Fund:

#### Budgetary Comparison

For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>			<u>2023</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues</b>						
Intergovernmental	\$ 928,408	\$87,099,671	\$ 25,783,629	\$ 599,735	\$ 534,582	\$ 4,933,289
Operating grants and contributions	154,645	154,645	154,671	454,265	374,828	3,640,083
Other	18,000	18,000	26,240	1,200	18,000	18,455
Total	1,101,053	87,272,316	25,964,540	1,055,200	927,410	8,591,827
<b>Expenditures</b>	<u>1,041,357</u>	<u>87,156,693</u>	<u>25,932,524</u>	<u>891,998</u>	<u>902,753</u>	<u>8,551,507</u>
Excess (Deficiency) of Revenues over Expenditures	59,696	115,623	32,016	163,202	24,657	40,320
<b>Other Financing Sources (Uses)</b>	-	-	-	-	-	-
Change in Fund Balance	<u>\$ 59,696</u>	<u>\$ 115,623</u>	<u>\$ 32,016</u>	<u>\$ 163,202</u>	<u>\$ 24,657</u>	<u>\$ 40,320</u>

Actual revenues were less than final budget amounts by \$61,307,776, or 70.25%, while actual expenditures were less than final budget amounts by \$61,224,169, or 70.25%.

### CAPITAL ASSETS AND LONG-TERM DEBT

#### Capital Assets

As of June 30, 2024, the Commission's net capital assets total \$100,866, which represents a net increase of \$13,345 or 15.25% over the previous fiscal year-end balance.

## Change in Capital Assets

### Governmental Activities

	<u>Balance July 1, 2023</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2024</u>
Land and improvements	\$ 26,661	\$ -	\$ 26,661
Building and improvement	82,822	(12,004)	70,818
Equipment, furniture, fixture, and software	55,041	14,738	69,779
Total Capital Assets	164,524	2,734	167,258
Less: Accumulated depreciation and amortization	77,003	10,611	66,392
Net Capital Assets	<u>\$ 87,521</u>	<u>\$ 13,345</u>	<u>\$ 100,866</u>

## Long-Term Debt

As of June 30, 2024, the Commission's long-term obligations total \$38,525.

	<u>Balance July 1, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2024</u>
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Compensated absences	<u>\$ 33,378</u>	<u>\$ 5,147</u>	<u>\$ -</u>	<u>\$ 38,525</u>

More detailed information on the Commission's long-term obligations is presented in Note 5 to the financial statements.

## NEXT YEAR'S BUDGET AND RATES

The fiscal year 2025 proposed budget anticipates revenues and expenditures to be \$1,414,351, a 28.45% increase over the final fiscal year 2024 budget.

## REQUESTS FOR INFORMATION

This financial report is designed to provide those interested with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Executive Director or Finance Director, 1100 Madison Street, Martinsville, Virginia 24112, telephone 276-638-3987.

# **BASIC FINANCIAL STATEMENTS**

## West Piedmont Planning District Commission

## Statement of Net Position

At June 30, 2024

**Assets****Current Assets**

Cash and cash equivalents	\$ 3,381,059
Accounts receivable	5,993,247
Prepaid expenses	<u>15,327</u>

Total Current Assets 9,389,633

**Noncurrent Assets**

Capital assets, net	<u>100,866</u>
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Total Assets \$ 9,490,499

**Liabilities**

Accounts payable and accrued expenses	\$ 8,451,141
Accrued payroll taxes withheld	5,109

**Long-Term Liabilities***Due within one year*

Compensated absences	3,852
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*Due in more than one year*

Compensated absences	<u>34,673</u>
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Total Liabilities 8,494,775

**Net Position**

Net investment in capital assets	100,866
Unrestricted	<u>894,858</u>

Total Net Position 995,724

Total Liabilities and Net Position \$ 9,490,499

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

## West Piedmont Planning District Commission

## Statement of Activities

For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Planning and community development	\$ 25,924,326	\$ -	\$ 25,938,300	\$ 13,974
Total Governmental Activities	<u>\$ 25,924,326</u>	<u>\$ -</u>	<u>\$ 25,938,300</u>	13,974
<b>General Revenues</b>				
Miscellaneous				299
Investment earnings				<u>25,941</u>
Total General Revenues				<u>26,240</u>
Change in Net Position				40,214
Net Position - Beginning of Year				<u>955,510</u>
Net Position - End of Year				<u>\$ 995,724</u>

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

West Piedmont Planning District Commission

Balance Sheet

As of June 30, 2024

**Assets**

Cash and cash equivalents	\$ 3,381,059
Accounts receivable	5,993,247
Prepaid expenses	<u>15,327</u>
Total Assets	<u>\$ 9,389,633</u>

**Liabilities**

Accounts payable and accrued expenses	\$ 8,451,141
Accrued payroll taxes withheld	<u>5,109</u>
Total Liabilities	8,456,250

**Fund Balance**

Unassigned	<u>933,383</u>
Total Fund Balance	<u>933,383</u>
Total Liabilities and Fund Balance	<u>\$ 9,389,633</u>

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

West Piedmont Planning District Commission

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

At June 30, 2024

Total Fund Balances for Governmental Funds	\$	933,383
<b>Total net position reported for governmental activities in the Statement of Net Position is different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		100,866
Liabilities applicable to the Commission's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.		
Balances of long-term liabilities affecting net position are as follows:		
Compensated absences		<u>(38,525)</u>
Total		<u>(38,525)</u>
Total Net Position of Governmental Activities	\$	<u><u>995,724</u></u>

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

**West Piedmont Planning District Commission**

Statement of Revenues, Expenditures, and Changes in Fund Balance

As of June 30, 2024

**Revenues**

Local government contributions	\$ 154,671
Miscellaneous	299
Revenue from use of money and property	25,941
<i>Intergovernmental</i>	
Local government grants	11,459,354
Revenue from the Commonwealth of Virginia	477,930
Revenue from the Federal Government	<u>13,846,345</u>

Total Revenues	25,964,540
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**Expenditures**

Planning and community development	<u>25,932,524</u>
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Total Expenditures	<u>25,932,524</u>
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Net Change in Fund Balance	32,016
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Fund Balance - Beginning of Year	<u>901,367</u>
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Fund Balance - End of Year	<u><u>\$ 933,383</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

West Piedmont Planning District Commission

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 32,016
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**Amounts reported for governmental activities in the Statement of Activities  
are different because:**

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 as depreciation expense.

Capitalized assets	\$ 17,380	
Depreciation	<u>(4,035)</u>	
		13,345

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. Changes in the following accounts are as follows:

Compensated absences	<u>(5,147)</u>	
Net Adjustment		<u>(5,147)</u>

Change in Net Position of Governmental Activities	<u>\$ 40,214</u>
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The accompanying notes to the financial statements are an integral part of this statement.

## West Piedmont Planning District Commission

### Notes to the Financial Statements

Year Ended June 30, 2024

#### 1 Organization and Summary of Significant Accounting Policies

The West Piedmont Planning District Commission (WPPDC) is a political subdivision of the Commonwealth of Virginia. The purpose of WPPDC is to promote the orderly and efficient development of the physical, social and economic elements of the Planning District by planning, encouraging and assisting governmental subdivisions to plan for the future. WPPDC serves the counties of Henry, Franklin, Patrick and Pittsylvania, the cities of Danville and Martinsville, the Town of Rocky Mount, and acts as the administrative agent for the Danville area MPO. Revenues consist principally of federal, state and local contract and grant agreements. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) Financial Statement Presentation - WPPDC's accounting policies conform with generally accepted accounting principles as prescribed by GASB, including all applicable GASB Pronouncements, as well as applicable Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletin of the committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The financial statements have been prepared in accordance with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.
- (b) Basis of Accounting - The accounting and reporting policies of the Commission relating to the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units, and by the Financial Accounting Standards Board (when applicable).

The Commission's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally ninety days. The Commission considers grant revenue as available when the grant expenditure is made since the expenditure is the prime factor for determining eligibility. Expenditures are recorded when the related fund liability is incurred.

- (c) Capital Assets - Expenditures for fixed assets with acquisition cost of \$1,500 or greater are capitalized and depreciated over their estimated useful lives using the straight-line method and annual depreciation being charged to indirect expenditures. Contributed fixed assets are recorded at their estimated fair market value at the time received. Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued. Depreciation for building, improvements, and equipment is calculated using the estimated useful life as follows:

<u>Asset Description</u>	<u>Estimated Lives</u>
--------------------------	------------------------

Buildings	25 years
Improvements	5-20 years
Equipment	5-10 years

- (d) Concentration of Credit Risk - Financial instruments that potentially expose the Commission to concentration of credit risk consist primarily of cash equivalents. Cash equivalents are maintained at high-quality financial institutions, and credit exposure is limited to any one institution. The Commission maintains its cash in various bank deposits accounts which, at times, may exceed federally insured limits. The Commission has not experienced any losses in such accounts.
- (e) Cash and Cash Equivalents - State statute authorizes the Commission to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value. At June 30, 2024 cash and cash equivalents include the following:

Petty cash	\$ 100
Local banks	2,880,107
Local government investment pool	<u>500,852</u>
Total	<u>\$ 3,381,059</u>

Deposits - Custodial risk is the risk that in the event of a bank failure, the government deposits might not be returned to it. There is no custodial credit risk to these accounts, as the entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FSLIC limits. The State Treasury Board is responsible for monitoring compliance by banks and savings and loans.

- (f) Compensated Absences - WPPDC employees are granted vacation and sick leave in varying amounts. In the event of termination, the employee is reimbursed for all accumulated vacation up to 400 hours per employee. WPPDC accrues liability for vested vacation hours and records the changes in accrued vacation as a part of the indirect expenses.
- (g) Budgets and Budgetary Accounting - WPPDC adheres to the following procedures in establishing budgetary data reflected in the financial statements. WPPDC's staff completes preparation of a proposed operating budget for WPPDC's Board of Commissioners' review and approval. The operating budget includes proposed expenditures and means of financing them. Early in each fiscal year, the WPPDC's staff prepares a revised budget, based on the actual contracts and grant agreements signed for that fiscal year. The WPPDC's Board of Commissioners approves this revised budget. The budget is employed throughout the year as a management control device. The budget is adopted on the modified accrual basis consistent with the federal, state and local grant agreements that support the Commission. Contracted services and the related grant revenues are budgeted by the Commission, but the timing of the services is controlled by entities other than WPPDC and, therefore, can vary significantly. WPPDC prepares its budget on a basis of accounting that is substantially the same as generally accepted accounting principles.

- (h) Estimates - The presentation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (i) Advertising Costs - Advertising costs are expensed as incurred.
- (j) Net Position - Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represent 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. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- (k) Net Position Flow Assumptions - Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted net position to have been depleted before unrestricted net position is applied.
- (l) Fund Balance Flow Assumptions - Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.
- (m) Adoption of New GASB Statements - The Commission adopted the following GASB statements during the year ended June 30, 2024:

In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Commission.

In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Commission.

## 2 Accounts Receivable

Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2024, and no allowance for doubtful accounts has been provided.

## 3 Capital Assets

A summary of property and equipment as of June 30, 2024 is as follows:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Land and improvements	\$ 26,661	\$ -	\$ -	\$ 26,661
Building and improvements	82,822	-	12,004	70,818
Equipment, furniture, fixture, and software	55,041	17,380	2,642	69,779
Total Capital Assets	164,524	17,380	14,646	167,258
Less: Accumulated depreciation and amortization	77,003	4,035	14,646	66,392
Net Capital Assets	<u>\$ 87,521</u>	<u>\$ 13,345</u>	<u>\$ -</u>	<u>\$ 100,866</u>

## 4 Long-Term Debt

### Changes in Long-Term Debt

The following is a summary of changes in long-term obligations of the Commission:

	<u>Balance July 1, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Compensated absences	\$ 33,378	\$ 5,147	\$ -	\$ 38,525	\$ 3,852

## 5 Retirement Plan

WPPDC participates in a deferred compensation plan with the International City Management Association Retirement Corporation. All permanent employees are eligible to participate in the retirement program. The employees may contribute a

maximum of \$16,500 to the plan annually. In addition to the \$16,500 contribution limit, the following "catch-up" limits are permitted: "Age 50" catch-up limit is \$5,500 and "Pre- Retirement" catch-up limit is \$33,000. WPPDC will match each employee's contributions up to \$1,200 annually. Plan contributions for the year ended June 30, 2024, totaled \$18,514. Employees become immediately vested in the employer's portion of the contribution.

## 6 Fringe Benefit Allocation

Fringe benefit expense is allocated using the percentage of benefits to total labor costs. The fringe benefit cost rate for the fiscal year ending June 30, 2024 was 53.71% and is calculated as follows:

Insurance (Medical/Dental/Life)	\$	126,514	
Release time salaries		97,439	
Payroll taxes		47,683	
Retirement		18,514	
Workmen's compensation insurance		488	
Unemployment taxes		<u>126</u>	
	\$	<u>290,764</u>	
Fringe Benefit Expenses	\$	<u>290,764</u>	
Total Labor Costs	\$	541,338	= 53.71%

## 7 Indirect Costs

Indirect costs, which support all projects, are allocated to the various projects based on the allocation rate applied to the project's direct labor and fringe benefit charges. The indirect cost rate for the fiscal year ending June 30, 2024 was 28.17% and is calculated as follows:

Total Indirect Costs	\$	<u>215,324</u>	
Total Direct Labor and Fringes	\$	764,290	= 28.17%

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

Contract fees	\$	104,177
Indirect salaries		44,116
Fringe benefits		23,696
Computer related costs		3,636
Dues		8,561
Utilities		7,549
Telecommunications		4,130
Phone allowance		4,786
Office supplies		3,039
Depreciation		4,035
Repairs and maintenance		2,681
Insurance		2,165
Equipment small		1,071
Data/subscriptions/publications		217
Postage		785
Miscellaneous		155
Printing and advertising		<u>525</u>
	\$	<u>215,324</u>

## 8 Compliance with Grant Provisions

WPPDC participates in several federal financial assistance programs, principle of which are the Appalachian Regional Commission, Federal Highway Administration PL and SPR Funds and the Department of Commerce's Economic Development Administration programs. These programs are still subject to financial and compliance audits. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although WPPDC expects such amounts, if any, to be immaterial.

## 9 Upcoming Pronouncements

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide 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, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve 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. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

## 10 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through December 4, 2024.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## West Piedmont Planning District Commission

## Budgetary Comparison Schedule

As of June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Local government contributions	\$ 154,645	\$ 154,645	\$ 154,671	\$ 26
<b>Intergovernmental</b>				
Local grants	191,158	577,660	11,459,354	10,881,694
Revenue from the Commonwealth of Virginia	264,171	639,019	477,930	(161,089)
Revenue from the Federal Government	<u>473,079</u>	<u>85,882,992</u>	<u>13,846,345</u>	<u>(72,036,647)</u>
Total Intergovernmental Revenues	928,408	87,099,671	25,783,629	(61,316,042)
<b>Revenue from Use of Money and Property</b>				
Interest income	18,000	18,000	25,941	7,941
<b>Miscellaneous</b>	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>
Total Revenues	1,101,053	87,272,316	25,964,540	(61,307,776)
<b>Expenditures</b>				
<b>Planning and Community Development</b>				
Salaries and wages	684,136	649,430	633,630	15,800
Payroll taxes and fringe benefits	229,542	187,806	193,336	(5,530)
Contract fees	37,745	86,230,633	25,019,512	61,211,121
Travel	30,597	25,347	16,028	9,319
Telecommunications	5,500	10,540	8,916	1,624
Printing and advertising	8,687	8,187	7,350	837
Equipment	1,500	1,500	18,451	(16,951)
Computer related costs	7,000	7,000	3,803	3,197
Dues and memberships	12,100	11,700	11,671	29
Insurance	3,500	3,500	2,165	1,335
Miscellaneous	3,000	3,000	3,391	(391)
Office supplies	5,800	5,800	3,039	2,761
Data, subscriptions and publications	1,650	1,650	217	1,433
Postage	2,000	2,000	785	1,215
Repairs and maintenance	2,100	2,100	2,681	(581)
Utilities	<u>6,500</u>	<u>6,500</u>	<u>7,549</u>	<u>(1,049)</u>
Total Expenditures	<u>1,041,357</u>	<u>87,156,693</u>	<u>25,932,524</u>	<u>61,224,169</u>
Net Change in Fund Balance	<u>\$ 59,696</u>	<u>\$ 115,623</u>	32,016	<u>\$ (83,607)</u>
Fund Balance - Beginning of Year			<u>901,367</u>	
Fund Balance - End of Year			<u>\$ 933,383</u>	

## **SUPPLEMENTARY INFORMATION**

West Piedmont Planning District Commission

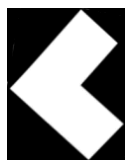
Schedule of Revenues and Expenses - Non-Governmental Accrual Basis

Year Ended June 30, 2024

	DOT MPO- PL Funds	DOT SPR Funds Rural Transportation Planning Program	DRPT RIDESHARE	Regional Tourism ASST Program	Local Pass-through Projects	Appalachian Regional Commission	ARC Ready LDD	ARC Inspire	Patrick ARC	Rocky Mount CDBG Planning	Martinsville UPTown	East VATI Grant	West VATI Grant	Patrick VATI Grant	Pittsylvania VATI Grant	Virginia Department of Health Office of Drinking Water	Virginia Housing Planning District Commissions	Housing Rehab Specialist	Housing Initiative	US Dept. of Commerce Economic Development Administration	General Funds	Total
Revenues																						
Direct federal grants	\$ 58,986	\$ 58,000	\$ -	\$ -	\$ -	\$ 52,682	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ 339,668
Pass through federal grants	-	-	-	-	989,271	-	-	-	-	-	-	8,551,444	1,054,340	104,059	2,807,563	-	-	-	-	-	-	13,506,677
State grants	7,373	-	20,676	-	29,964	-	-	-	-	-	-	-	-	-	-	6,627	105,481	12,000	132,499	-	163,310	477,930
Local grants	7,374	-	-	-	786,345	-	-	2,000	-	2,000	-	6,542,297	1,919,187	87,392	2,109,360	-	-	-	-	-	158,070	11,614,025
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,941	25,941
Miscellaneous income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299	299
Total Revenues	73,733	58,000	20,676	-	1,805,580	52,682	100,000	2,000	-	2,000	-	15,093,741	2,973,527	191,451	4,916,923	6,627	105,481	12,000	132,499	70,000	347,620	25,964,540
Expenditures																						
Salaries and wages	40,203	59,539	10,514	3,397	-	64,970	60,606	928	312	817	96	7,008	3,900	938	-	3,992	58,365	46,138	41,331	77,981	16,187	497,222
Fringe benefits	21,594	31,980	5,647	1,825	-	34,897	32,553	498	168	439	52	3,764	2,095	504	-	2,144	31,349	24,782	22,200	41,885	8,694	267,070
Contract fees	-	-	-	-	272,412	-	-	-	-	-	-	16,551,023	2,867,694	174,784	4,916,923	-	-	-	132,499	-	-	24,915,335
Travel	352	355	1,259	-	-	3,310	-	-	-	19	-	-	-	-	-	29	-	126	-	9,250	1,328	16,028
Computer related	167	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167
Printing and advertising	-	-	4,912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,913	6,825
Dues	550	-	337	-	-	1,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	473	3,110
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,245	3,245
Indirect costs	17,410	25,784	4,553	1,471	-	28,136	26,246	402	135	354	42	3,035	1,689	406	-	1,729	25,275	19,980	17,899	33,770	7,008	215,324
Total Expenditures	80,276	117,658	27,222	6,693	272,412	133,063	119,405	1,828	615	1,629	190	16,564,830	2,875,378	176,632	4,916,923	7,894	114,989	91,026	213,929	162,886	38,848	25,924,326
Revenue Over/(Under) Expenditures	\$ (6,543)	\$ (59,658)	\$ (6,546)	\$ (6,693)	\$ 1,533,168	\$ (80,381)	\$ (19,405)	\$ 172	\$ (615)	\$ 371	\$ (190)	\$ (1,471,089)	\$ 98,149	\$ 14,819	\$ -	\$ (1,267)	\$ (9,508)	\$ (79,026)	\$ (81,430)	\$ (92,886)	\$ 308,772	\$ 40,214

NOTE: Totals may vary due to rounding

## **COMPLIANCE SECTION**



**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 Commissioners  
West Piedmont Planning District Commission

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 *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 of West Piedmont Planning District Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Piedmont Planning District Commission's basic financial statements and have issued our report thereon dated December 4, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered West Piedmont 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 West Piedmont Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of West Piedmont 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 West Piedmont 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*.

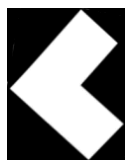
### Purpose of this Report

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.



Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
December 4, 2024



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

To the Commissioners  
West Piedmont Planning District Commission

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

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

We have audited West Piedmont 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 West Piedmont Planning District Commission's major federal programs for the year ended June 30, 2024. West Piedmont 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, West Piedmont 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; 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); and *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, the Uniform Guidance, and specifications are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of West Piedmont 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 West Piedmont 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 West Piedmont Planning District Commission's federal programs.

## **Auditor's Responsibilities for the Audit 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 West Piedmont 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 West Piedmont 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 West Piedmont 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 West Piedmont 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 West Piedmont 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 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.

*Creedle, Jones & Associates, P.C.*

Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
December 4, 2024

**West Piedmont Planning District Commission**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b><u>Federal Assistance Listing Number</u></b>	<b><u>Pass-through Entity Identifying Number</u></b>	<b><u>Total Federal Expenditures</u></b>
<b>PRIMARY GOVERNMENT</b>			
<b>U. S. Department of Agriculture</b>			
<b>Direct Payments</b>			
Community Facilities Loans and Grants	10.766	N/A	\$ 7,800
<b>U. S. Department of Commerce</b>			
<b>Direct Payments</b>			
Economic Development Support for Planning Organizations	11.302	N/A	<u>70,000</u>
Subtotal - U. S. Department of Commerce			70,000
<b>U. S. Department of Transportation</b>			
<b>Pass-Through Payments</b>			
<i>Department of Transportation</i>			
Highway Planning and Construction	20.205	501	<u>116,986</u>
Subtotal - U. S. Department of Transportation			116,986
<b>U. S. Department of Housing and Community Development</b>			
<b>Pass-Through Payments</b>			
<i>Department of Housing and Community Development</i>			
Coronavirus State and Local Fiscal Recovery Funds (VATI)	21.027	165	13,202,850
Coronavirus Capital Projects Fund	21.029	165	296,027
<i>Appalachian Regional Commission</i>			
Appalachian Local District Assistance	23.009	N/A	52,682
Appalachian Area Development	23.002	N/A	<u>100,000</u>
Subtotal - U. S. Department of Housing and Community Development			<u>13,651,559</u>
Totals			<u><u>\$ 13,846,345</u></u>

See accompanying notes to schedule of expenditures of federal awards.

## **West Piedmont Planning District Commission**

### **Notes to Schedule of Expenditures of Federal Awards**

for the Year Ended June 30, 2024

#### **1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of West Piedmont Planning District 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 the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of West Piedmont Planning District Commission.

#### **2. Summary of Significant Accounting Policies**

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

#### **3. Indirect Cost Rate**

West Piedmont Planning District Commission has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **4. Subrecipients**

No awards passed through to subrecipients.

## West Piedmont Planning District Commission

### Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

#### Section I – Summary of Auditor’s Results

##### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

##### *Internal control over financial reporting:*

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

##### Federal Awards

##### *Internal control over major federal programs:*

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

##### *Identification of major federal programs:*

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds (VATI)

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

None noted

#### Section III – Federal Award Findings and Questioned Costs

There are no federal award findings to report.