

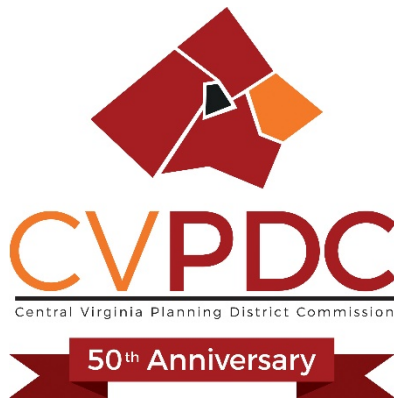
**Central Virginia Planning District  
Commission**

12<sup>th</sup> Fl, 828 Main St.  
Lynchburg, VA 24504

Large Conference Room  
**January 16, 2020**  
**5:00 p.m.**

**Agenda**

1. **Welcome | Moment of Silence | Introduction of New Members** .....Dwayne Tuggle, Chair
2. **Selection of a Vice Chair** .....Dwayne Tuggle, Chair  
  
Bryan Moody of Appomattox County has served as our Vice Chair, but was not re-elected to the Board of Supervisors. Staff recommends that we ask Mayor Paul Harvey of Appomattox Town if he would serve the balance of the unexpired term as Vice Chair of the PDC.
3. **Approval of November 21, 2019 Meeting Minutes** .....Dwayne Tuggle, Chair  
*(Attached)*
4. **Financial Update**..... Rosalie Majerus
  - a) Audit Report from Matt McLearn of Robinson, Farmer, Cox of Charlottesville, VA *(Attached)*
  - b) Year to date financial update *(Attached)*
5. **Strategic Directions: Discussion on next steps to promote advanced manufacturing sector**  
.....Gary Christie  
*(Attached)*
  - a) Three options for discussion
  - b) Background material on manufacturing in our region
  - c) Jobs EQ statistics on Central Virginia Manufacturing and Economic Overview of the region
  - d) Manufacturing Competitive Indexes 2019, Virginia compared to other states
6. **Other business from staff or Commission members** .....Dwayne Tuggle, Chair
7. **Next Meeting: March 19, 2020** .....Dwayne Tuggle, Chair
8. Adjourn



**Central Virginia Planning  
District Commission**  
828 Main Street, 12th Floor  
Lynchburg, VA 24504

**November 21, 2019  
5:00 pm**

## *Minutes*

### **Members Present:**

Kenneth Campbell, Amherst County Board of Supervisors  
Waverly Coggsdale, Altavista Town Manager  
Dean Rodgers, Amherst County Administrator  
Frank Rogers, Campbell County Administrator  
Bonnie Svrcek, City of Lynchburg  
Russell Thurston, Brookneal Town Manager  
Mayor Dwayne Tuggle, Town of Amherst, *Chair*  
Mayor Treney Tweedy, City of Lynchburg  
Charlie A. Watts, II, Campbell County Board of Supervisors

### **Members Absent:**

Susan Adams, Appomattox County Administrator  
Sara Carter, Amherst Town Manager  
Beverley Dalton, Altavista Town Council  
Mayor Paul Harvey, Town of Appomattox  
Robert Hiss, Bedford County Administrator  
Bruce Johannessen, Bedford Town Council  
Megan Lucas, Lynchburg Regional Economic Alliance  
Bryan Moody, Appomattox County Board of Supervisors, *Vice-Chair*  
Mark Peake, Senate of Virginia  
Gary Shanaberger, Appomattox Town Manager  
John Sharp, Bedford County Board of Supervisors  
Bart Warner, Bedford Town Manager

### **Others Present:**

Ben Bowman, Virginia Career Works  
Gary Christie, Central Virginia Planning District Commission, Executive Director  
Susan Cook, Central Virginia Planning District Commission  
Kelly Hitchcock, Central Virginia Planning District Commission  
Rosalie Majerus, Central Virginia Planning District Commission

### **1. Welcome and Moment of Silence**

Dwayne Tuggle, Chair, welcomed the Commission and began the meeting with a moment of silence.

**2. Thanks to Kenneth Campbell of Amherst County and Bryan Moody of Appomattox County for their service on the Commission. Recognition to PDC retirees Emmie Boley and Susan Cook for 11 years and 16 years of service to the PDC**

Chairman Tuggle expressed thanks to Kenneth Campbell from Amherst and Bryan Moody from Appomattox for their service on the PDC. He also recognized Emmie Boley and Susan Cook for their years of service, as both are retiring effective December 31, 2019.

A motion was made by Bonnie Svrcek, seconded by Waverly Coggsdale, thanking each one for their service. The motion was unanimously approved.

**3. Approval of the September 19, 2019 Meeting Minutes**

Upon a motion by Frank Rogers, seconded by Kenneth Campbell, the minutes of the September 19, 2019 meeting passed unanimously as presented.

**4. Financial Update**

**a) Year to Date Financial Update**

Rosalie Majerus reported that operating expenses are tracking as budgeted. \$150,000 has been paid out to the Alliance for the Central Virginia Training Center. The impact to the PDC's financials reflects a negative fund balance of \$155,000 in the use of surplus funds balance line item. The impact will be that the fund balance will drop \$200,000 this year, as a negative \$50,000 was budgeted for a position that has not yet been filled, and the negative \$150,000 added.

**b) Setting the dues rate for 2020-2021**

Ms. Majerus reported that dues will remain the same for the coming year, which is \$.575 for cities and counties per capita, and a flat fee of \$1,045 for towns.

The motion was made by Frank Rogers, and seconded by Waverly Coggsdale, to approve the dues rate. The motion was unanimously approved.

**5. Review of Report from Zelos on Strategic Direction Meeting**

Gary Christie thanked everyone who participated at the meeting in October at the Alliance building.

Gary reported on comments/responses that came back from the survey identifying focus areas that are needed to move the region forward:

- 1) Workforce Development
- 2) Economic Development
- 3) Quality of Life and Tourism

Gary suggested that the next steps would be to identify one or two of these areas to tackle. Frank Rogers suggested advanced manufacturing be the main area of focus and have staff put together an action plan that defines advanced manufacturing as our top regional priority, put together a work plan as to how to incorporate successful workforce development and

economic development strategies to enable this, as well as incorporating quality of life and tourism.

Frank Rogers made a motion, seconded by Dean Rodgers, for staff to put together a plan that they can bring back to the PDC. The motion was unanimously approved.

## **6. Update on Hazard Mitigation Planning**

Kelly Hitchcock advised that there is a public survey available, running through December 13, 2019 and a press release has been sent to all local newspapers. The draft Hazard Mitigation Plan is anticipated to be brought to the Boards in a February time frame and submitted to FEMA in March. With the draft HMP submitted to FEMA localities may apply for pre-mitigation activities included in the Plan. FEMA will look at the draft plan and make recommendations and changes. The final HMP will be presented to area localities for adoption consideration during the summer. A locality must have an adopted HMP for FEMA mitigation grant award.

## **7. Personnel Reports**

- a) Executive Director Goals for 2020 - The commission reviewed the outline for the Executive Director's evaluation and goals, as written by the feedback committee.

Frank Rogers made a motion, seconded by Russell Thurston, to approve the goals for the Executive Director for the coming year as presented. The motion was unanimously approved.

Following the Commission policy, adopted on March 19, 2015, with the acceptance of the Executive Director's performance evaluation and adoption of Goals for 2020, the 2% performance based salary increase which was awarded to qualifying employees on July 1 will be awarded to Executive Director Gary Christie effective January 1, 2020.

- b) PDC Salary Study Synopsis – Gary Christie explained that the salary study compared what is paid to CVPDC employees to what other localities pay their employees. The Planning and Development Director's position was significantly below what was paid in other regions. He suggested increasing the grade and provide a 9.5% pay increase effective January 1. He also suggested a 1.5% increase to four other positions: Senior Planner, Deputy Director for Finance, Transportation Planning Director and Regional Planner.

A motion was made by Russell Thurston, seconded by Treney Tweedy, to adopt the salary study recommendations. The motion was unanimously approved.

## **8. Legislative Recommendations for 2020 General Assembly**

At the meeting of November 21, 2019, the Central Virginia Planning District Commission unanimously agreed to support the following legislative priorities:

- 1. Equal Taxing Authority** – proposed by Dean Rodgers, Amherst County

The Central Virginia Planning District Commission supports granting counties equal taxing authority to that enjoyed by cities and towns to enact local excise taxes without referendum, such as the authority to adopt a local meals tax without referendum and to levy and collect a tobacco tax.

**2. Central Virginia Training Center** – proposed by Dean Rodgers, Amherst County

The Commission supports efforts of a re-development plan for the Training Center to determine the highest and best use of the property and requests allocated funds from the Commonwealth to begin clearing the site for remediation.

**3. State Funding for Broadband Infrastructure** – proposed by Frank Rogers, Campbell County

The Commission believes that broadband service in unserved rural areas is a critical priority and encourages support for additional resources for communities to speed connection of unserved areas of the Commonwealth

A motion was made by Bonnie Svrcek and seconded by Treney Tweedy to adopt the legislative recommendations. The motion was unanimously approved.

**9. Other Business from Staff and Members**

**1) Invite new 23<sup>rd</sup> District Delegate to become a member of the PDC**

Gary Christie explained that we have had a vacancy on the board from the House of Delegates for the past year, and he suggested inviting Wendell Walker, the newly elected 23<sup>rd</sup> District Delegate, to fill this seat for a two year term.

This was approved by consensus of the Commission

**2) Reminder on the use of Designees/Alternates**

Gary asked members to send him the name of their alternate if they chose to have one.

**3) Orientation with new PDC Members in January/February**

Gary asked Commission members if they have a new member coming on to the Commission to let him know, as he will be conducting orientations in January and February with new members.

**10. Meeting Schedule for 2020**

Frank Rogers suggested that in accordance with the performance objective the Executive Directors put together a draft action plan promoting advanced manufacturing, and in April have a dinner meeting with a keynote speaker to address their plan.

The meeting schedule in the packet was approved:

January 16, MPO & PDC

March 19, PDC, dinner meeting with speaker, Amherst location

April 16, MPO & PDC

May 21, PDC (tentative, if needed)

July 16, MPO 7 PDC

*July 29-31, VAPDC Conference in Staunton*  
August 20, MPO 7 PDC  
September 17, MPO & PDC (tentative if needed)  
October 15, MPO & PDC  
November 19, PDC

**Adjourn** - There being no further business, the meeting adjourned at 5:40 p.m.

Draft



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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## Communication with Those Charged with Governance

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### To the Board of Directors Central Virginia Planning District Commission

We have audited the financial statements of the business-type activities of Central Virginia Planning District Commission for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 18, 2019. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Central Virginia Planning District Commission are described in Note 1 to the financial statements. As described in Note 16 to the financial statements, County of Campbell, Virginia changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* and by early implementing GASB No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was:

Management's estimate of the depreciable lives of capital assets is based on historical experience and industry standards. We evaluated the key factors and assumptions used to develop the estimate of depreciable lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 18, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of Central Virginia Planning District Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 18, 2019

**CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION**  
**FINANCIAL REPORT**  
**YEARS ENDED JUNE 30, 2019 and 2018**

**CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION**

**FINANCIAL REPORT**

**YEARS ENDED JUNE 30, 2019 and 2018**

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**CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION**

**DIRECTORY OF PRINCIPAL OFFICIALS**

**BOARD OF DIRECTORS**

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Kenneth Campbell, Chair  
County of Amherst, Virginia

Mayor Dwayne Tuggle, Vice-Chair  
Town of Amherst, Virginia

Gary F. Christie, Secretary  
Central Virginia Planning District Commission

Dean Rodgers, Treasurer  
County of Amherst, Virginia

**KEY EMPLOYEES**

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Ben Bowman, Workforce Development Director

Gary F. Christie, Executive Director

Kelly Hitchcock, Planning and Development Director

Rosalie Majerus, Deputy Director of Finance

Scott Smith, Transportation Planning Director



**Independent Auditors' Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Central Virginia Planning District Commission, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Central Virginia Planning District Commission, as of June 30, 2019 and 2018, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Change in Accounting Principle*

As described in Note 15 to the financial statements, in 2019, the Commission adopted new accounting guidance, GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* and early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 4-7 and 45-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of Central Virginia Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Virginia Planning District Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Virginia Planning District Commission's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia

November 18, 2019



## Management's Discussion and Analysis

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

As management of the Central Virginia Planning District Commission, (the "Commission"), we offer readers of our financial statements this narrative and overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements section of this report.

### Overview of the Financial Statements

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

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

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

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

Notes to financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 11 through 44 of this report.

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

### Financial Highlights

- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,730,883 (net position). Of this amount \$2,652,060 (unrestricted) may be used to meet the Commission's ongoing obligations to customers and creditors.

The Commission's total net position increased by \$255,927.

### Financial Highlights: (Continued)

As noted earlier, net position may serve over time as a useful indicator of a Commission's financial position. In the case of the Commission, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,730,883 at the close of the most recent fiscal year.

	Net Position	
	2019	2018
Current and other assets	\$ 3,197,373	\$ 2,952,008
Capital assets	13,815,823	14,643,225
Total assets	<u>\$ 17,013,196</u>	<u>\$ 17,595,233</u>
Deferred outflows of resources	<u>\$ 52,567</u>	<u>\$ 54,140</u>
Current liabilities	\$ 1,177,849	\$ 1,090,357
Long-term liabilities	7,045,382	7,908,112
Total liabilities	<u>\$ 8,223,231</u>	<u>\$ 8,998,469</u>
Deferred inflows of resources	<u>\$ 111,649</u>	<u>\$ 175,948</u>
Net position:		
Net investment in capital assets	\$ 6,078,823	\$ 6,068,225
Unrestricted	2,652,060	2,406,731
Total net position	<u>\$ 8,730,883</u>	<u>\$ 8,474,956</u>

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

	Change in Net Position	
	2019	2018
Revenues:		
Operating revenues	\$ 3,497,070	\$ 3,363,882
Participating government operating contributions (Dues)	154,774	154,668
Nonoperating revenue	1,130,613	1,120,739
Total revenues	<u>\$ 4,782,457</u>	<u>\$ 4,639,289</u>
Expenses:		
Operating expenses	\$ 4,270,096	\$ 3,435,535
Interest expense	256,434	281,276
Loss on disposal of property and equipment	-	74,369
Total expenses	<u>\$ 4,526,530</u>	<u>\$ 3,791,180</u>
Change in net position	\$ 255,927	\$ 848,109
Net position - July 1	<u>8,474,956</u>	<u>7,626,847</u>
Net position - June 30	<u>\$ 8,730,883</u>	<u>\$ 8,474,956</u>

Total revenues increased by \$143,168 while total expenses increased \$735,350 from fiscal year 2018 levels.

## Capital Asset Administration

The Commission's investment in capital assets as of June 30, 2019 amounts to \$13,815,823 (net of accumulated depreciation). Investment in capital assets increased 9.46% during the year. Below is a comparison of the items that makeup capital assets as of June 30, 2019 with that of June 30, 2018.

	Capital Assets	
	2019	2018
Leasehold Improvements	\$ 1,176	\$ 2,938
Furniture and equipment	19,415	24,283
Regional Radio	13,620,904	13,915,833
Land	174,328	700,171
Total Capital Assets	<u>\$ 13,815,823</u>	<u>\$ 14,643,225</u>

## Review of Operations - FY 19

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

## Staffing Services

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

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

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

## Radio Board

The Central Virginia Radio Communications Board continues to provide a public safety grade communications network for Lynchburg, Amherst and Bedford. Other organizations such as Liberty University, the Central Virginia Community College, the Region 2000 Services Authority, the Blue Ridge Regional Jail and the Greater Lynchburg Transit Company also use this communications system.

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

## Regional Economic Development Planning

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

## **Workforce Development**

The Central Virginia Workforce Development staff continue to shape the region's workforce development by coordinating with service providers. Beginning July 1, 2019, the PDC began direct operation of the Workforce Board's Youth Program. Workforce staff, using funds from GO Virginia, held a "World of Opportunity Career Expo" involving over 3,700 local students and 50 businesses to educate students about careers and career pathways.

## **Transportation**

The Central Virginia MPO and the Planning District Commission continued to provide transportation planning services in the region. We provided technical assistance to five (5) successful Smart Scale Grants in the region. Staff also completed a bicycle and pedestrian plan for the Town of Bedford.

## **Transit Services**

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

## **Housing and Utilities**

We continue to assist the Town of Appomattox and Amherst County with housing rehabilitation projects improving neighborhoods and sub-standard housing. We continue to work with Appomattox County repairing homes and infrastructure in the areas of the County impacted by a tornado in 2016. We also developed a business plan for the Town of Pamplin to meet requirements for funding to do needed improvements to the Town's water tank and chemical feed system.

## **Central Virginia Training Center**

The Planning District Commission approved funding to match local money and grants for the creation of a re-development plan for the Central Virginia Training Center.

## **Ride Solutions**

We continue to work with the business community and carpoolers providing information about alternative transportation, including bicycle and walking opportunities.

## **Solid Waste Disposal**

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

## **Hazard Mitigation Planning**

Using local funds and a \$100,000 grant from the Virginia Department of Emergency Services, the PDC contracted with Virginia Tech to update the region's Hazard Mitigation Plan.

## **Return on Investment**

The Planning District Commission generated \$18.44 in outside revenues for each \$1 in local government dues in FY 19.

## **Requests for Information**

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

## Basic Financial Statements

STATEMENTS OF NET POSITION  
AT JUNE 30, 2019 AND 2018

	At June 30,	
	2019	2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 2,107,815	\$ 2,077,133
Accounts/grants receivable/Due from other governments (Note 3)	517,137	367,727
Prepaid expenses	59,588	41,813
Total current assets	\$ 2,684,540	\$ 2,486,673
<b>Long-term assets:</b>		
Net pension asset (Note 5)	\$ 512,833	\$ 465,335
Capital assets, net (Note 4)	13,815,823	14,643,225
Total long-term assets	\$ 14,328,656	\$ 15,108,560
Total assets	\$ 17,013,196	\$ 17,595,233
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 41,894	\$ 49,714
OPEB related items	10,673	4,426
Total deferred outflows of resources	\$ 52,567	\$ 54,140
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and other liabilities	\$ 220,943	\$ 154,116
Accrued interest payable	39,201	43,447
Funds held for others	4,665	4,665
Compensated absences (Note 6)	48,040	50,129
Revenue bonds, current portion (Note 15)	865,000	838,000
Total current liabilities	\$ 1,177,849	\$ 1,090,357
<b>Long-term liabilities:</b>		
Revenue bonds, less current portion (Note 15)	\$ 6,872,000	\$ 7,737,000
Net OPEB liabilities	173,382	171,112
Total long-term liabilities	\$ 7,045,382	\$ 7,908,112
Total liabilities	\$ 8,223,231	\$ 8,998,469
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 104,353	\$ 160,238
OPEB related items	7,296	15,710
Total deferred inflows of resources	\$ 111,649	\$ 175,948
<b>NET POSITION</b>		
Net investment in capital assets	\$ 6,078,823	\$ 6,068,225
Unrestricted	2,652,060	2,406,731
Total net position	\$ 8,730,883	\$ 8,474,956

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2019 AND 2018

	Year Ended June 30,	
	2019	2018
<b>Operating Revenues</b>		
Grants		
Commonwealth of Virginia		
Department of Housing and Community Development	\$ 99,056	\$ 122,171
Virginia Employment Commission	24,395	-
Department of Health	2,500	-
Department of Transportation	74,676	60,210
Federal		
Department of Transportation - Highway Planning and Construction	245,943	218,876
Department of Transportation - Planning	97,408	88,872
Environmental Protection Agency		
Chesapeake Bay Program	50,000	-
Workforce Investment Act		
Adult Programs	432,893	461,846
Youth Programs	611,170	549,391
Dislocated Worker Formula Grants	296,841	370,676
Dislocated Worker National Reserve Technical Assistance and Training	24,667	-
Commerce Department Economic Development	-	12,207
Other Revenue		
Regional Radio Board	1,302,456	1,284,945
Dues and matching funds - participating localities	154,774	154,668
Grant management and other fees	221,461	186,796
Miscellaneous	13,604	7,892
Total operating revenues	\$ 3,651,844	\$ 3,518,550
<b>Operating Expenses</b>		
Administrative		
Salaries	\$ 70,576	\$ 69,218
Fringe benefits	38,286	38,468
Other unallocated overhead	150,516	136,798
Program		
Allocated administrative salaries	694,521	647,688
Allocated fringe benefits	373,795	359,847
Direct program	2,942,402	2,183,516
Total operating expenses	\$ 4,270,096	\$ 3,435,535
Operating income (loss)	\$ (618,252)	\$ 83,015
<b>Nonoperating Revenues (Expenses)</b>		
Interest Income	\$ 25,460	\$ 14,728
Interest expense	(256,434)	(281,276)
Loss on disposal of property and equipment	-	(74,369)
Member jurisdiction payments	1,105,153	1,106,011
Total nonoperating revenues (expenses)	\$ 874,179	\$ 765,094
Change in net position	\$ 255,927	\$ 848,109
Net position - beginning at July 1, as restated	8,474,956	7,626,847
Net position - ending at June 30	\$ 8,730,883	\$ 8,474,956

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

STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018

	Year Ended June 30,	
	2019	2018
<b>Cash Flow From Operating Activities</b>		
Receipts from granting agencies and participating localities	\$ 3,502,434	\$ 3,569,770
Payments to suppliers	(2,165,473)	(1,495,905)
Payments to and on behalf of employees	(1,287,221)	(1,232,044)
Net cash provided by (used for) operating activities	<u>\$ 49,740</u>	<u>\$ 841,821</u>
<b>Cash Flow From Capital and Related Financing Activities</b>		
Purchase of capital assets	\$ (50,991)	\$ (1,172,023)
Member jurisdiction payments	1,105,153	1,106,011
Principal payments on bond	(838,000)	(813,000)
Interest paid on bond	(260,680)	(285,395)
Net cash provided by (used for) capital and related financing activities	<u>\$ (44,518)</u>	<u>\$ (1,164,407)</u>
<b>Cash Flow From Investing Activities</b>		
Interest income	\$ 25,460	\$ 14,728
Net increase (decrease) in cash and cash equivalents	\$ 30,682	\$ (307,858)
Cash and cash equivalents at beginning of year (including \$0 and (\$27), respectively reported in restricted accounts)	<u>2,077,133</u>	<u>2,384,991</u>
Cash and cash equivalents at end of year (including \$0 and \$0 respectively reported in restricted accounts)	<u>\$ 2,107,815</u>	<u>\$ 2,077,133</u>
<b>Reconciliation of Operating income (loss) to Net Cash provided by (used for) operating activities</b>		
Operating income (loss)	\$ (618,252)	\$ 83,015
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	878,393	902,928
Loss on disposal of property and equipment	-	(74,369)
Accounts and grants receivable	(149,410)	51,220
Prepaid expenses	(17,775)	5,890
Accounts payable	66,827	(29,581)
Funds held for others	-	(375)
Compensated absences	(2,089)	(7,582)
Net OPEB liabilities	2,270	(18,821)
Deferred outflows - net pension asset related	7,820	24,548
Deferred outflows - net OPEB group life related	(6,247)	(4,426)
Deferred inflows - pension related	(55,885)	92,390
Deferred inflows - OPEB related	(8,414)	15,710
Net pension asset	(47,498)	(198,726)
Net cash provided by (used for) operating activities	<u>\$ 49,740</u>	<u>\$ 841,821</u>

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



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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Financial Reporting entity:

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

Measurement focus and basis of accounting:

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

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

Cash and cash equivalents:

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

Valuation of receivables:

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

Capital assets:

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

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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

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Compensated absences:

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

Funds Held for Others:

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

Use of Estimates:

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

Reclassifications:

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

Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, reduced by accumulated depreciation and by any outstanding debt, deferred outflows of resources and deferred inflows of resources related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Net Position Flow Assumption:

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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

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Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension asset and net OPEB liability or contributions to the pension and OPEB plan(s) made during the current and subsequent to the net pension asset and net OPEB liability measurement date. For more detailed information on this item, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has one type of item that qualifies for reporting in this category. Certain items related to the measurement of the net pension asset and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on this item, reference the related notes.

Pensions

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

Other Postemployment Benefits - Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 2—DEPOSITS AND INVESTMENTS:

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Deposits

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

Investments

Statutes authorize the Commission 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).

The Commission does not have a formal investment policy.

Credit Risk of Debt Securities

The Commission's rated debt investments as of June 30, 2019 were rated by Standard & Poor's, and or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

<u>Commission's Rated Debt Investments' Values</u>	
	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 766,374
VIP Stable NAV Liquidity Pool	250,714
Total	\$ <u>1,017,088</u>

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk

	Investment Maturities (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 766,374	\$ 766,374
VIP Stable NAV Liquidity Pool	250,714	250,714
	<u>\$ 1,017,088</u>	<u>\$ 1,017,088</u>

External Investment Pools

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

NOTE 3—ACCOUNTS AND GRANTS RECEIVABLE:

Accounts and grants receivable are as follows:

	2019	2018
Virginia Department of Transportation	\$ 133,557	\$ 78,469
Virginia Department of Rail and Public Transportation	21,868	17,084
VCCS for Workforce Investment Opportunity Act	139,757	144,400
Department of Commerce	-	12,207
Town of Amherst	-	1,132
Amherst County	480	373
Roanoke Valley Regional Commission	15,886	14,455
Radio Board	188	9,235
Region 2000 Partners	122,107	26,544
Bedford County	7,500	5,000
Appomattox Town	-	1,132
Appomattox County	-	10,349
Others	75,794	47,347
	<u>\$ 517,137</u>	<u>\$ 367,727</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 4—CAPITAL ASSETS:

Capital asset activity was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>2019</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 174,328	\$ -	\$ -	\$ 174,328
Total capital assets not being depreciated	<u>\$ 174,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,328</u>
<b>Other capital assets:</b>				
Leasehold improvements	\$ 19,660	\$ -	\$ -	\$ 19,660
Regional radio	15,753,489	44,669	-	15,798,158
Furniture and equipment	69,790	6,322	11,135	64,977
Subtotal other capital assets	<u>\$ 15,842,939</u>	<u>\$ 50,991</u>	<u>\$ 11,135</u>	<u>\$ 15,882,795</u>
<b>Accumulated depreciation</b>				
Leasehold improvements	\$ 16,722	\$ 1,762	\$ -	\$ 18,484
Regional radio	1,311,813	865,441	-	2,177,254
Furniture and equipment	45,507	11,190	11,135	45,562
Subtotal accumulated depreciation	<u>\$ 1,374,042</u>	<u>\$ 878,393</u>	<u>\$ 11,135</u>	<u>\$ 2,241,300</u>
Other capital assets, net	<u>\$ 14,468,897</u>	<u>\$ (827,402)</u>	<u>\$ -</u>	<u>\$ 13,641,495</u>
Total capital assets, net	<u><u>\$ 14,643,225</u></u>	<u><u>\$ (827,402)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,815,823</u></u>
<b>2018</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 74,328	\$ 100,000	\$ -	\$ 174,328
Construction in progress	13,330,942	1,205,776	14,536,718	-
Total capital assets not being depreciated	<u>\$ 13,405,270</u>	<u>\$ 1,305,776</u>	<u>\$ 14,536,718</u>	<u>\$ 174,328</u>
<b>Other capital assets:</b>				
Leasehold improvements	\$ 19,660	\$ -	\$ -	\$ 19,660
Regional radio	1,374,078	14,474,438	95,027	15,753,489
Furniture and equipment	66,894	2,896	-	69,790
Subtotal other capital assets	<u>\$ 1,460,632</u>	<u>\$ 14,477,334</u>	<u>\$ 95,027</u>	<u>\$ 15,842,939</u>
<b>Accumulated depreciation</b>				
Leasehold improvements	\$ 14,960	\$ 1,762	\$ -	\$ 16,722
Regional radio	439,279	893,192	20,658	1,311,813
Furniture and equipment	37,533	7,974	-	45,507
Subtotal accumulated depreciation	<u>\$ 491,772</u>	<u>\$ 902,928</u>	<u>\$ 20,658</u>	<u>\$ 1,374,042</u>
Other capital assets, net	<u>\$ 968,860</u>	<u>\$ 13,574,406</u>	<u>\$ 74,369</u>	<u>\$ 14,468,897</u>
Total capital assets, net	<u><u>\$ 14,374,130</u></u>	<u><u>\$ 14,880,182</u></u>	<u><u>\$ 14,611,087</u></u>	<u><u>\$ 14,643,225</u></u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 5—PENSION PLAN:

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*Plan Description*

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

*Benefit Structures*

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

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



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 5—PENSION PLAN: (CONTINUED)

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*Benefit Structures: (Continued)*

*Average Final Compensation and Service Retirement Multiplier*

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total creditable service. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

*Contributions*

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

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



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 5—PENSION PLAN: (CONTINUED)

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*Contributions: (Continued)*

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$41,894 and \$49,714 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019 and 2018, the Commission reported an asset of \$512,833 and \$465,335 respectively, for its proportionate share of the net pension asset. The Commission's net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017. The Commission's proportionate share of the same was calculated using creditable compensation as of June 30, 2019 and 2018 as a basis for allocation. At June 30, 2019 and 2018, the Commission's proportion was 48.14% and 48.14% respectively.

*Actuarial Assumptions - General Employees*

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 5—PENSION PLAN: (CONTINUED)

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*Actuarial Assumptions - General Employees: (Continued)*

Mortality rates:

Largest 10 - Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

*Actuarial Assumptions - General Employees: (Continued)*

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 5—PENSION PLAN: (CONTINUED)

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*Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits*

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Central Virginia Planning District Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

All Others (Non 10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

*Actuarial Assumptions - Public Safety Employees with Hazardous Duty benefits (Continued)*

Mortality rates: (Continued)

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

*Long-Term Expected Rate of Return*

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

\* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY 2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015 actuarial valuations, whichever was greater. From July 1, 2018 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Commission’s proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Central Virginia Planning District Commission			
Net Pension Liability (Asset)	\$ (347,312)	\$ (512,833)	\$ (648,934)

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

For the year ended June 30, 2019, the Commission recognized pension expense of (\$24,501). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 5—PENSION PLAN: (CONTINUED)

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

At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 70,279
Change in assumptions	-	16,689
Net difference between projected and actual earnings on pension plan investments	-	17,385
Employer contributions subsequent to the measurement date	<u>41,894</u>	<u>-</u>
Total	<u>\$ 41,894</u>	<u>\$ 104,353</u>

\$41,894 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2020	\$ (36,315)
2021	(41,003)
2022	(25,805)
2023	(1,229)

*Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 6—COMPENSATED ABSENCES:

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Following is a summary of changes in compensated absences:

	<u>2019</u>		<u>2018</u>
Balance, July 1	\$ 50,129	\$	57,711
Increase (decrease)	<u>(2,089)</u>		<u>(7,582)</u>
Balance, June 30	<u>\$ 48,040</u>	\$	<u>50,129</u>

NOTE 7—OPERATING LEASE:

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In May 2016 the Commission entered into a non-binding three-year lease agreement for office space. The Commission entered into an agreement with the Central Virginia Workforce Investment Board to share this office space under a sublease arrangement. Net rental expense was approximately \$94,339 and \$98,396 for 2019 and 2018, respectively.

The Commission also has arrangements for lease of towers for the Regional Radio Board. Lease payments totaled \$96,318 and \$95,712 for June 30, 2019 and 2018, respectively.

NOTE 8—RISK MANAGEMENT:

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

NOTE 9—REGION 2000 SERVICES AUTHORITY:

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS:

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**Plan Description**

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

**Benefits Provided**

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

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

**Plan Membership**

At June 30, 2019 (measurement date), the following employees were covered by the benefit terms (includes Region 2000 Services Authority and Central Virginia Planning District Commission employees):

Total active employees with coverage	15
Total retirees with coverage	<u>1</u>
Total	<u><u>16</u></u>

**Contributions**

The Commission does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Commission. The amount paid by the Commission for OPEB as the benefits came due during the year ended June 30, 2019 was \$19,242.

**Total OPEB Liability**

The Commission's total OPEB liability was measured as of June 30, 2019. The total OPEB liability was determined by an actuarial valuation as of January 1, 2018.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance: (Continued)

**Actuarial Assumptions**

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2019; 2.50% per year as of June 30, 2018
Salary Increases	Graded scale
Discount Rate	3.50% as of June 30, 2019; 3.87% as of June 30, 2018

**Mortality Rates**

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

**Discount Rate**

The discount rate is based on the yield or index rate for 20 year tax exempt general obligation municipal bonds within an average rating of AA/Aa or higher as of the respective measurement dates. This rate was 3.87% as of June 30, 2018 and 3.50% as of June 30, 2019.

**Changes in Total OPEB Liability**

	<u>Total OPEB Liability</u>	
	<u>2019</u>	<u>2018</u>
Balances at Beginning of Year	\$ 112,382	115,798
Changes for the year:		
Service cost	7,127	7,185
Interest	4,256	4,076
Changes in assumptions	1,464	(1,499)
Benefit payments	(19,242)	(13,178)
Net changes	<u>(6,395)</u>	<u>(3,416)</u>
Balances at End of Year	<u>\$ 105,987</u>	<u>112,382</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance: (Continued)

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

The following amounts present the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (3.50%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>		<u>Current Discount Rate (3.50%)</u>		<u>1% Increase (4.50%)</u>
\$	115,322	\$	105,987	\$	96,913

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

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

	<u>1% Decrease in Trend Rate</u>		<u>Healthcare Cost Current Trend Rate</u>		<u>1% Increase in Trend Rate</u>
\$	90,023	\$	105,987	\$	124,666

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

For the year ended June 30, 2019, the Commission recognized OPEB expense in the amount of \$11,418. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,198	\$	1,037
Total	<u>\$ 1,198</u>	<u>\$</u>	<u>1,037</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Health Insurance: (Continued)

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

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

Year Ended June 30

2020	\$	35
2021		35
2022		35
2023		35
2024		21
Thereafter		-

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

Group Life Insurance

*Plan Description*

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

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

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

*Eligible Employees*

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Group Life Insurance: (Continued)

*Benefit Amounts*

The GLI Program is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,279 effective July 1, 2018.

*Contributions*

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the entity were \$4,661 and \$4,768 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the entity reported a liability of \$67,396 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the participating employer's proportion was .00927% as compared to .00809% at June 30, 2017.

For the year ended June 30, 2019, the participating employer recognized GLI OPEB expense of \$482. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

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

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,370	\$ 964
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,407
Change in assumptions	-	2,888
Changes in proportion	1,444	-
Employer contributions subsequent to the measurement date	<u>4,661</u>	<u>-</u>
Total	<u>\$ 9,475</u>	<u>\$ 6,259</u>

\$4,661 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2020	\$ (963)
2021	(963)
2022	(963)
2023	(482)
2024	963
Thereafter	963

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Group Life Insurance: (Continued)

*Actuarial Assumptions*

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018. The assumptions include several employer groups as noted below. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% - 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of OPEB liabilities.

**Mortality Rates - Teachers**

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Group Life Insurance: (Continued)

*Actuarial Assumptions: (Continued)*

**Mortality Rates - Teachers: (Continued)**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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Group Life Insurance: (Continued)

*Actuarial Assumptions: (Continued)*

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*Actuarial Assumptions: (Continued)*

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

***NET GLI OPEB Liability***

The net OPEB liability (NOL) for the GLI Program represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2018, NOL amounts for the GLI Program are as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Program</b>
		<hr/>
Total GLI OPEB Liability	\$	3,113,508
Plan Fiduciary Net Position		1,594,773
Employers' Net GLI OPEB Liability (Asset)	\$	<hr/> 1,518,735 <hr/>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		51.22%

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

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*Long-Term Expected Rate of Return*

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.30%</u>

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

*Discount Rate*

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2018, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Commission's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 88,096	\$ 67,395	\$ 50,547

*GLI Program Fiduciary Net Position*

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018 (CONTINUED)

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NOTE 11—INDIRECT COST ALLOCATIONS:

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Fringe Benefits

Fringe benefit expense is allocated using the percentage of benefit to total labor costs. The fringe benefit rate developed and used by the Commission for the fiscal year ended June 30, 2019 was 53.86% and was calculated as follows:

Release time salaries	\$	136,478	
Payroll taxes		65,508	
Insurance		151,772	
Retirement		42,881	
Other benefits		<u>15,441</u>	
Total fringe benefit expense	\$	<u>412,080</u>	
Fringe benefit expenses	\$	<u>412,080</u>	= 53.86%
Total labor costs	\$	<u>765,097</u>	

Indirect Costs

Indirect costs which support all projects, are allocated to the various projects based on the allocation rate applied to the projects direct labor and fringe benefit charges. The indirect cost rate developed and used by the Commission for the fiscal year ended June 30, 2019 was 24.28% and was calculated as follows:

Total indirect costs	\$	<u>259,378</u>	= 24.28%
Direct labor and fringes	\$	<u>1,068,315</u>	

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 11—INDIRECT COST ALLOCATIONS: (CONTINUED)

Indirect Costs: (Continued)

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

**Indirect Personnel Costs**

Indirect Chargeable Salary	\$	70,576
Employee Benefit Rate		38,286
Total Indirect Personnel Costs	\$	<u>108,862</u>

**Office Expenses**

Auditing Services	\$	5,150
Payroll Accounting Services		4,827
Legal Services		3,425
Liability Insurance (General Liability Insurance)		993
Contractual Services (Management Consulting Services)		44,049
Advertising (Job Postings and Procurement)		147
Postage		944
Telephone		5,196
Internet Services		677
Office Supplies		4,043
Printing & Binding		986
Travel		3,267
Education & Training (Travel - Convention & Education)		2,081
Dues, Subscriptions (Dues & Association Memberships)		7,315
Publications (Books & Subscriptions)		251
Miscellaneous Expenses (Miscellaneous Administrative Expenses)		1,049
Furniture & Fixtures		-
Rental Office Equipment (Lease/Rent - Equipment)		2,455
Office Rent/(Lease/Rent - Buildings)		56,539
Computer Equipment/Software (EDP Equipment)		7,122
Total Office Expenses	\$	<u>150,516</u>

Total Indirect Costs \$ 259,378

**DIRECT CHARGEABLE PERSONNEL COSTS**

Direct Chargeable Salaries	\$	694,521
Employee Benefit Rate		373,794
Total Direct Chargeable Personnel Costs	\$	<u>1,068,315</u>

**CALCULATION OF INDIRECT COST ALLOCATION RATE**

Total Indirect Costs	\$	259,378
Total Direct Chargeable Personnel Costs	\$	1,068,315

## CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018 (CONTINUED)

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#### NOTE 12—CONTINGENT LIABILITIES:

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

#### NOTE 13—JOINT VENTURE:

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

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

##### Capital Costs:

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

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

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

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



CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 14—LONG-TERM OBLIGATIONS:

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

A summary of long-term obligations is presented below:

For the year ended June 30, 2019:

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Issuances/</u> <u>Additions</u>	<u>Retirements/</u> <u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>	<u>Due Within</u> <u>One Year</u>
Direct Borrowings and Placements:					
Revenue bonds	\$ 8,575,000	\$ -	\$ 838,000	\$ 7,737,000	\$ 865,000
Compensated absences	50,129	-	2,089	48,040	48,040
Net OPEB liabilities	<u>171,112</u>	<u>38,843</u>	<u>36,572</u>	<u>173,382</u>	<u>-</u>
Totals	<u>\$ 8,796,241</u>	<u>\$ 38,843</u>	<u>\$ 876,661</u>	<u>\$ 7,958,422</u>	<u>\$ 913,040</u>

For the year ended June 30, 2018:

	<u>Balance</u> <u>July 1,</u> <u>2017</u>	<u>Issuances/</u> <u>Additions</u>	<u>Retirements/</u> <u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2018</u>	<u>Due Within</u> <u>One Year</u>
Direct Borrowings and Placements:					
Revenue bonds	\$ 9,388,000	\$ -	\$ 813,000	\$ 8,575,000	\$ 838,000
Compensated absences	57,711	-	7,582	50,129	50,129
Net OPEB liabilities	<u>192,822</u>	<u>11,261</u>	<u>32,971</u>	<u>171,112</u>	<u>-</u>
Totals	<u>\$ 9,638,533</u>	<u>\$ 11,261</u>	<u>\$ 853,553</u>	<u>\$ 8,796,241</u>	<u>\$ 888,129</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018 (CONTINUED)

NOTE 14—LONG-TERM OBLIGATIONS: (CONTINUED)

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

Fiscal Year Ended June 30	Direct Borrowings and Placements	
	Principal	Interest
2020	\$ 865,000	\$ 235,205
2021	892,000	208,909
2022	920,000	181,792
2023	950,000	153,824
2024	980,000	124,944
2025	1,011,000	95,152
2026	1,043,000	64,418
2027	1,076,000	32,710
Total	\$ 7,737,000	\$ 1,096,954
Less current portion:	865,000	235,205
Total Long-term Obligations	\$ 6,872,000	\$ 861,749

NOTE 15—ADOPTION OF ACCOUNTING PRINCIPLES:

The Commission implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* during the fiscal year ended June 30, 2019. This Statement clarifies which liabilities governments should include when disclosing information related to debt. It also requires that additional essential information related to debt be disclosed in notes to financial statements. No restatement was required as a result of this implementation.

The Commission early implemented provisions of Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* during the fiscal year ended June 30, 2019. This Statement simplifies accounting for interest cost incurred before the end of a construction period. Interest cost incurred during construction is expensed and no longer capitalized as part of project costs. No restatement was required as a result of this implementation.

## Required Supplementary Information

Schedule of Commission's Proportionate Share of the Net Pension Asset  
 For the Measurement Dates of June 30, 2014 through June 30, 2018

Measurement Date (1)	Proportion of the Net Pension Asset (NPA) (2)	Proportionate Share of the NPA (3)	Covered Payroll (4)	Proportionate Share of the NPA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Asset (6)
2018	48.1400% \$	512,833 \$	844,650	60.72%	145.61%
2017	48.1400%	465,335	718,162	64.80%	146.06%
2016	42.7000%	266,609	703,759	37.88%	131.99%
2015	42.7000%	294,516	743,560	39.61%	141.90%
2014	52.0000%	231,364	601,223	38.48%	146.20%

Schedule of Employer Contributions - Pension  
 For the Years Ended June 30, 2015 through June 30, 2019

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2019	\$ 41,894	\$ 41,894	\$ -	\$ 874,489	4.79%
2018	49,714	49,714	-	844,650	5.89%
2017	39,903	39,903	-	637,007	6.26%
2016	52,488	52,488	-	703,759	7.46%
2015	46,854	46,854	-	626,889	7.47%
2014	52,488	52,488	-	703,759	7.46%
2013	64,918	64,918	-	367,068	17.69%
2012	64,113	64,113	-	439,030	14.60%
2011	58,736	58,736	-	425,518	13.80%
2010	44,313	44,313	-	440,220	10.07%

Current year contributions are from Commission records and prior year contributions are from the VRS actuarial valuation performed each year.

Notes to Required Supplementary Information - Pension  
For the Year Ended June 30, 2019

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

**Changes of assumptions** - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Largest 10 - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance  
 For the Years Ended June 30, 2018 through June 30, 2019

	<u>2018</u>	<u>2019</u>
<b>Total OPEB liability</b>		
Service cost	\$ 7,185	\$ 7,127
Interest	4,076	4,256
Changes in assumptions	(1,499)	1,464
Benefit payments	(13,178)	(19,242)
<b>Net change in total OPEB liability</b>	<b>\$ (3,416)</b>	<b>\$ (6,395)</b>
<b>Total OPEB liability - beginning</b>	<b>115,798</b>	<b>112,382</b>
<b>Total OPEB liability - ending</b>	<b>\$ 112,382</b>	<b>\$ 105,987</b>
<b>Covered payroll</b>	<b>\$ 231,174</b>	<b>\$ 203,642</b>
<b>Commission's total OPEB liability (asset) as a percentage of covered payroll</b>	<b>48.61%</b>	<b>52.05%</b>

Notes to Required Supplementary Information - OPEB - Health Insurance  
 For the Year Ended June 30, 2019

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Valuation Date: January 1, 2018  
 Measurement Date: June 30, 2019

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry Age Normal cost method
Discount Rate	3.50% as of June 30, 2019
Inflation	2.50% per year as of June 30, 2019
Healthcare Trend Rate	3.70% - 4.20% over 76 years
Salary Increase Rates	Salary increase rates of 3.5% - 5.35% including inflation
Demographic Assumptions	Assumed 90% of future retirees under normal retirement will elect to continue medical coverage and 60% under normal retirement that will also elect to cover their spouse. Assumed 30% of participants retiring due to disability before normal retirement eligibility will elect coverage and include their spouse.



Schedule of Commission's Share of Net OPEB Liability - Group life insurance  
 For the Measurement Dates of June 30, 2017 through June 30, 2018

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2017	0.00809%	\$ 58,730	\$ 637,007	9.22%	48.86%
2018	0.00927%	67,396	844,650	7.98%	51.22%

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

Schedule of Employer Contributions - Group life insurance  
 For the Years Ended June 30, 2017 through June 30, 2019

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2017	\$ 2,888	\$ 2,888	-	\$ 874,489	0.33%
2018	4,426	4,426	-	844,650	0.52%
2019	4,661	4,661	-	874,489	0.52%

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

Notes to Required Supplementary Information - Group life insurance  
For the Year Ended June 30, 2019

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

**Changes of assumptions** - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

#### General State Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

#### Teachers

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

#### SPORS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

#### VaLORS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

Notes to Required Supplementary Information - Group life insurance  
For the Year Ended June 30, 2019 (Continued)

**JRS Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

**Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

**Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Compliance



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Central Virginia Planning District Commission as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Central Virginia Planning District Commission's basic financial statements and have issued our report thereon dated November 18, 2019.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Virginia Planning District Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Virginia Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Virginia Planning District Commission's internal control.

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

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

## Compliance and Other Matters

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

### Purpose of this Report

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia

November 18, 2019



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

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

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

We have audited Central Virginia Planning District Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Virginia Planning District Commission's major federal programs for the year ended June 30, 2019. Central Virginia Planning District Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Central Virginia Planning District Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Central Virginia Planning District Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Central Virginia Planning District Commission's compliance.

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

In our opinion, the Central Virginia Planning District Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.



## Report on Internal Control over Compliance

Management of the Central Virginia Planning District Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Central Virginia Planning District Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Central Virginia Planning District Commission's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Robinson, Farmer Cox Associates*  
Charlottesville, Virginia  
November 18, 2019

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Environmental Protection Agency</b>			
Pass-through payments:			
Virginia Department of Environmental Quality			
Chesapeake Bay Program	66.466		\$ 50,000
Total Environmental Protection Agency			<u>\$ 50,000</u>
<b>Department of Labor</b>			
Pass-through payments:			
Virginia Community College System:			
City of Lynchburg, Virginia:			
Workforce Innovation and Opportunity Act Cluster:			
WIOA Adult Program	17.258	LWDA 7	\$ 432,893
WIOA Youth Activities	17.259	LWDA 7	611,170
WIOA Dislocated Worker Formula Grants	17.278	LWDA 7	296,841
Subtotal Workforce Innovation and Opportunity Act Cluster			<u>1,340,904</u>
WIOA Dislocated Workers National Reserve Technical Assistance and Training	17.281	LWDA 7	24,667
Total Department of Labor			<u>\$ 1,365,571</u>
<b>Department of Transportation</b>			
Pass-through payments:			
Virginia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	FY-19	\$ 245,943
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	unavailable	97,408
Total Department of Transportation			<u>\$ 343,351</u>
Total expenditures of federal awards			<u>\$ 1,758,922</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

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**Note 1- Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Central Virginia Planning District Commission under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Central Virginia Planning District Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of Central Virginia Planning District Commission.

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

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

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

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

**Note 3 - Subrecipients**

No awards were passed through to subrecipients.

**Note 4 - Indirect Cost Rate**

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

**Note 5 - Relationship to Financial Statements**

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

Primary government:	
Operating activities	\$ <u>1,758,922</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u>1,758,922</u>

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

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

**Financial Statements**

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

**Federal Awards**

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

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
	Workforce Innovation and Opportunity Act Cluster
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker Formula Grants

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

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

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

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

**Section IV - Prior Year Audit Findings**

There were no prior year audit findings.

**Central Virginia Planning District Commission**

**Budget to Actual for FY20**

**Actual as of December 31, 2019**

	<u>Actual as of 6/30/19</u>	<u>FY 20 Adjusted Budget</u>	<u>Actual as of 12/31/19</u>	<u>Diff Between Budget &amp; Actual</u>	<u>% of Budget Used</u>
<b>OPERATIONS FUND (EXPENDITURES)</b>					
<b><u>SALARY</u></b>					
ADMINISTRATION	163,253	169,935	81,995	87,940	48.25%
FINANCE	138,872	141,649	78,302	63,347	55.28%
OPERATIONS	223,588	278,060	114,030	164,030	41.01%
	<b>525,712</b>	<b>589,644</b>	<b>274,327</b>	<b>315,317</b>	<b>46.52%</b>
PART TIME HELP		10,000	0	10,000	0.00%
<b>Total Salaries &amp; Wages</b>	<b>525,712</b>	<b>599,644</b>	<b>274,327</b>	<b>325,317</b>	<b>45.75%</b>
EMPLOYER COST FICA	38,590	45,736	19,569	26,167	42.79%
EMPLOYER COST V R S	24,755	27,772	12,854	14,918	46.28%
EMPLOYER COST HEALTH INS	82,456	89,024	48,758	40,267	54.77%
EMPLOYER COST LIFE INS	6,887	7,724	3,594	4,131	46.52%
WORKERS COMP	1,462	1,500	1,835	(335)	122.36%
<b>Total Fringe Benefits</b>	<b>154,151</b>	<b>171,757</b>	<b>86,610</b>	<b>85,147</b>	<b>50.43%</b>
<b><u>OFFICE EXPENSES</u></b>					
AUDITING SERVICES	5,150	5,775		5,775	0.00%
PAYROLL ACCOUNTING SERVICES	4,827	6,870	707	6,164	10.28%
LEGAL SERVICES	3,425	3,000	165	2,835	5.50%
LIABILITY INSURANCE	993	1,000	961	39	96.12%
CONTRACTUAL SERVICES	44,049	22,500	12,703	9,797	56.46%
ADVERTISING	147	1,000		1,000	0.00%
POSTAGE	944	1,000	211	789	21.09%
TELEPHONE	5,196	6,400	2,329	4,071	36.39%
INTERNET SERVICES	677	700	272	428	38.81%
OFFICE SUPPLIES	4,043	6,000	2,422	3,578	40.36%
PRINTING & BINDING	986	1,500		1,500	0.00%
TRAVEL	3,267	7,500	1,378	6,122	18.37%
SPECIAL MEETINGS	5,227	7,000	1,960	5,040	28.00%
EDUCATION & TRAINING	2,081	8,000	1,856	6,145	23.19%
DUES, SUBSCRIPTIONS	7,315	10,800	8,233	2,567	76.23%
PUBLICATIONS	251	500	99	401	19.79%
MISCELLANEOUS EXPENSES	1,049	1,000	296	704	29.56%
FURNITURE & FIXTURES	0	1,000		1,000	0.00%
RENTAL OFFICE EQUIPMENT	2,455	4,000	816	3,184	20.39%
OFFICE RENT	56,539	57,056	28,625	28,431	50.17%
PARKING	1,580	1,800	600	1,200	33.33%
COMPUTER EQUIP/SOFTWARE	7,122	12,000	5,923	6,077	49.36%
<b>Total Office Expenses</b>	<b>157,323</b>	<b>166,401</b>	<b>69,554</b>	<b>96,847</b>	<b>41.80%</b>
<b>Total Operations Expenses</b>	<b>837,186</b>	<b>937,802</b>	<b>430,491</b>	<b>507,311</b>	<b>45.90%</b>

**Central Virginia Planning District Commission**

**Budget to Actual for FY20**

**Actual as of December 31, 2019**

	<u>Actual as of 6/30/19</u>	<u>FY 20 Adjusted Budget</u>	<u>Actual as of 12/31/19</u>	<u>Diff Between Budget &amp; Actual</u>	<u>% of Budget Used</u>
<b>Total Operations Expenses (from Page 1)</b>	<b>837,186</b>	<b>937,802</b>	<b>430,491</b>	<b>507,311</b>	<b>45.90%</b>
<b>Direct Project Expenses</b>					
Amherst CDBG - Old Town Madison Heights	57	500	856	(356)	171.23%
Appomattox CDBG - Meadowlark	428	500	199	301	39.79%
Appomattox Town Comp Plan		755	74	681	9.83%
Appomattox Recovery Planning Grant	661	1,500	476	1,024	31.72%
CEDS	827	0		0	0.00%
Chesapeake Bay	303	250		250	0.00%
CVTC		0	150,000	(150,000)	0.00%
DHCD	855	2,500	390	2,110	15.60%
DRPT / FTA	7,868	30,641	750	29,891	2.45%
Hazard Mitigation	564	59,691	37,885	21,806	63.47%
Pamplin VDH Water	271	0	927	(927)	0.00%
Regional Radio Board	503	1,000	160	840	15.99%
RideSolutions	18,520	20,754	4,600	16,154	22.17%
VDOT - PL	12,191	18,750	8,948	9,802	47.72%
VDOT - Rural	12,764	2,500	5,871	(3,371)	234.86%
WIOA	275,129	544,004	147,867	396,137	27.18%
<b>Total Direct Project Expenses</b>	<b>330,941</b>	<b>683,345</b>	<b>359,004</b>	<b>324,341</b>	<b>52.54%</b>
<b>TOTAL OPERATING &amp; DIRECT PROJECT EXPENSES</b>	<b>\$1,168,127</b>	<b>\$1,621,147</b>	<b>\$789,495</b>	<b>\$831,652</b>	<b>48.70%</b>
<b>Pass Thru Expenses</b>					
Regional Radio Board	1,176,339	1,149,988	674,094	475,894	58.62%
VDOT - PL	87,500	78,750	23,519	55,231	29.87%
WIOA	1,084,679	950,000	494,566	455,434	52.06%
<b>Total Pass Thru Expenses</b>	<b>\$2,348,518</b>	<b>\$2,178,738</b>	<b>\$1,192,179</b>	<b>\$986,559</b>	<b>54.72%</b>
<b>Total Expenses</b>	<b>\$3,516,645</b>	<b>\$3,799,885</b>	<b>\$1,981,674</b>	<b>\$1,818,212</b>	<b>52.15%</b>

**Central Virginia Planning District Commission**

**Budget to Actual for FY20**

**Actual as of December 31, 2019**

	<u>Actual as of 6/30/18</u>	<u>FY 20 Adjusted Budget</u>	<u>Actual as of 12/31/19</u>	<u>Diff Between Budget &amp; Actual</u>	<u>% Of Budget Received</u>
<b>Revenues</b>					
<b>OPERATIONS FUND (REVENUE)</b>					
Dues	154,774	155,420	155,420	0	100.00%
Miscellaneous Revenue	13,579	12,000	10,868	1,132	90.57%
<b>Total Operations Revenue</b>	<b>168,353</b>	<b>167,420</b>	<b>166,287</b>	<b>1,133</b>	<b>99.32%</b>
<b>Direct Project Revenues</b>					
Amherst County - Old Town Madison Heights	5,360	13,800		13,800	0.00%
Amherst Construction Ready		750		750	0.00%
Appomattox CDBG - Meadow Lark	11,000	22,500	6,500	16,000	28.89%
Appomattox Town Comp Plan		14,918		14,918	0.00%
Appomattox Recovery Planning & construction C	6,725	9,400	5,275	4,125	56.12%
Chesapeake Bay	50,000	21,500	21,500	0	100.00%
DHCD	75,971	72,471	37,985	34,486	52.41%
DRPT / FTA	108,379	133,638	54,414	79,224	40.72%
Hazard Mitigation	17,500	63,700		63,700	0.00%
Pamplin VDH Water	2,500	0		0	0.00%
Regional Radio Board	25,000	25,000	12,970	12,030	51.88%
Region 2000 Services Authority	160,224	170,838	79,548	91,290	46.56%
RideSolutions	50,450	44,603	19,572	25,031	43.88%
VDOT-PL	132,686	136,286	49,248	87,038	36.14%
VDOT-Rural	58,000	58,000	10,639	47,361	18.34%
WIOA	344,961	609,004	181,215	427,789	29.76%
<b>Total Direct Project Revenues</b>	<b>1,048,755</b>	<b>1,396,408</b>	<b>478,866</b>	<b>917,542</b>	<b>34.29%</b>
Interest	12,927	7,000	6,690	310	95.57%
<b>TOTAL OPERATIONS &amp; DIRECT PROJECT REVENUES</b>	<b>1,230,036</b>	<b>1,570,828</b>	<b>651,844</b>	<b>918,984</b>	<b>41.50%</b>
<b>Surplus/(Use of Fund) Balance</b>	61,909	(50,319)	(137,651)	87,332	
Funding from Fund Balance			150,000		
<b>Funding from Fund Balance</b>	0	0	150,000	(150,000)	0.00%
	<b>\$61,909</b>	<b>(\$50,319)</b>	<b>\$12,349</b>	<b>(\$62,668)</b>	
<b>Pass Thru Revenue</b>					
Regional Radio Board	1,277,456	1,149,988	927,344	222,644	80.64%
VDOT - PL	78,750	78,750	23,519	55,231	29.87%
WIOA	1,091,209	950,000	450,706	499,294	47.44%
<b>Total Pass Thru Revenues</b>	<b>\$2,447,415</b>	<b>\$2,178,738</b>	<b>\$1,401,569</b>	<b>\$777,169</b>	<b>64.33%</b>
		0			
<b>Total Revenue</b>	3,677,450	3,749,566	2,203,413	1,546,153	58.76%
<b>Net Surplus/(Use of Fund) Balance</b>	160,805	(50,319)	221,739		

**Central Virginia Planning District Commission**

**Cash and Estimated Fund Balance**

**as of December 31, 2019**

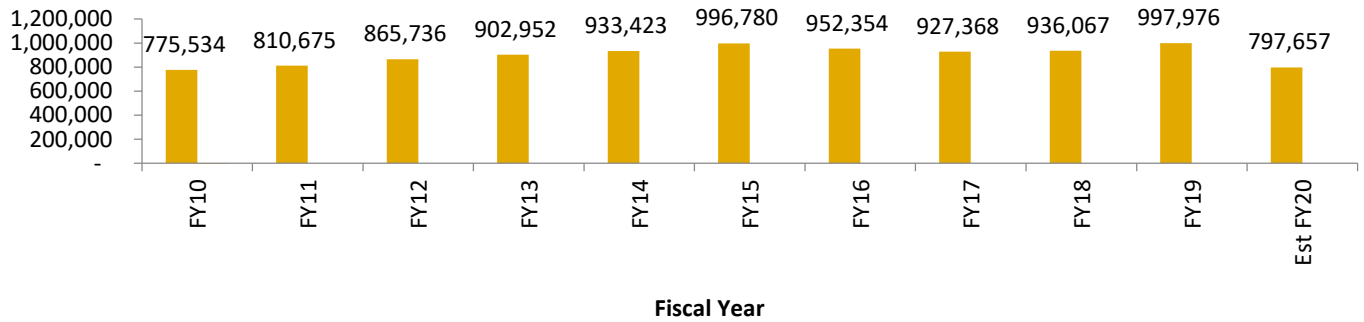
**CASH ON HAND**

Sun Trust Checking		
CVPDC Funds	264,200	
WIA Trainit Funds	4,429	
Petty Cash	112	
Local Govt Invest Pool	399,750	
<b>Cash on Hand</b>	<b>\$ 668,491</b>	

**CALCULATION OF ESTIMATED YEAR-END FUND BALANCE**

<b>Estimated Year-end Fund Balance</b>	<b>\$ 797,657</b>	
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**Ending Fund Balance**





**Agenda material for January 16, 2020 Commission meeting**

**RE: Strategic Directions: Strengthening the Manufacturing Eco-System in the Lynchburg/Central Virginia Region**



At the PDC meeting on November 21 we agreed to focus on Advanced Manufacturing as an area to move our region forward.

Three approaches to consider:

1. **Develop a Strategic Plan to strengthen the Manufacturing Eco-System:** Working with the Commission and local stakeholders, develop an implementation plan that compliments and expands our Comprehensive Economic Development Strategy (CEDS):
  - a. Identify the gaps in our ability to support the manufacturing sector
  - b. Recommend mechanisms to coordinate the existing resources that are available
  - c. Identify opportunities and program to increase the skills and readiness of workforce
  - d. Estimated Cost: \$50,000-\$70,000
  
2. **Focus our energies and resources working with the Central Virginia Community College to develop a regional Career and Technical Education (CTE) Academy** for dual-enrollment students, recent high school graduates, and unemployed or underemployed adults on the grounds of Central Virginia Community College.
  - a. Offer matching funds to hire a CTE Director to begin the planning and implementation
  - b. Estimated cost: \$100,000 over two years
  
3. **In Partnership with the Regional Business Alliance, focus our energies and financial resources on developing site ready facilities to attract more manufacturing to the region.**
  - a. Offer funds to assist a locality in bringing sites up to site ready status.
  - b. Would likely ask that locality to establish a revenue sharing or pay-back model.

### **Option 1: Create an Implementation Plan to strengthen our region's (Advanced) Manufacturing Sector**

Look before you leap...first assess the region's Manufacturing Sector and then **develop an implementation plan to support/strengthen** the region's manufacturing sector.

Objective: Identify the most effective steps to support and strengthen our manufacturing economy

Process: Very inclusive assessment of current resources, identification of gaps, and examination of opportunities. The process will include several meetings, focus groups and surveys with manufacturing community and stakeholders that support them. Complimentary process to the CEDS (Comprehensive Economic Development Strategy).

Outcome/Product:

1. Data Driven "To Do List" identifying resources and responsibilities
2. Target Priorities
3. Reality Based, solutions oriented
4. Likely workforce development heavy

### **Option 2: Use our resources to support the development of a Regional Career and Technical Education Academy on the Central Virginia Community College Campus**

One can argue that improving our workforce to better meet the employment needs of regional manufacturers can be the biggest return on our investment. An additional facility on the CVCC campus and/or in the surrounding community with enhanced classes might be a significant step in our efforts to respond to the needs of our manufacturing community.

Many pieces are falling into place that would indicate that the timing is good to invest time and resources on additional workforce opportunities that would benefit our manufacturing sector.

Recently the region's public school superintendents have collectively asked CVCC to work toward the establishment of a regional Career Technical Education Academy (CTE) on campus. This directly corresponds with the regional CEDS Key Initiative 7 of establishing a Regional Workforce Center on the CVCC Campus.

Governor Northam's 2020-2022 budget proposes funds for G3 (Get Skilled, Get a Job, Give Back) programs to increase technical education classes and make technical education more affordable. Recently the Community College completed a study of the additional classes that could be provided with additional G3 funding. These classes include:

- Level I: Industrial Maintenance CSC
- Level II: Industrial maintenance Technology CSC

- Level III: Industrial maintenance AAS
- Heavy Equipment Operator
- National Center for Construction Education and Research (NCCER) – Electrical I
- Level III Industrial Maintenance – Welding Specialization

**One approach would be to offer to be a partner with CVCC in the development of a regional Career and Technical Education Academy and offer matching cash resources to provide staff to implement the G3 curriculum and programs.**

Proposals have been made to the Community College about the hiring of a CTE Operations Director and a Business Development Director to begin building the foundation for a CTE Academy at CVCC and to begin the coordination with stakeholders.

We have a variety of education providers and sometimes these providers find themselves in competition with each other. There's a lot of coordination needed in our workforce education programs to build a regional approach and to identify the most appropriate facilities. There are already several committees in place for business, education and government stakeholders.

### **Option 3: Utilize our resources to create more site ready facilities**

Without ready to go sites, manufacturers have limited choices about relocating/expanding in this region. Manufacturers are looking for sites that are ready and our region has a limited supply of ready to go sites.

GO Virginia and the Regional Business Alliance are working to upgrade six existing commercial/industrial sites along the site readiness scale and clarify next steps for moving all sites to at least Tier III on the Virginia Business Site Readiness Scale. Once that grant is completed, there will be two sites in our region that qualify as site ready.

**We should seek opportunities to use our time and resources to make more sites ready.**

Prioritizing our efforts in developing sites for manufacturing may mean that localities will have to share resources and tax revenues.

## **More detail about Option 1...what a strategic plan might include:**

**Our strategic plan should aim to create a regional environment that enables existing manufacturers to grow and new manufacturers to emerge.**

- Development of a regional manufacturing strategy to strengthen our manufacturing ecosystems
  - 1) Inventory/picture of the region's manufacturing
  - 2) Goals
  - 3) Champions
  - 4) Examine whether to incorporate beyond our Central Virginia footprint
  - 5) What is our competitive reality?
  
- Technology Acceleration
  - 1) What are the resources to help our businesses with information, advice about technology and commercialization of technology?
  - 2) How can we build relationships with colleges/universities so that research doors are more accessible?
  
- Workforce Development – Enhancing workforce skills for the manufacturing sector
  - 1) Regional Assessment
  - 2) Aligning our relationships and resources
  - 3) Strengthen connection between education and jobs
  - 4) Re-engage adult learners and disconnected youth
  - 5) Are there specific things that the education community can do to create a larger pool of workers qualified for the manufacturing sector?
    - a. Better align education, workforce and economic development assets for lifelong learning
    - b. Apprenticeship programs
  
- Business Assistance - Firm Growth
  - 1) Do manufacturing firms, regardless of size, have adequate access to capital, investors?
  - 2) Is there adequate technical support, business advice, and entrepreneurial support
  - 3) Do manufacturers need help with how to achieve value-added processes, lower manufacturing costs and improved productivity
  
- Connector-Facilitator
  - 1) Especially to universities who may help with product commercialization
  - 2) Facilitation of supply chains and introductions
  
- Future trends analysis

This strategic analysis may include:

- Are we focused on the future needs of manufacturing companies?
- Can we take action that improve measurable competitiveness?
- How do we strengthen our manufacturing/economic clusters that support each other?
- Are there local actions we can do
  - 1) Competitive tax and regulatory environment
  - 2) Develop a culture of innovation and competitive business climate
  - 3) Support ecosystems

Can we strengthen our regional eco-system for manufacturing?

As part of a regional assessment, survey existing manufacturers:

- Corporate tax rate
- Ease of doing business
- Availability of capital
- Incentives for investment
- Quality of road infrastructure
- Quality of rail infrastructure
- Utility costs
- University-industry collaboration in R & D
- Availability of scientists and engineers
- Size of labor pool
- Ability to attract and retain talent
- Flexibility of labor market
- Cooperation in labor-employee relations
- Employee training
- Local supplier quality
- Local supplier availability
- Assistance with exporting

Identify the mechanisms to measure whatever we do

## **Background material on Advanced Manufacturing in the Central Virginia Region – 1-16-20**

**Prepared by Gary Christie**

### **1. Strategic Directions: Advanced Manufacturing**

At the PDC meeting on November 21 we agreed to focus on Advanced Manufacturing as an area to move our region forward.

We are justifiably proud of the number of engineers in various fields that we have here in the region, the extensive wireless communications component of our economy, the significant manufacturing processes that many of our producers use, and our strong tradition of fine machining and precision manufacturing here.

Manufacturing remains a significant part of our economy and pays significantly better than most other jobs. It makes sense for us to focus on this part of our economy.

Throughout the briefing paper I'm using Manufacturing and Advanced Manufacturing interchangeably. All current and future manufacturing needs to have technology integrated throughout the manufacturing process. In effect, all manufacturing becomes advanced manufacturing.

### **2. Overview:**

#### **In Lynchburg Metro area manufacturing contributes significantly to our economy**

Manufacturing is 13.7% of the total jobs (14,884 manufacturing jobs out of 108,397 total jobs) in the Lynchburg region.

Healthcare – 16.4%  
Manufacturing – 13.7%  
Retail – 12.3%

There was a big decline in the number of manufacturing jobs in the region from 2000 to 2009. Since then the number of manufacturing jobs has held steady adding 125 jobs (0.2%) over the past 5 years.

The number of manufacturing establishments/businesses has dropped by 11% to 297 from 2008-2018 although the number of jobs has remained mostly constant. The number of manufacturing firms have fallen, but as one closes, others have hired the manufacturing talent so that the number of jobs has remained constant.

Total manufacturing jobs in Lynchburg are forecasted to drop by only 1.3% (187 jobs) over the next year.

Annual hiring demand for manufacturing jobs is 1,360, mostly due to retirements and turnover. We have about 66% more manufacturing jobs than one would expect to find when compared to other regions nationally.

**It is by far the largest part of our gross domestic product in 2018.**

\$10.1 Billion Gross Domestic Product in the Lynchburg Region

- 27.3% - manufacturing (\$2.8 Billion)
- 12.4% - healthcare
- 10.3% - real estate, rental, leasing
- 7.0% - retail
- 5.9% - professional, scientific, technical

And manufacturing's 27% share of the region's GDP has been a stable for the past five years

Manufacturers will purchase \$1 billion or 25% of their supplies from Central Virginia businesses in 2019.

**Manufacturing jobs pay better than other jobs in the Lynchburg region**

\$62,918 avg wage per worker for manufacturing jobs, up 2.5% over last 10 years. The average wage among all of Lynchburg's jobs is \$41,955.

(Source: Manufacturing Region 2000/Central VA (WDA 7) Industry Spotlight, 2019 JobsEQ, Chmura Economics and Analytics)

### **3. Manufacturing Nationally**

As technology becomes integrated into the manufacturing process, we know nationally there is a skills mismatch...that manufacturing jobs have shifted from lower-skill to higher-skilled workers and that manufacturing workers are more likely to need post high school education. Nationally manufacturing job openings have increased from 1.8% in 2001 to 3.1% in 2017. From antidotal experience we can say that we experience the same the trend of having more demand than supply of skilled manufacturing workers here in Lynchburg.

The nation and Lynchburg faces the need to replace retirees as well as meet the need for new growth jobs. The report stated that nationally 2.7 million (manufacturing) employees are likely to be needed as a result of retirements of existing workforce while 700,000 are likely due to natural business growth.

There has also been a decline in people being willing to move for jobs (cross regional migration).

Technology is an inherent part of our manufacturing economy. U.S. Factories produce twice as much as they did in the mid-1980s. We produce those goods with one-third fewer workers. U.S. continues to produce close to 20% of all of the products worldwide.

Manufacturing is more important to the rural economy than it is to the urban economy because manufacturing traditionally is a higher percentage of the jobs available and provide a higher wage (USDA, Economic Research Service, Bulletin 177, August 2017).

### **Manufacturing opportunities continue, but it is competitive**

As the manufacturing sector continues to evolve, the shift to higher value advanced industries is increasing the competitiveness of more developed places. A 2016 Deloitte report concludes that talent, cost competitiveness, productivity and supplier networks are the most important factors, in that order.

International Economic Development Council has highlighted what it believes places need to prioritize to support new manufacturing:

- Building a quality workforce
- Cultivating innovation capacity
- Supporting manufacturing entrepreneurship
- Forging global networks
- Going green as major manufactures aggressively pursue energy and waste reductions...”)

(2016 Global Manufacturing Competitiveness Index, Deloitte, Touche, Tohmatsu Limited)

## **4. Examples of what other regions are doing**

### **A. Manufacturing Extension Partnership**

The U.S. Department of Commerce’s National Institute of Standards and Technology (NIST) supports the Manufacturing Extension Partnership. In Virginia, the GENEDGE ALLIANCE out of Martinsville has a board appointed by the Governor and serves the entire state.

GENEDGE is a business consulting organization providing Virginia’s industrial and manufacturing sectors access to expert business solutions.

Bill Donohue, 276-666-8890 x 221, [bdonohue@genedge.org](mailto:bdonohue@genedge.org), [www.genedge.org](http://www.genedge.org)



**B. Manufacturing Technology Center of Southwest Virginia (since 1994), Wytheville**  
([www.Mtcofswva.org](http://www.Mtcofswva.org))

Providing technical business resources for manufacturers for 17 counties and 4 cities in Southwest Virginia

Services:

Consulting and education services for manufacturers

- [Continuous Improvement](#)
- [Industrial Engineering Services](#)
- [Lean Six Sigma Green Belt and Project Support Course](#)
- [Lean Six Sigma Yellow Belt Course](#)
- [Quality Management Systems](#)

Environmental Compliance and Pollution Prevention Assistance

- [Environmental and Energy](#)
- [Health and Safety Services](#)

Nelson Teed, MTC Executive Director, 276-223-4889, [nteed@wcc.vccs.edu](mailto:nteed@wcc.vccs.edu),  
[www.mtcofswva.org](http://www.mtcofswva.org).

**C. City of Lynchburg and Campbell County partnership with EWI to promote business expansion and innovation (October 2, 2019 Opportunity Lynchburg)**

EWI is a non-profit advanced engineering service provider with applied research and development capabilities. EWI helps manufacturers overcome technical barriers and finds advanced solutions to make their products more quickly and efficiently.

- EWI is engaging with Lynchburg companies to determine their interest in partnering for business and economic development
- Will create a plan that focuses on financial sustainability and determining economic risk and reward factors
- May include locating a new applied R & D facility

#### **D. Investing in Manufacturing Communities Partnership (IMCP) designation**

Administered by the federal Economic Development Administration, IMCP designated 24 (12 in 2014, 12 in 2015) communities as a “Manufacturing Community” based on their capacity to create well paid jobs, spur innovation, and improve workforce development in the manufacturing sector.

- Worker training and placement
  - Improving training pathways, providing matching mechanism for worker placement
- Industry innovation and competitiveness
  - Sector based strategies/incentives
- Connecting smaller businesses with resources
  - Coordinating regional supply chains
  - Access to capital for small and medium sized businesses

Eleven participating government agencies, led by the Federal Department of Commerce’s Economic Development Administration, distributed a request for proposals inviting locals and regions to band together to envision a regional industrial development strategy.

Communities designated by the “Investing In Manufacturing Communities Partnership” include:

- Washington Puget Sound/Spokane – Aerospace
- Pacific Northwest Advance Materials/Advanced Wood Products Cross Laminated Timber
- Central Valley California (28 counties) – AFB (military base)
- Southern California – Aerospace and Defense
- Utah Salt Lake City & Provo – Advanced Composites
- South Central Idaho – AFB
- Alamo/San Antonio – Aerospace, Motor Vehicles, Vehicle Parts, Industrial Vehicles
- South Kansas/Wichita – Aerospace
- Peoria – Heavy Equipment Original Equipment Manufacturers, Electrical Equipment Machining
- Minneapolis – Medical Device
- Madison – AFB
- Milwaukee – Water, Midwest Energy Research Consortium, Food and Beverage
- Chicago – Metal Manufacturing
- SE Michigan/Detroit – Autos
- Southwest Ohio – Aerospace, Supply Chain
- Mid South/Memphis – Medical Device
- Louisiana – Chemical Manufacturing, Energy Related Projects
- Southwest Alabama – Ship Building, Aerospace
- Northwest Georgia – Carpets, Textiles

- Tennessee Valley – Alut and Auto Supply Chain
- Greater Pittsburgh – Metals Manufacturing
- Connecticut – Aerospace, Ship Building
- Greater Portland – Food and Beverage, Seafood
- New York Finger Lakes/Rochester – Optics, Precision Machining, Photonics Imaging

This Federal program was not reauthorized since 2016. A bipartisan bill has been introduced in both the Senate and the house to re-authorize but has not been acted upon.

Biggest outcome of the program is coordination and partnership development. A key goal of the program was to spur enhanced strategic coordination. The program offered some grant funding, but most communities noted the benefits of focus and coordination among groups.

It was noted that strengthening workforce development pipelines requires coordination in order to align priorities of education with needs of industry.

#### **E. South Texas North American Advanced Manufacturing Research and Education Initiative (since the 1990s) [www.naamrei.org](http://www.naamrei.org)**

Focus on

- developing a manufacturing workforce capable of supporting the most advanced manufacturing activities. A world class talent workforce pool.
- creating a climate of innovation and entrepreneurship that will support technological innovation in manufacturing
- establishing itself as a center for advanced manufacturing by creating a talent pipeline that touches all aspects of the workforce, from students to engineers and executives

Businesses have access to talent and talent development through partner organizations:

- University centers (Texas A & M International, University of Texas-Pan American, University of Texas at Brownsville)
- Community Colleges (South Texas College, Laredo Community College, Texas State Technical College, Texas Southmost College)
- K-12 School districts (37 school districts and ten charter school system)
- Region One Education Service Center
  - T-STEM Learning Center services teachers, administrators and students of T-STEM Academics
  - Career cluster programs in K-12 systems
- Three Workforce boards
- Economic development organizations

## Incubation Resources

### Entrepreneurship Support

- Business planning services
- Economic incentive packages
- Educational programs and workshops
- Entrepreneurial education
- Grant development assistance

### **F. Advanced Manufacturing and Prototype Center of East Tennessee (AMP!)**

AMP! has four strategic approaches:

- Promote growth for manufacturers in the 20-county region surrounding Oak Ridge and Knoxville
- Expand the use of newer technologies within existing manufacturers
- Connect resources like the Oak Ridge National Laboratory to manufacturers to encourage the collaboration and expansion of advanced manufacturing jobs
- To utilize Oak Ridge Lab's manufacturing Demonstration Facility
- Develop a workforce to drive innovation and entrepreneurship
- Innovate and improve manufacturing processes and technologies
- 

Partners:

- Oak Ridge National Laboratory
- Pellissippi State Community College
- University of Tennessee Center for Industrial Services

Established a new manufacturing network – the Regional Advanced Manufacturing Partnership (RAMP). RAMP encourages networking among the region's manufacturers, regardless of size. This network can lead to supply-chain opportunities and sharing of best practices.

RAMP connects manufacturers to key resources, especially resources available through the Oak Ridge Lab. RAMP partners broker agreements for smaller manufacturers and Oak Ridge.

“Companies often need assistance in finding and connecting to the right services, particularly when resources (such as national labs, universities) often do not present an obvious front door or public explanation of the services that they offer”.

“Creates a common regional narrative helping bring partners together and connect seemingly disparate efforts into a more coordinated effort (such as establishing a talent pipeline).”

“Awareness of how new technologies might be applied to a specific manufacturing process spreads incrementally.”

Through AMP! The Pellissippi State Technical Community College is able to offer a degree concentration that enables students and workers to earn a certificate in additive manufacturing. AMP! partners are involved in FIRST Robotics competitions for high school students.

### **G. New Mexico Small Business Assistance Program**

The New Mexico Small Business Assistance Program ([www.nmsbaprogram.org](http://www.nmsbaprogram.org)) provides a similar service providing technical assistance connecting small and medium-sized manufacturers to advance expertise and resources of universities and national labs.

### **H. Northwest Wisconsin's EporTech Initiative**

A nine week program providing intensive counseling for companies that are either new to exporting, or looking to grow their international markets in more deliberate ways.

Partners Involved:

- University of Wisconsin-Stout Manufacturing Outreach Center
- U.S. Export Assistance Center
- Wisconsin Economic Development Corporation, local economic development organizations, and Chambers of Commerce
- Private sector volunteers and experts

### **I. SelectUSA**

A program of the U.S. Department of Commerce, SelectUSA supports manufacturers who are working to attract foreign investments.

#### **Attachments:**

Manufacturing, Region 2000/Central VA (Workforce Development Area 7), 2019, JobsEQ, Chmura Economics and Analytics

Economic Overview, Region 2000/Central VA (Workforce Development Area 7), December 3, 2019, JobsEQ, Chmura Economics and Analytics

Manufacturing Competitive Indexes 2019, Virginia compared to other states

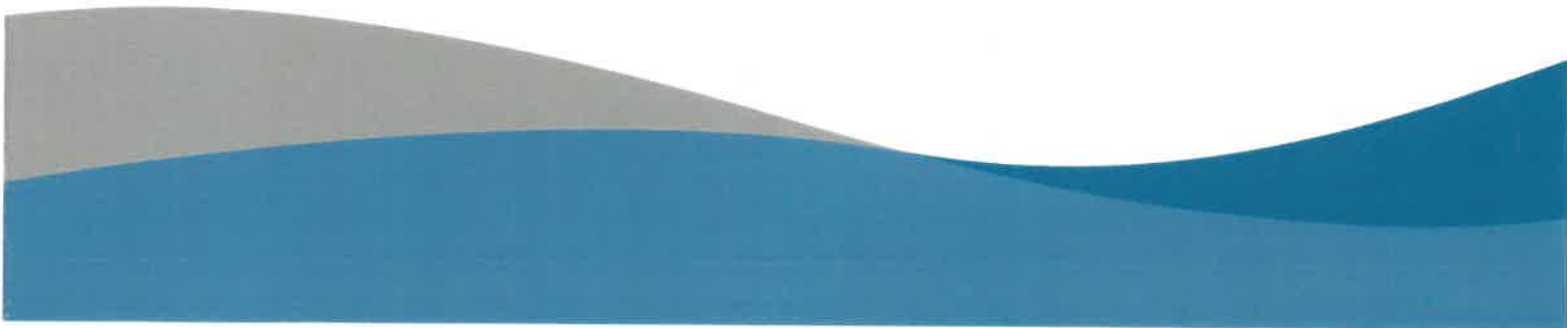


# Manufacturing

## Region 2000/Central VA (WDA 7)



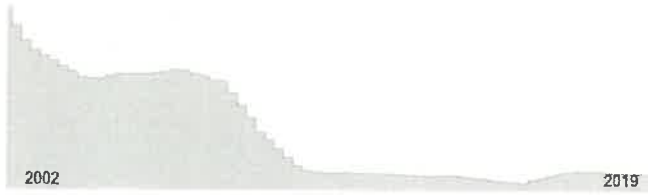
Industry Spotlight



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Manufacturing  
Region 2000/Central VA (WDA 7) – 2019Q2

EMPLOYMENT



**14,884**

Regional employment / 13,066,266 in the nation

WAGES



**\$62,918**

Avg Wages per Worker / \$68,823 in the nation

**-0.7%** ↓

Avg Ann % Change Last 10 Years / +0.1% in the US



**13.7%**

% of Total Employment / 8.3% in the US

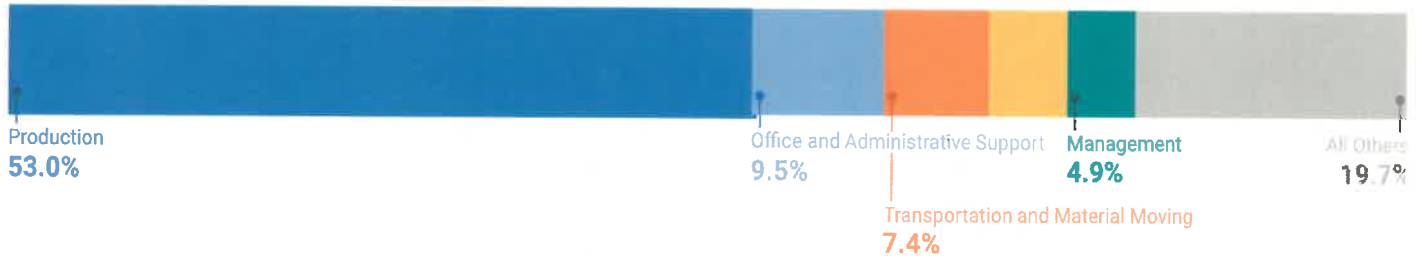


**2.5%** ↑

Avg Ann % Change Last 10 Years / +2.5% in the US



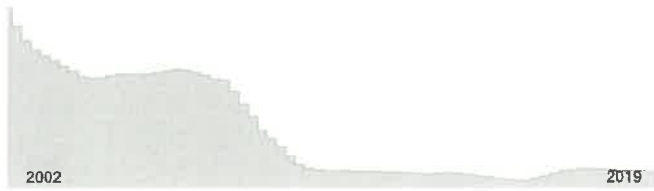
TOP OCCUPATION GROUPS





# Industry Snapshot

## EMPLOYMENT



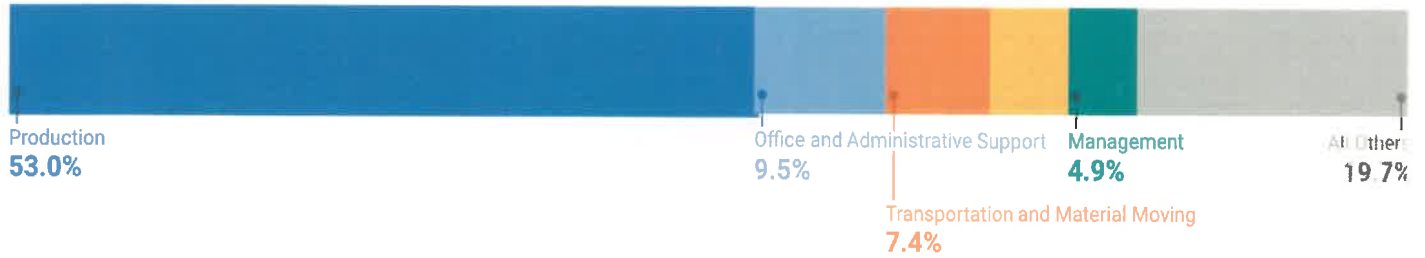
## WAGES




2-Digit Industry	Empl	Avg Ann Wages	LQ	5yr History	Annual Demand	Forecast Ann Growth
<b>Manufacturing</b>	<b>14,884</b>	<b>\$62,918</b>	<b>1.66</b>		<b>1,360</b>	<b>-1.3%</b>

- Employment is one of the broadest and most timely measures of a region's economy. Fluctuations in the number of jobs shed light on the health of an industry. A growing employment base creates more opportunities for regional residents and helps a region grow its population.
- Since wages and salaries generally compose the majority of a household's income, the annual average wages of a region affect its average household income, housing market, quality of life, and other socioeconomic indicators.

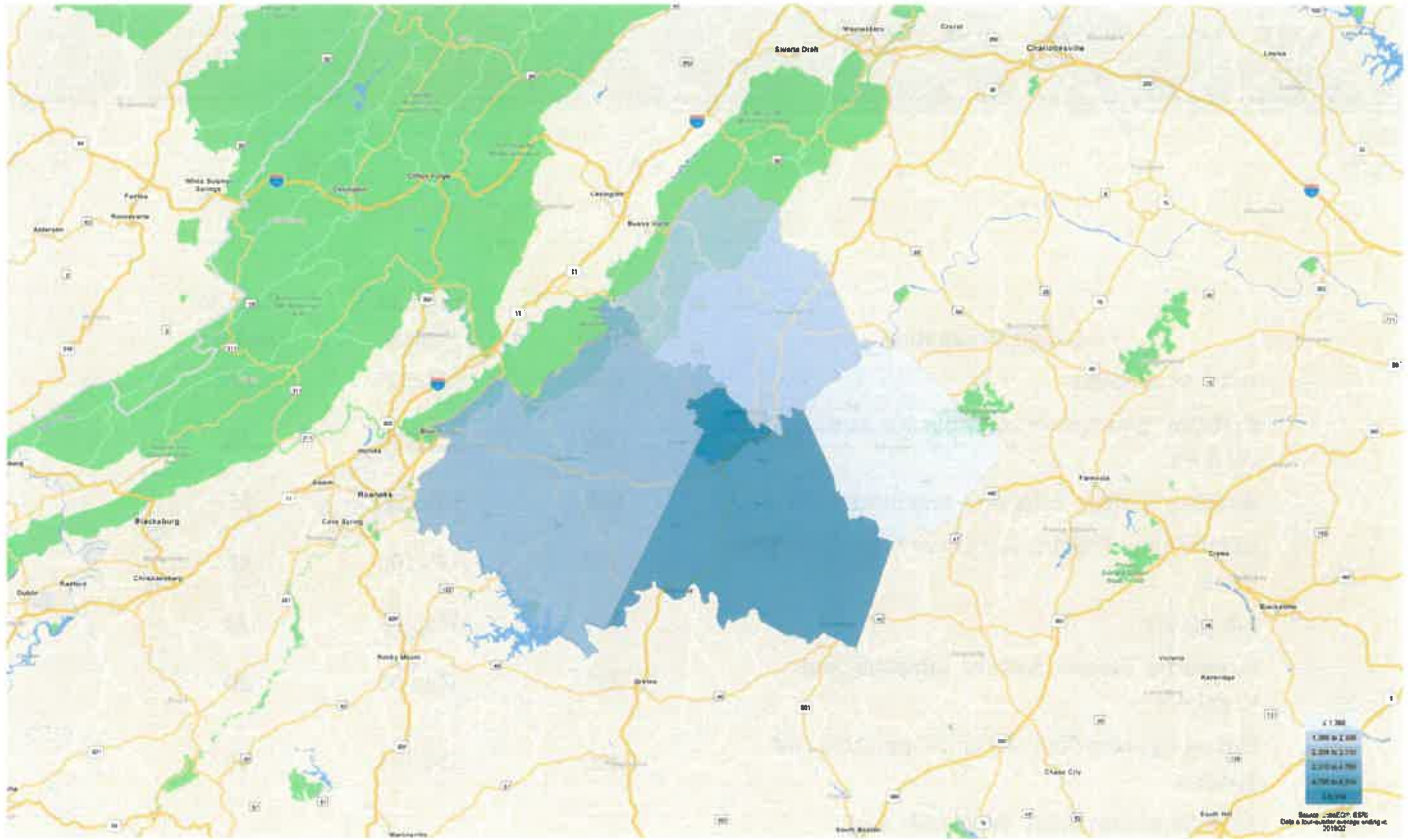
# Staffing Pattern



6-digit Occupation	Empl	Avg Ann Wages	Annual Demand
Team Assemblers	845	\$34,600	66
First-Line Supervisors of Production and Operating Workers	566	\$57,900	48
Welders, Cutters, Solderers, and Brazers	545	\$38,900	55
Laborers and Freight, Stock, and Material Movers, Hand	390	\$28,100	48
Machinists	373	\$51,400	34
Inspectors, Testers, Sorters, Samplers, and Weighers	357	\$38,900	30
Packaging and Filling Machine Operators and Tenders	336	\$30,100	35
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	328	\$57,500	29
Industrial Machinery Mechanics	314	\$47,800	25
Shipping, Receiving, and Traffic Clerks	277	\$35,300	22
Remaining Component Occupations	10,527	\$53,500	904
<b>Total</b>	<b>14,884</b>		

 The mix of occupations points to the ability of a region to support an industry and its flexibility to adapt to future demand. Industry wages are a component of the cost of labor for regional employers.

# Geographic Distribution



Region	Empl	Region	Empl
Lynchburg City, Virginia	6,314	Amherst County, Virginia	1,366
Campbell County, Virginia	4,796	Appomattox County, Virginia	99
Bedford County, Virginia	2,309		

Source: JobsEQ®

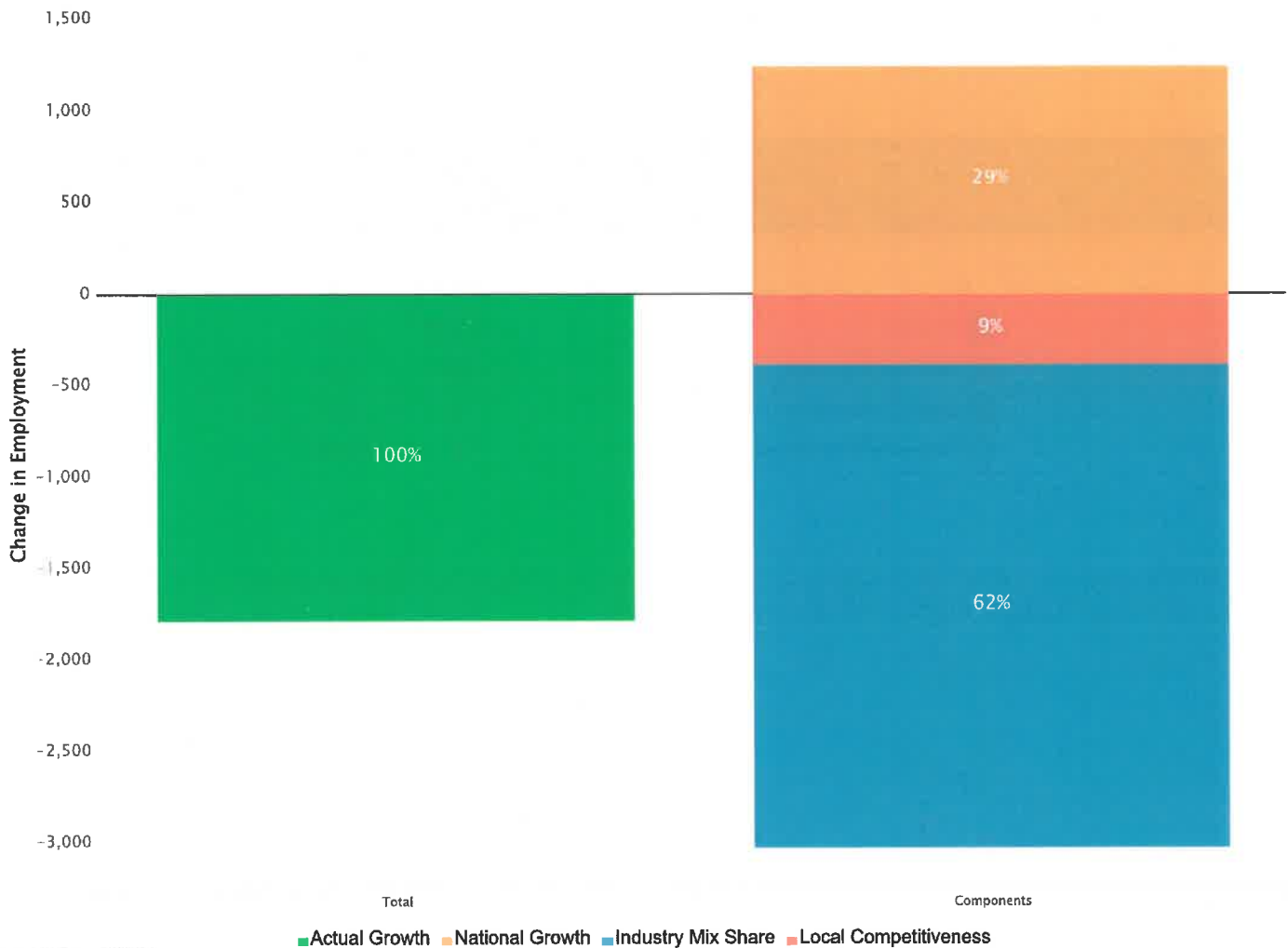


A geographic concentration of firms in related fields of business may reduce production costs, attract more suppliers and customers, and increase supply and demand for specialized labor, but may also increase competitive pressure and drive down prices.



# Drivers of Employment Growth

Over the ten years ending 2018, employment in Manufacturing for the Region 2000/Central VA (WDA 7) shed 1,777 jobs. After adjusting for national growth during this period and industry mix share, the part of this employment change due to local competitiveness was a loss of 381 jobs—meaning this industry was less competitive than its national counterpart during this period.

Drivers of Employment Growth for Region 2000/Central VA (WDA 7)



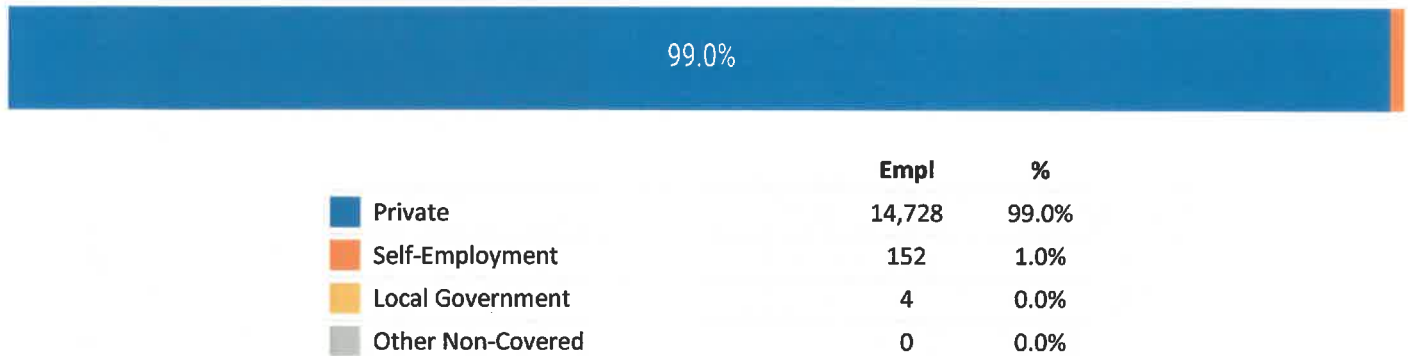
Source: BLS, BEA Data as of 12/31/2018

-  Shift-share analysis sheds light on the factors that drive regional employment growth in an industry. A positive change in local competitiveness indicates advantages that may be due to factors such as superior technology, management, and labor pool, etc.
-  National growth is due to the overall growth or contraction in the national economy. Industry mix share is the growth attributable to the specific industries examined (based on national industry growth patterns and the industry mix of the region).


# Employment Distribution by Type

The table below shows the employment mix by ownership type for Manufacturing for the Region 2000/Central VA (WDA 7). Four of these ownership types — federal, state, and local government and the private sector — together constitute “Covered Employment” (employment covered by the Unemployment Insurance programs of the United States and reported via the Quarterly Census of Employment and Wages).

“Self-Employment” refers to unincorporated self-employment and represents workers whose primary job is self-employment (that is, these data do not include workers whose primary job is a wage-and-salary position that is supplemented with self-employment).

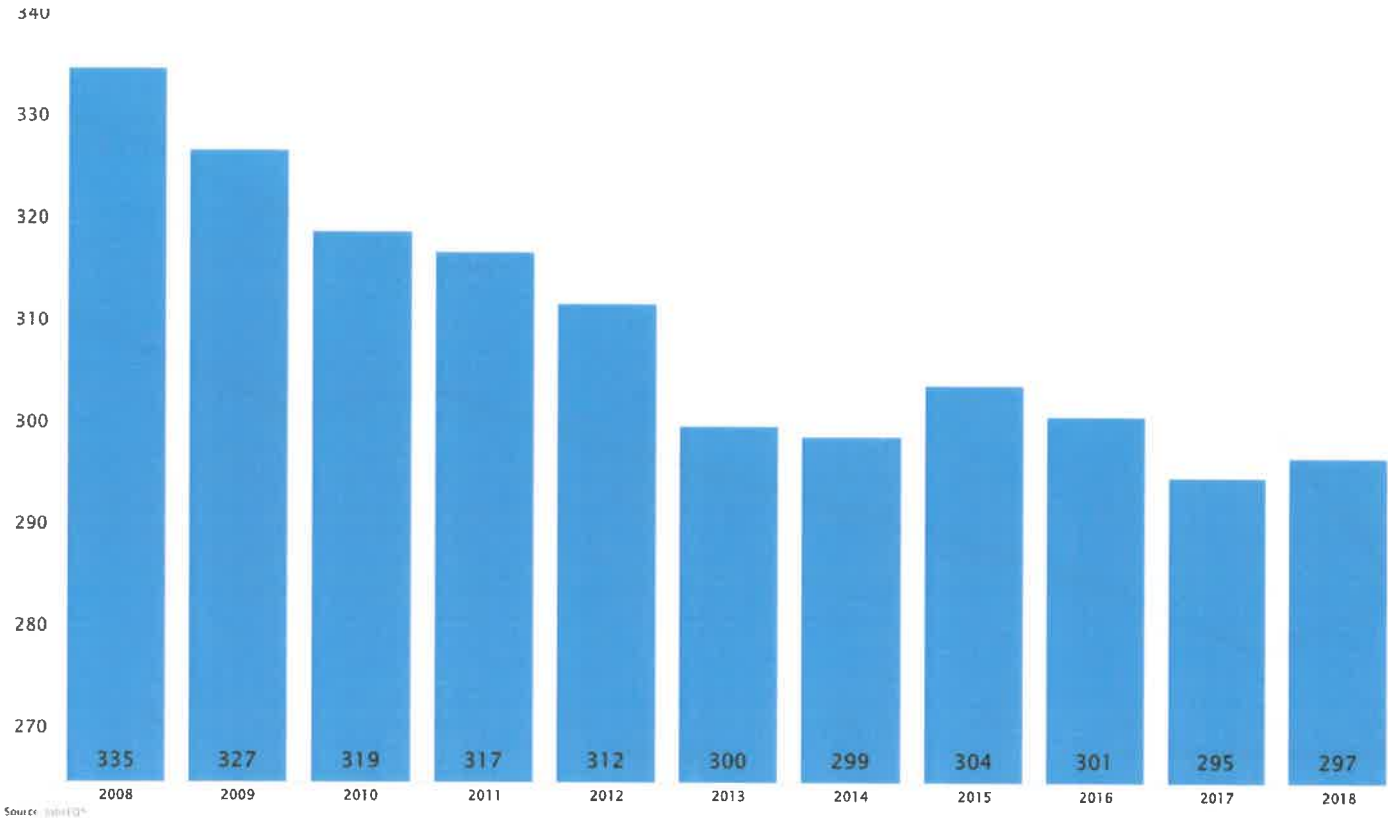



Source: JobsEQ®

 Strong entrepreneurial activity is indicative of growing industries. Using self-employment as a proxy for entrepreneurs, a higher share of self-employed individuals within a regional industry points to future growth.

# Establishments

In 2018, there were 297 Manufacturing establishments in the Region 2000/Central VA (WDA 7) (per covered employment establishment counts), a decrease from 335 establishments ten years earlier in 2008.

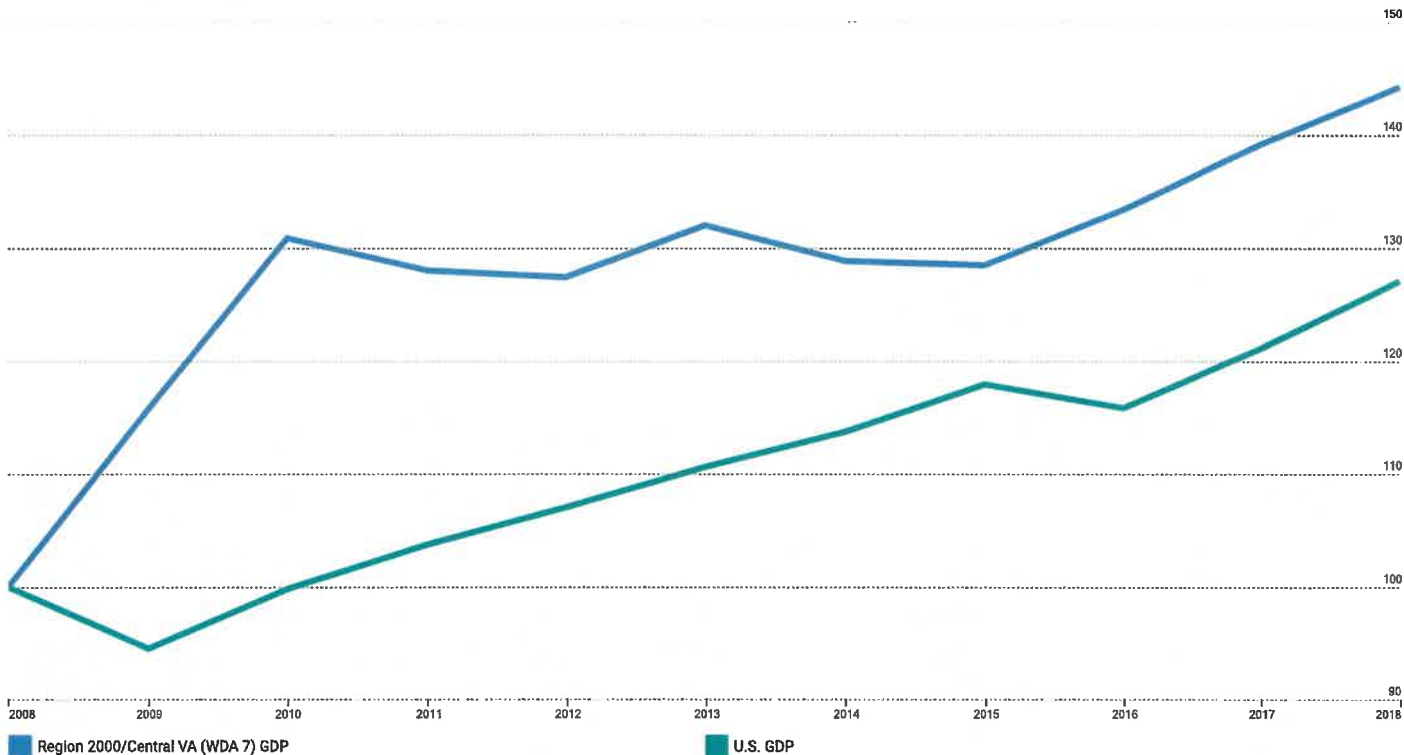


 New business formations are an important source of job creation in a regional economy, spurring innovation and competition, and driving productivity growth. Establishment data can provide an indicator of growth in businesses by counting each single location (such as a factory or a store) where business activity takes place, and with at least one employee.

# GDP & Productivity

In 2018, Manufacturing produced \$2.8 billion in GDP for the Region 2000/Central VA (WDA 7).

GDP: Indexed 2008 = 100



## 27.3 %

Industry Share of Total GDP /  
11.3 % in the nation



## 3.7 % ↑

Avg Ann % Change Last 10 Yrs /  
2.4 % in the nation



## \$389k

Output per Worker /  
\$531k in the nation




💡 Gross domestic product (GDP) is the most comprehensive measure of regional economic activity, and an industry's contribution to GDP is an important indicator of regional industry strength. It is a measure of total value-added to a regional economy in the form of labor income, proprietor's income, and business profits, among others.

💡 Growth in productivity (output per worker) leads to increases in wealth and higher average standards of living in a region.

# Supply Chain: Top Suppliers

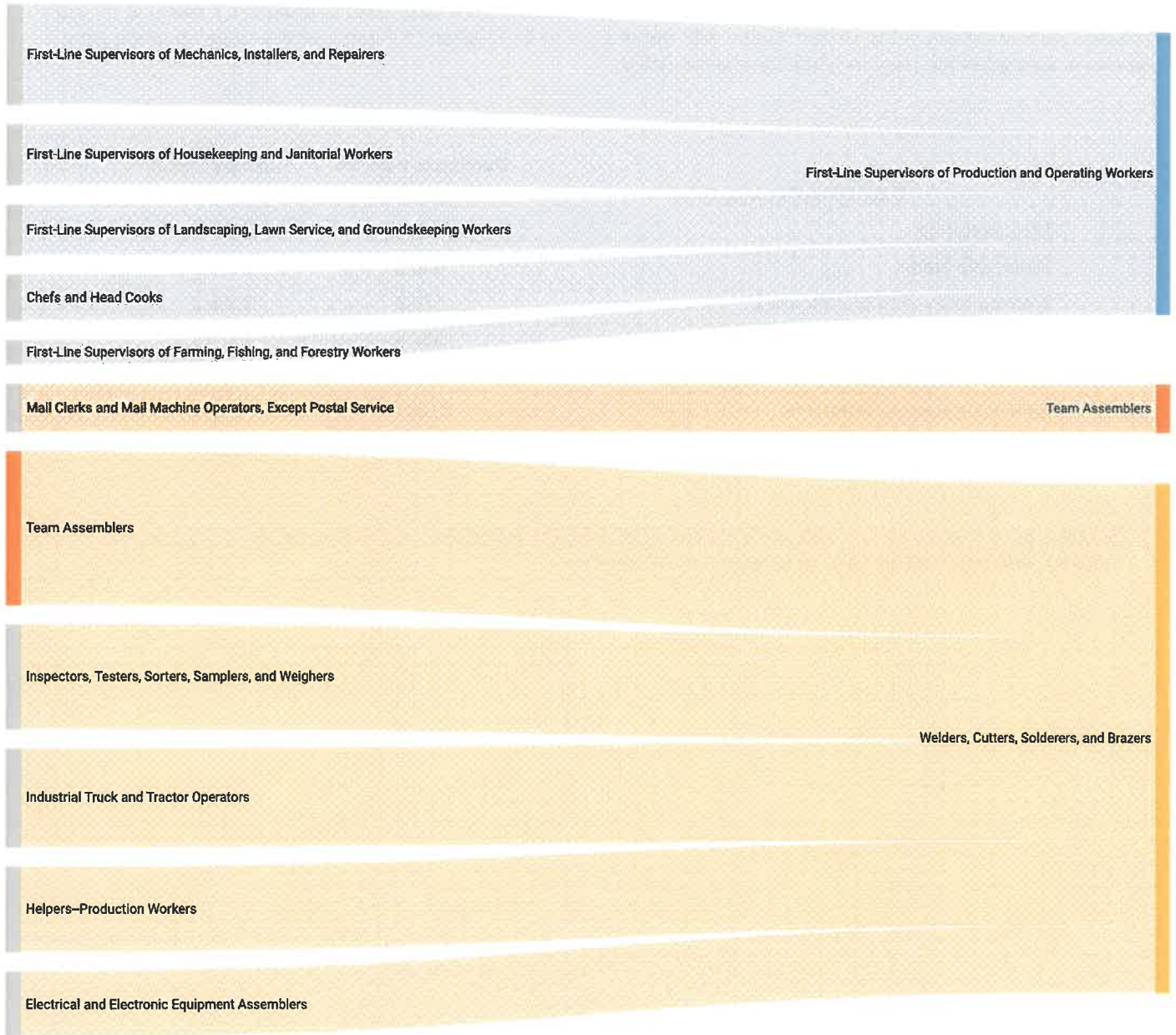
As of 2019Q2, Manufacturing in the Region 2000/Central VA (WDA 7) are estimated to make \$4.1 billion in annual purchases from suppliers in the United States with about 25% or \$1.0 billion of these purchases being made from businesses located in the Region 2000/Central VA (WDA 7).


<b>2-digit Supplier Industries</b>	<b>Purchases from In-Region (\$M)</b>	<b>Purchases from Out-of-Region (\$M)</b>
Manufacturing	\$545.2	\$1,273.3
Wholesale Trade	\$86.2	\$409.8
Transportation and Warehousing	\$76.3	\$205.2
Professional, Scientific, and Technical Services	\$52.5	\$215.4
Agriculture, Forestry, Fishing and Hunting	\$69.3	\$112.5
Remaining Supplier Industries	\$184.4	\$900.1
<b>Total</b>	<b>\$1,013.9</b>	<b>\$3,116.3</b>

 Supplier-buyer networks can indicate local linkages between industries, regional capacity to support growth in an industry, and potential leakage of sales out of the region.



# Sector Strategy Pathways





 The graphics on this page illustrate relationships and potential movement (from left to right) between occupations that share similar skill sets. Developing career pathways as a strategy promotes industry employment growth and workforce engagement.

# Postsecondary Programs Linked to Manufacturing

Program	Awards
<b>Central Virginia Community College</b>	
Industrial Electronics Technology/Technician	21
Manufacturing Engineering Technology/Technician	8
Precision Metal Working, Other	53
Welding Technology/Welder	31
<b>Liberty University</b>	
Accounting	478
Biomedical Sciences, General	120
Business Administration and Management, General	2,899
Design and Visual Communications, General	83
Industrial Engineering	16
Management Information Systems, General	127

Source: JobsEQ®

-  The number of graduates from postsecondary programs in the region identifies the pipeline of future workers as well as the training capacity to support industry demand.
-  Among postsecondary programs at schools located in the the Region 2000/Central VA (WDA 7), the sampling above identifies those most linked to occupations relevant to Manufacturing.

# Region Definition

**Region 2000/Central VA (WDA 7) is defined as the following counties:**

Amherst County, Virginia

Appomattox County, Virginia

Bedford County, Virginia

Campbell County, Virginia

Bedford City, Virginia

Lynchburg City, Virginia

# Data Notes

- Industry employment and wages (including total regional employment and wages) are as of 2019Q2 and are based upon BLS QCEW data, imputed by Chmura where necessary, and supplemented by additional sources including Census ZBP data. Employment forecasts are modeled by Chmura and are consistent with BLS national-level 10-year forecasts.
- Occupation employment is as of 2019Q2 and is based on industry employment and local staffing patterns calculated by Chmura and utilizing BLS OES data. Occupation wages are per the BLS OES data and are as of 2018.
- GDP is derived from BEA data and imputations by Chmura. Productivity (output per worker) is calculated by Chmura using industry employment and wages as well as GDP and BLS output data. Supply chain modeling including purchases by industry are developed by Chmura.
- Postsecondary awards are per the NCES and are for the 2017-2018 academic year.
- Establishment counts are per the BLS QCEW data.
- Figures may not sum due to rounding.

## FAQ

### What is (LQ) location quotient?

Location quotient is a measurement of concentration in comparison to the nation. An LQ of 1.00 indicates a region has the same concentration of an industry (or occupation) as the nation. An LQ of 2.00 would mean the region has twice the expected employment compared to the nation and an LQ of 0.50 would mean the region has half the expected employment in comparison to the nation.

### What is annual demand?

Annual demand is a of the sum of the annual projected growth demand and separation demand. Separation demand is the number of jobs required due to separations—labor force exits (including retirements) and turnover resulting from workers moving from one occupation into another. Note that separation demand does not include all turnover—it does not include when workers stay in the same occupation but switch employers. Growth demand is the increase or decrease of jobs expected due to expansion or contraction of the overall number of jobs.

### What is the difference between industry wages and occupation wages?

Industry wages and occupation wages are estimated via separate data sets, often the time periods being reported do not align, and wages are defined slightly differently in the two systems (for example, certain bonuses are included in the industry wages but not the occupation wages). It is therefore common that estimates of the average industry wages and average occupation wages in a region do not match exactly.



# Economic Overview

## Region 2000/Central VA (WDA 7)



JOBS **eQ**

December 3, 2019

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# Demographic Profile

The population in the Region 2000/Central VA (WDA 7) was 258,995 per American Community Survey data for 2013-2017.

The region has a civilian labor force of 126,742 with a participation rate of 59.5%. Of individuals 25 to 64 in the Region 2000/Central VA (WDA 7), 28.6% have a bachelor's degree or higher which compares with 32.3% in the nation.

The median household income in the Region 2000/Central VA (WDA 7) is \$50,635 and the median house value is \$169,348.

## Summary<sup>1</sup>

	Percent			Value		
	Region 2000/Central VA (WDA 7)	Virginia	USA	Region 2000/Central VA (WDA 7)	Virginia	USA
<b>Demographics</b>						
Population (ACS)	—	—	—	258,995	8,365,952	321,004,407
Male	48.2%	49.2%	49.2%	124,761	4,113,988	158,018,753
Female	51.8%	50.8%	50.8%	134,234	4,251,964	162,985,654
Median Age <sup>2</sup>	—	—	—	39.5	38.0	37.8
Under 18 Years	20.1%	22.3%	22.9%	52,187	1,866,274	73,601,279
18 to 24 Years	13.3%	9.8%	9.7%	34,507	818,913	31,131,484
25 to 34 Years	11.4%	13.9%	13.7%	29,555	1,162,784	44,044,173
35 to 44 Years	10.6%	13.1%	12.7%	27,493	1,096,763	40,656,419
45 to 54 Years	13.2%	14.0%	13.4%	34,132	1,171,473	43,091,143
55 to 64 Years	13.6%	12.7%	12.7%	35,257	1,061,878	40,747,520
65 to 74 Years	10.1%	8.4%	8.6%	26,232	706,482	27,503,389
75 Years, and Over	7.6%	5.8%	6.3%	19,632	481,385	20,229,000
Race: White	78.1%	68.4%	73.0%	202,363	5,720,209	234,370,202
Race: Black or African American	17.1%	19.2%	12.7%	44,377	1,605,447	40,610,815
Race: American Indian and Alaska Native	0.2%	0.3%	0.8%	503	22,499	2,632,102
Race: Asian	1.5%	6.2%	5.4%	3,902	520,119	17,186,320
Race: Native Hawaiian and Other Pacific Islander	0.0%	0.1%	0.2%	94	5,469	570,116
Race: Some Other Race	0.6%	2.4%	4.8%	1,662	200,265	15,553,808
Race: Two or More Races	2.4%	3.5%	3.1%	6,094	291,944	10,081,044
Hispanic or Latino (of any race)	2.5%	9.0%	17.6%	6,582	749,458	56,510,571
<b>Population Growth</b>						
Population (Pop Estimates) <sup>4</sup>	—	—	—	263,353	8,517,685	327,167,434
Population Annual Average Growth <sup>4</sup>	0.5%	0.8%	0.7%	1,405	68,419	2,307,347
<b>Economic</b>						
Labor Force Participation Rate and Size (civilian population 16 years and over)	59.5%	65.5%	63.3%	126,742	4,320,683	161,159,470
Prime-Age Labor Force Participation Rate and Size (civilian population 25-54)	81.6%	83.2%	81.6%	74,314	2,794,854	103,761,701
Armed Forces Labor Force	0.1%	1.7%	0.4%	182	110,817	1,024,855
Veterans, Age 18-64	6.0%	8.3%	4.9%	9,610	433,158	9,667,749
Veterans Labor Force Participation Rate and Size, Age 18-64	78.2%	82.6%	75.8%	7,511	357,879	7,326,514
Median Household Income <sup>2</sup>	—	—	—	\$50,635	\$68,766	\$57,652



## Summary<sup>1</sup>

	Percent			Value		
	Region	Virginia	USA	Region	Virginia	USA
	2000/Central VA (WDA 7)			2000/Central VA (WDA 7)		
Per Capita Income	—	—	—	\$26,194	\$36,268	\$31,177
Poverty Level (of all people)	14.2%	11.2%	14.6%	34,889	906,838	45,650,345
Households Receiving Food Stamps/SNAP	11.1%	9.1%	12.6%	11,094	282,296	15,029,498
Mean Commute Time (minutes)	—	—	—	23.7	28.2	26.4
Commute via Public Transportation	1.1%	4.4%	5.1%	1,351	182,233	7,607,907
<b>Educational Attainment, Age 25-64</b>						
No High School Diploma	9.4%	9.2%	11.4%	11,878	411,815	19,230,541
High School Graduate	29.6%	23.2%	26.0%	37,406	1,041,545	43,784,920
Some College, No Degree	23.1%	20.1%	21.2%	29,204	901,518	35,803,629
Associate's Degree	9.3%	8.1%	9.0%	11,759	362,283	15,199,517
Bachelor's Degree	18.2%	23.1%	20.5%	23,013	1,037,257	34,602,913
Postgraduate Degree	10.4%	16.4%	11.8%	13,177	738,480	19,917,735
<b>Housing</b>						
Total Housing Units	—	—	—	115,531	3,466,921	135,393,564
Median House Value (of owner-occupied units) <sup>2</sup>	—	—	—	\$169,348	\$255,800	\$193,500
Homeowner Vacancy	1.4%	1.6%	1.7%	978	33,377	1,346,331
Rental Vacancy	4.8%	5.8%	6.1%	1,534	65,735	2,838,344
Renter-Occupied Housing Units (% of Occupied Units)	29.6%	33.8%	36.2%	29,521	1,050,563	42,992,786
Occupied Housing Units with No Vehicle Available (% of Occupied Units)	7.0%	6.3%	8.8%	6,954	195,311	10,468,418
<b>Social</b>						
Enrolled in Grade 12 (% of total population)	1.2%	1.3%	1.4%	3,155	110,440	4,437,324
Disconnected Youth <sup>3</sup>	1.9%	1.9%	2.7%	325	8,220	456,548
Children in Single Parent Families (% of all children)	34.8%	31.1%	34.5%	17,119	552,474	24,106,567
With a Disability, Age 18-64	11.5%	9.4%	10.3%	18,400	480,446	20,276,199
With a Disability, Age 18-64, Labor Force Participation Rate and Size	36.7%	44.0%	41.4%	6,760	211,217	8,395,884
Foreign Born	3.3%	12.1%	13.4%	8,661	1,014,966	43,028,127
Speak English Less Than Very Well (population 5 yrs and over)	1.5%	5.8%	8.5%	3,673	455,009	25,654,421

Source: [JobsEQ®](#)

1. American Community Survey 2013-2017, unless noted otherwise

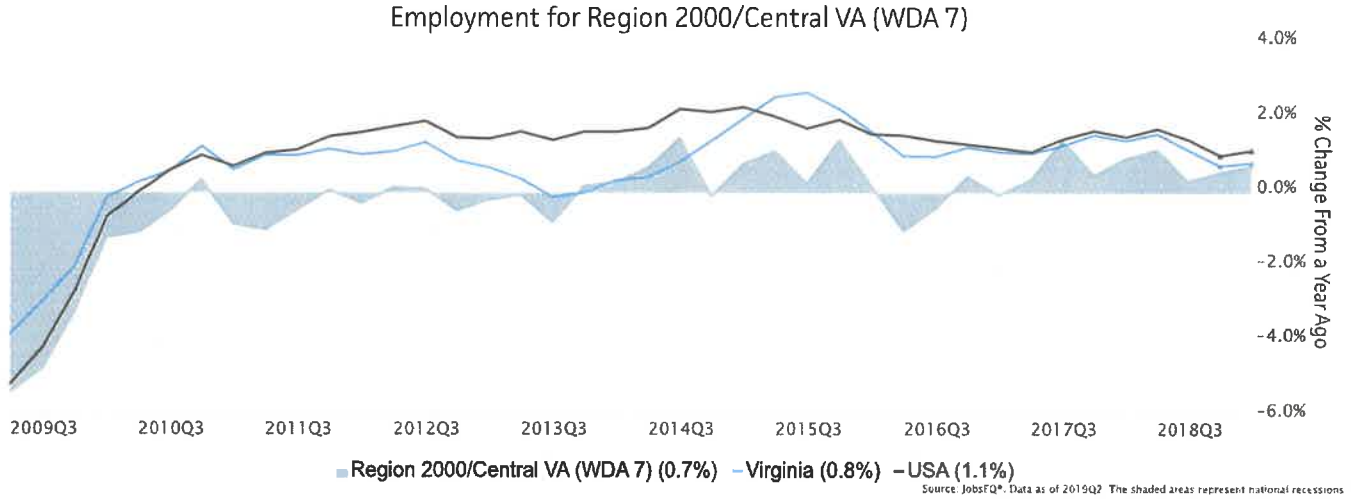
2. Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties.

3. Disconnected Youth are 16-19 year olds who are (1) not in school, (2) not high school graduates, and (3) either unemployed or not in the labor force.

4. Census 2018, annual average growth rate since 2008

# Employment Trends

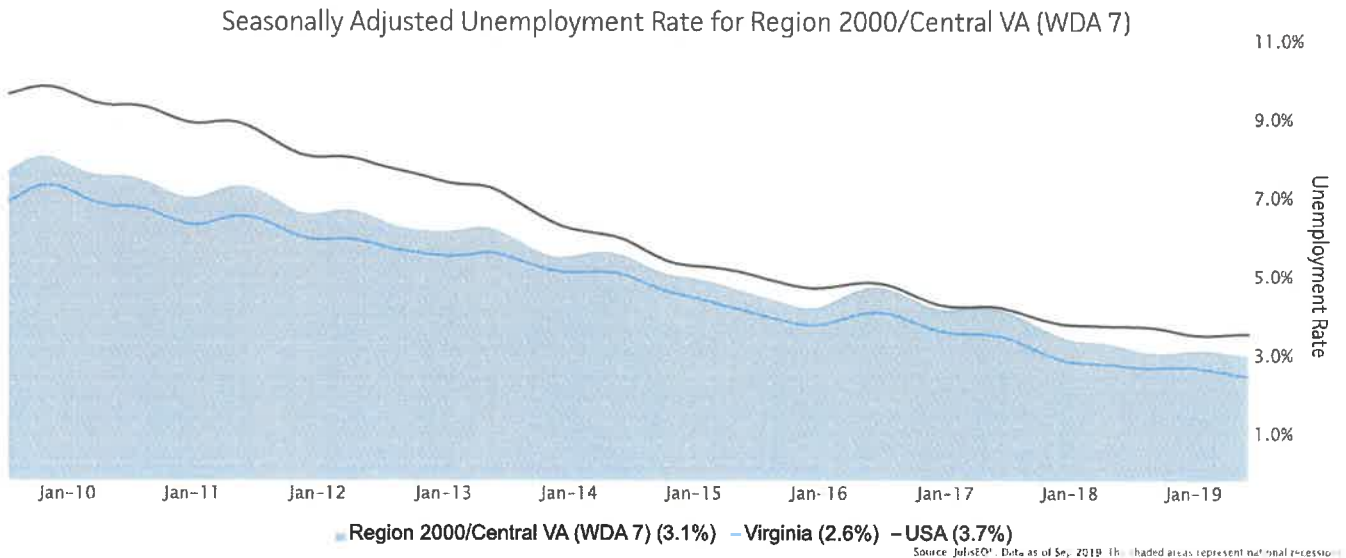
As of 2019Q2, total employment for the Region 2000/Central VA (WDA 7) was 108,397 (based on a four-quarter moving average). Over the year ending 2019Q2, employment increased 0.7% in the region.



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q4 with preliminary estimates updated to 2019Q2.

# Unemployment Rate

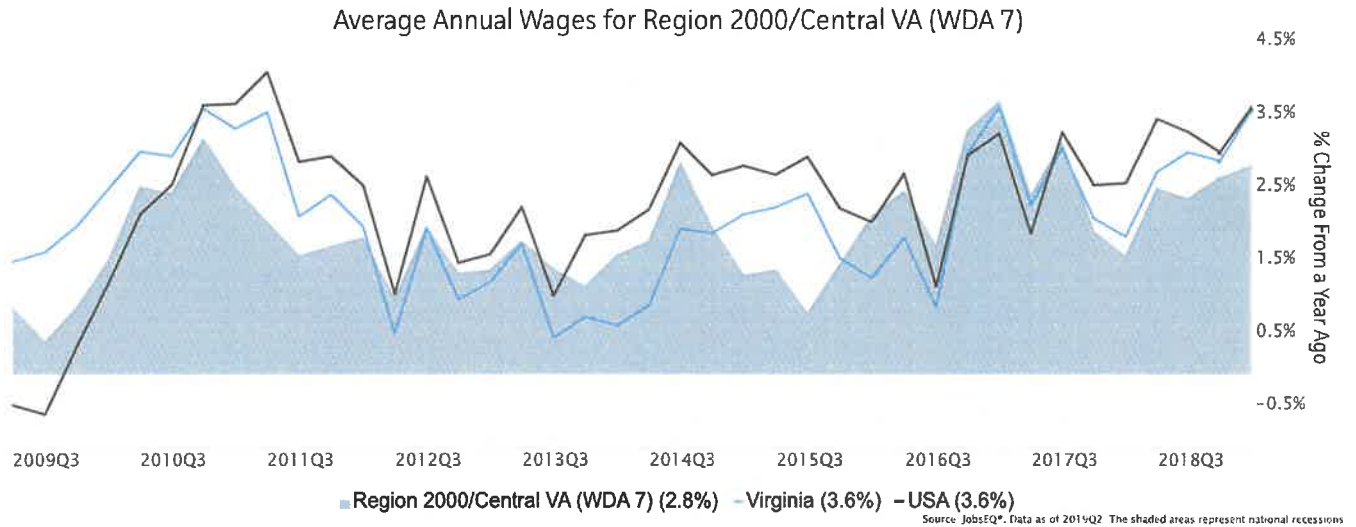
The seasonally adjusted unemployment rate for the Region 2000/Central VA (WDA 7) was 3.1% as of September 2019. The regional unemployment rate was lower than the national rate of 3.7%. One year earlier, in September 2018, the unemployment rate in the Region 2000/Central VA (WDA 7) was 3.4%.



Unemployment rate data are from the Local Area Unemployment Statistics, provided by the Bureau of Labor Statistics and updated through September 2019.

# Wage Trends

The average worker in the Region 2000/Central VA (WDA 7) earned annual wages of \$41,955 as of 2019Q2. Average annual wages per worker increased 2.8% in the region over the preceding four quarters. For comparison purposes, annual average wages were \$57,025 in the nation as of 2019Q2.



Annual average wages per worker data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q4 with preliminary estimates updated to 2019Q2.

# Cost of Living Index

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 12.6% lower in Region 2000/Central VA (WDA 7) than the U.S. average.

## Cost of Living Information

	Annual Average Salary	Cost of Living Index	
		(Base US)	US Purchasing Power
Region 2000/Central VA (WDA 7)	\$41,955	87.4	\$48,003
Virginia	\$57,742	116.3	\$49,648
USA	\$57,025	100.0	\$57,025

Source: [JobsEQ®](#)

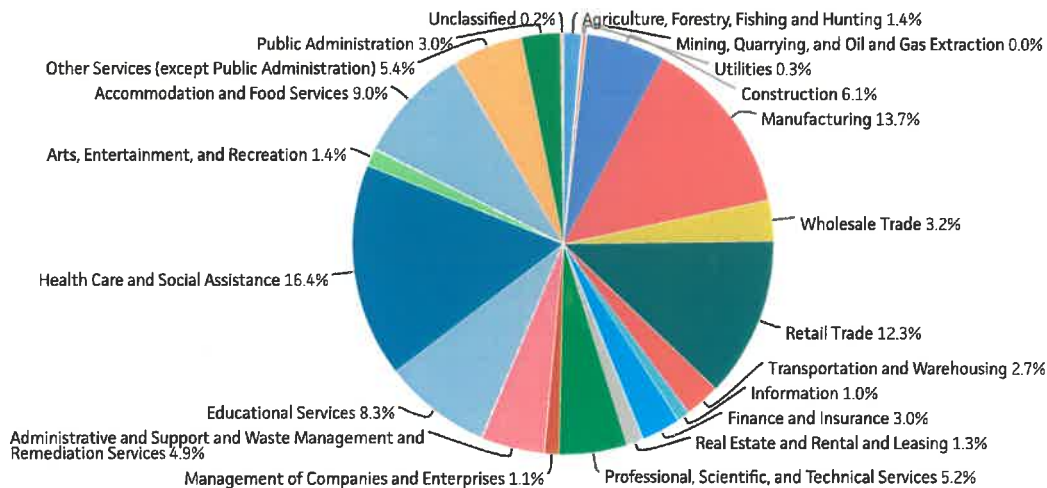
Data as of 2019Q2

Cost of Living per C2ER, data as of 2019q2, imputed by Chmura where necessary.

# Industry Snapshot

The largest sector in the Region 2000/Central VA (WDA 7) is Health Care and Social Assistance, employing 17,809 workers. The next-largest sectors in the region are Manufacturing (14,884 workers) and Retail Trade (13,286). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Manufacturing (LQ = 1.66), Other Services (except Public Administration) (1.23), and Retail Trade (1.18).

Total Workers for Region 2000/Central VA (WDA 7) by Industry



Source: JobsEQ®, Data as of 2018Q2

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q4 with preliminary estimates updated to 2019Q2.

Sectors in the Region 2000/Central VA (WDA 7) with the highest average wages per worker are Professional, Scientific, and Technical Services (\$70,711), Management of Companies and Enterprises (\$64,160), and Wholesale Trade (\$63,398). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Accommodation and Food Services (+1,438 jobs), Health Care and Social Assistance (+926), and Other Services (except Public Administration) (+561).

Over the next 1 year, employment in the Region 2000/Central VA (WDA 7) is projected to expand by 196 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +1.3% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+226 jobs), Construction (+49), and Educational Services (+46).

NAICS	Industry	Current			5-Year History		1-Year Forecast				
		Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
62	Health Care and Social Assistance	17,809	\$48,539	1.14	926	1.1%	1,907	826	855	226	1.3%
31	Manufacturing	14,884	\$62,918	1.66	125	0.2%	1,360	572	975	-187	-1.3%
44	Retail Trade	13,286	\$25,281	1.18	-103	-0.2%	1,766	783	989	-6	0.0%
72	Accommodation and Food Services	9,731	\$15,540	0.99	1,438	3.3%	1,601	697	878	26	0.3%
61	Educational Services	8,999	\$33,499	1.02	290	0.7%	879	402	432	46	0.5%
23	Construction	6,643	\$44,953	1.07	85	0.3%	703	235	419	49	0.7%
81	Other Services (except Public Administration)	5,809	\$23,678	1.23	561	2.1%	654	301	358	-5	-0.1%
54	Professional, Scientific, and Technical Services	5,626	\$70,711	0.77	-35	-0.1%	511	181	302	28	0.5%
56	Administrative and Support and Waste Management and Remediation Services	5,278	\$25,870	0.75	120	0.5%	635	259	350	26	0.5%
42	Wholesale Trade	3,415	\$63,398	0.83	-228	-1.3%	343	135	223	-15	-0.4%
52	Finance and Insurance	3,286	\$60,190	0.77	-96	-0.6%	320	119	192	10	0.3%
92	Public Administration	3,264	\$42,667	0.64	17	0.1%	291	127	172	-9	-0.3%
48	Transportation and Warehousing	2,975	\$50,733	0.61	143	1.0%	300	134	180	-14	-0.5%
11	Agriculture, Forestry, Fishing and Hunting	1,521	\$14,798	1.04	-89	-1.1%	162	71	93	-2	-0.2%
71	Arts, Entertainment, and Recreation	1,484	\$19,688	0.68	44	0.6%	214	93	115	6	0.4%
53	Real Estate and Rental and Leasing	1,422	\$36,631	0.76	72	1.0%	142	66	78	-3	-0.2%
55	Management of Companies and Enterprises	1,229	\$64,160	0.76	-620	-7.8%	111	41	70	0	0.0%
51	Information	1,101	\$44,790	0.52	-89	-1.5%	101	39	68	-6	-0.5%
22	Utilities	366	\$62,499	0.65	49	3.0%	33	12	21	0	-0.1%
99	Unclassified	231	\$33,794	1.98	230	n/a	27	11	15	1	0.2%
21	Mining, Quarrying, and Oil and Gas Extraction	40	\$48,396	0.08	-2	-0.9%	4	1	3	0	-1.0%
	<b>Total - All Industries</b>	<b>108,397</b>	<b>\$41,955</b>	<b>1.00</b>	<b>2,841</b>	<b>0.5%</b>	<b>12,035</b>	<b>5,075</b>	<b>6,764</b>	<b>196</b>	<b>0.2%</b>

Source: [JobsEQ®](#)

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q4 with preliminary estimates updated to 2019Q2. Forecast employment growth uses national projections adapted for regional growth patterns.

# Occupation Snapshot

The largest major occupation group in the Region 2000/Central VA (WDA 7) is Office and Administrative Support Occupations, employing 14,102 workers. The next-largest occupation groups in the region are Sales and Related Occupations (11,416 workers) and Food Preparation and Serving Related Occupations (9,704). High location quotients (LQs) indicate occupation groups in which a region has high concentrations of employment compared to the national average. The major groups with the largest LQs in the region are Production Occupations (LQ = 1.48), Community and Social Service Occupations (1.26), and Architecture and Engineering Occupations (1.15).

Occupation groups in the Region 2000/Central VA (WDA 7) with the highest average wages per worker are Management Occupations (\$108,000), Legal Occupations (\$92,600), and Computer and Mathematical Occupations (\$86,100). The unemployment rate in the region varied among the major groups from 1.3% among Healthcare Practitioners and Technical Occupations to 5.8% among Farming, Fishing, and Forestry Occupations.

Over the next 1 year, the fastest growing occupation group in the Region 2000/Central VA (WDA 7) is expected to be Healthcare Support Occupations with a +1.4% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Healthcare Practitioners and Technical Occupations (+67 jobs) and Personal Care and Service Occupations (+58). Over the same period, the highest separation demand (occupation demand due to retirements and workers moving from one occupation to another) is expected in Food Preparation and Serving Related Occupations (1,669 jobs) and Sales and Related Occupations (1,577).

Occupation Snapshot in Region 2000/Central VA (WDA 7), 2019q2<sup>1</sup>

SOC	Occupation	Current						5-Year History		1-Year Forecast				
		Empl	Avg Ann Wages <sup>2</sup>	LQ	Unempl	Unempl Rate	Online Job Ads <sup>3</sup>	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
43-0000	Office and Administrative Support	14,102	\$33,500	0.91	517	3.1%	629	-426	-0.6%	1,511	719	842	-49	-0.3%
41-0000	Sales and Related	11,416	\$33,900	1.06	534	4.2%	926	35	0.1%	1,559	698	879	-18	-0.2%
35-0000	Food Preparation and Serving Related	9,704	\$21,800	1.04	574	5.4%	823	1,161	2.6%	1,707	749	920	38	0.4%
51-0000	Production	9,651	\$36,700	1.48	337	3.4%	203	-205	-0.4%	914	378	653	-118	-1.2%
29-0000	Healthcare Practitioners and Technical	6,923	\$75,200	1.11	98	1.3%	726	817	2.5%	440	189	184	67	1.0%
53-0000	Transportation and Material Moving	6,793	\$33,500	0.91	339	4.2%	418	78	0.2%	794	327	478	-11	-0.2%
25-0000	Education, Training, and Library	6,362	\$46,000	1.05	177	2.6%	172	145	0.5%	591	280	270	41	0.7%
11-0000	Management	5,870	\$108,000	0.88	93	1.5%	277	145	0.5%	472	181	270	20	0.3%
47-0000	Construction and Extraction	5,213	\$37,600	1.03	264	4.7%	89	38	0.1%	570	186	353	32	0.6%
13-0000	Business and Financial Operations	4,934	\$70,000	0.87	136	2.4%	217	269	1.1%	460	147	295	18	0.4%
39-0000	Personal Care and Service	4,507	\$22,100	0.95	198	3.8%	170	431	2.0%	734	353	322	58	1.3%
49-0000	Installation, Maintenance, and Repair	4,456	\$45,600	1.07	113	2.2%	257	113	0.5%	420	154	265	1	0.0%
37-0000	Building and Grounds Cleaning and Maintenance	3,774	\$25,600	1.01	192	4.6%	193	408	2.3%	486	232	241	13	0.3%
31-0000	Healthcare Support	3,211	\$29,200	1.08	102	2.8%	237	-33	-0.2%	422	190	187	46	1.4%
15-0000	Computer and Mathematical	2,263	\$86,100	0.71	53	1.9%	229	7	0.1%	160	39	109	11	0.5%
21-0000	Community and Social Service	2,260	\$42,900	1.26	47	2.0%	197	35	0.3%	277	94	156	27	1.2%
17-0000	Architecture and	2,122	\$76,600	1.15	44	2.0%	95	-121	-1.1%	157	54	99	4	0.2%



### Occupation Snapshot in Region 2000/Central VA (WDA 7), 2019q2<sup>1</sup>

SOC	Occupation	Current					5-Year History				1-Year Forecast			
		Empl	Avg Ann Wages <sup>2</sup>	LQ	Unempl	Unempl Rate	Online Job Ads <sup>3</sup>	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
	Engineering													
27-0000	Arts, Design, Entertainment, Sports, and Media	1,718	\$47,400	0.90	52	2.7%	113	75	0.9%	163	70	93	0	0.0%
33-0000	Protective Service	1,613	\$39,400	0.69	52	2.4%	63	-79	-0.9%	161	78	86	-3	-0.2%
19-0000	Life, Physical, and Social Science	577	\$73,800	0.67	14	2.2%	35	26	0.9%	52	15	35	2	0.4%
23-0000	Legal	534	\$92,600	0.59	11	1.6%	18	-1	0.0%	35	14	20	2	0.4%
45-0000	Farming, Fishing, and Forestry	393	\$34,500	0.56	23	5.8%	2	-2	-0.1%	48	14	39	-4	-1.1%
	<b>Total - All Occupations</b>	<b>108,397</b>	<b>\$43,900</b>	<b>1.00</b>	<b>3,970</b>	<b>3.3%</b>	<b>6,089</b>	<b>2,916</b>	<b>0.5%</b>	<b>12,154</b>	<b>5,161</b>	<b>6,796</b>	<b>196</b>	<b>0.2%</b>

Source: [JobsEQ®](#)

Data as of 2019Q2 unless noted otherwise

Note: Figures may not sum due to rounding.

1. Data based on a four-quarter moving average unless noted otherwise.

2. Wage data are as of 2018 and represent the average for all Covered Employment

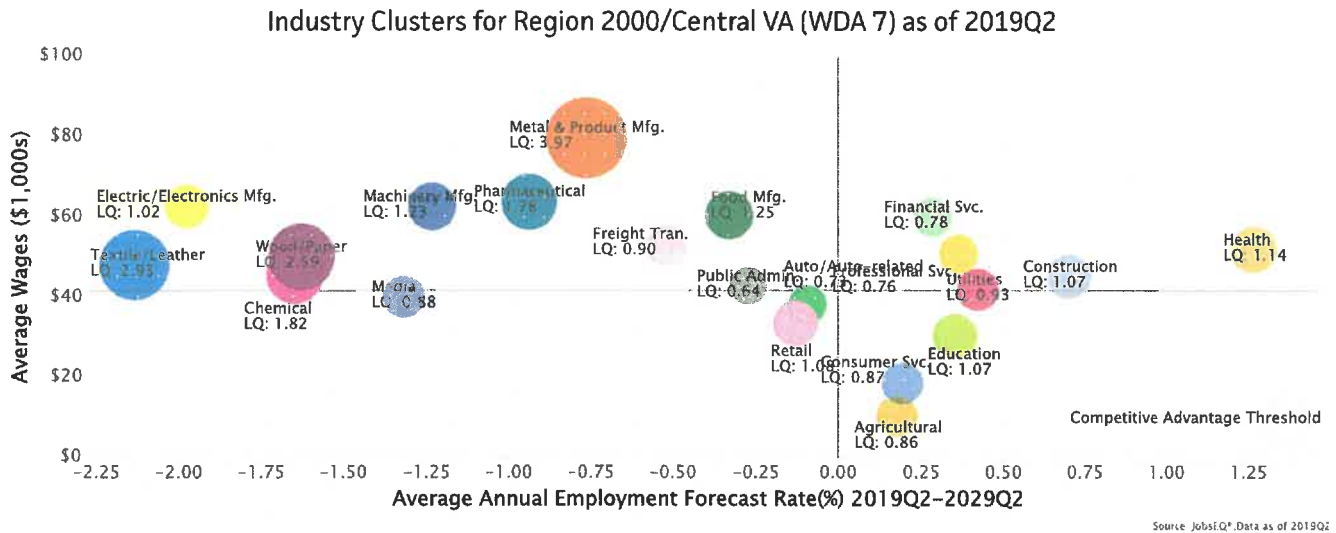
3. Data represent found online ads active within the last thirty days in the selected region; data represents a sampling rather than the complete universe of postings. Ads lacking zip code information but designating a place (city, town, etc.) may be assigned to the zip code with greatest employment in that place for queries in this analytic. Due to alternative county-assignment algorithms, ad counts in this analytic may not match that shown in RTI (nor in the popup window ad list).

Occupation employment data are estimated via industry employment data and the estimated industry/occupation mix. Industry employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and currently updated through 2018Q4, imputed where necessary with preliminary estimates updated to 2019Q2. Wages by occupation are as of 2018 provided by the BLS and imputed where necessary. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.



# Industry Clusters

A cluster is a geographic concentration of interrelated industries or occupations. The industry cluster in the Region 2000/Central VA (WDA 7) with the highest relative concentration is Metal & Product Mfg. with a location quotient of 3.97. This cluster employs 3,306 workers in the region with an average wage of \$79,974. Employment in the Metal & Product Mfg. cluster is projected to contract in the region about 0.8% per year over the next ten years.

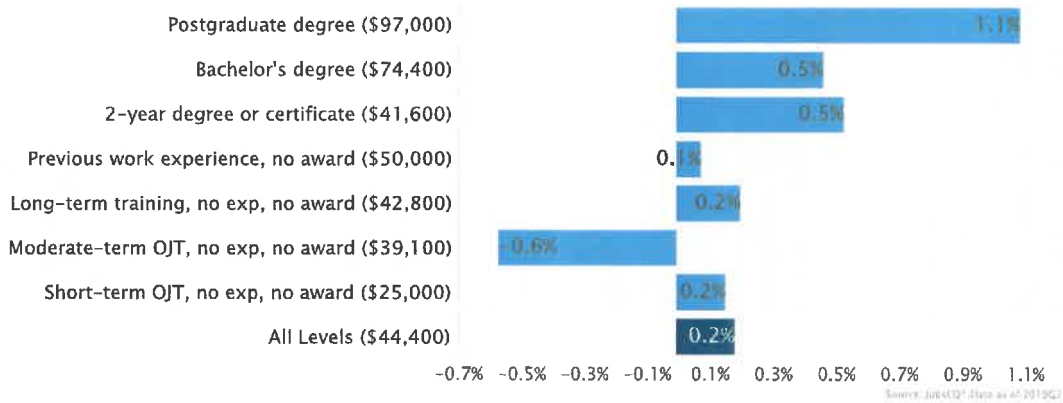


Location quotient and average wage data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics, imputed where necessary, and updated through 2018Q4 with preliminary estimates updated to 2019Q2. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

# Education Levels

Expected growth rates for occupations vary by the education and training required. While all employment in the Region 2000/Central VA (WDA 7) is projected to grow 0.2% over the next ten years, occupations typically requiring a postgraduate degree are expected to grow 1.1% per year, those requiring a bachelor's degree are forecast to grow 0.5% per year, and occupations typically needing a 2-year degree or certificate are expected to grow 0.5% per year.

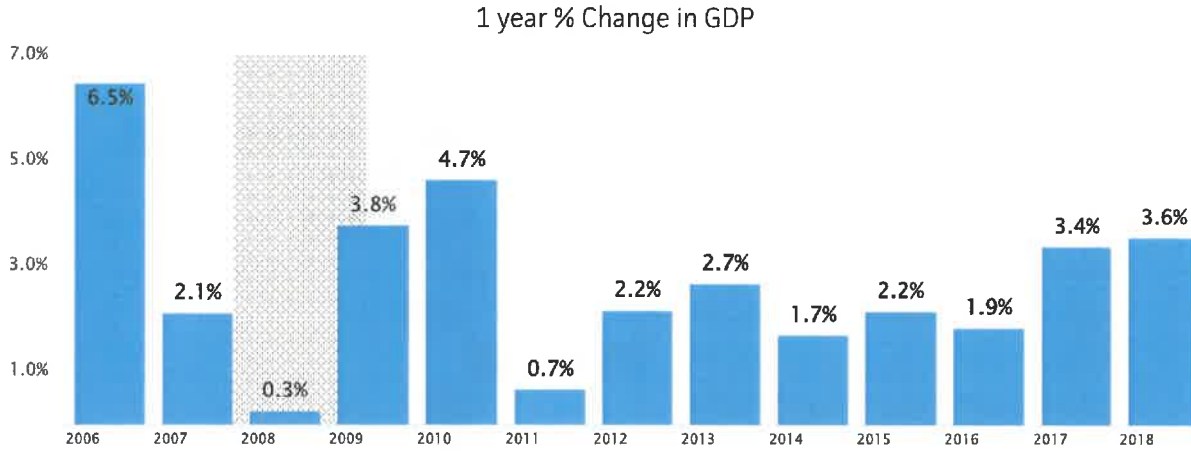
Annual Average Projected Job Growth by Training Required for Region 2000/Central VA (WDA 7)



Employment by occupation data are estimates are as of 2019Q2. Education levels of occupations are based on BLS assignments. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

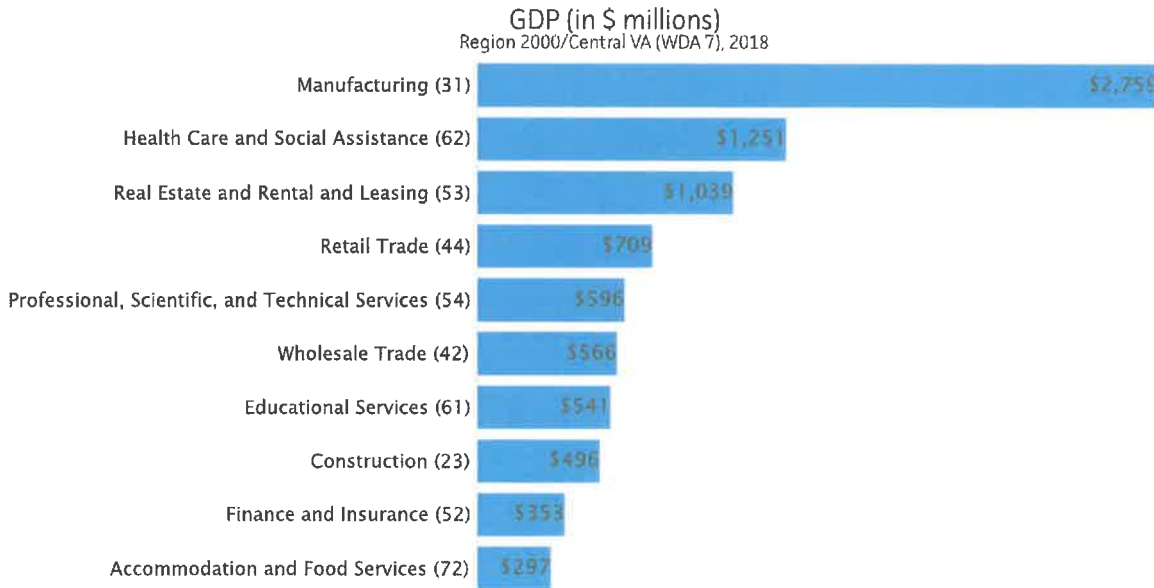
# Gross Domestic Product

Gross Domestic Product (GDP) is the total value of goods and services produced by a region. In 2018, nominal GDP in the Region 2000/Central VA (WDA 7) expanded 3.6%. This follows growth of 3.4% in 2017. As of 2018, total GDP in the Region 2000/Central VA (WDA 7) was \$10,121,132,000.



Gross Domestic Product data are provided by the Bureau of Economic Analysis, imputed by Chmura where necessary, updated through 2018.

Of the sectors in the Region 2000/Central VA (WDA 7), Manufacturing contributed the largest portion of GDP in 2018, \$2,759,457,000. The next-largest contributions came from Health Care and Social Assistance (\$1,250,944,000); Real Estate and Rental and Leasing (\$1,038,869,000); and Retail Trade (\$708,995,000).



Gross Domestic Product data are provided by the Bureau of Economic Analysis, imputed by Chmura where necessary, updated through 2018.

# Region Definition

**Region 2000/Central VA (WDA 7) is defined as the following counties:**

Amherst County, Virginia

Appomattox County, Virginia

Bedford County, Virginia

Campbell County, Virginia

Bedford City, Virginia

Lynchburg City, Virginia

# FAQ

## What is a location quotient?

A location quotient (LQ) is a measurement of concentration in comparison to the nation. An LQ of 1.00 indicates a region has the same concentration of an industry (or occupation) as the nation. An LQ of 2.00 would mean the region has twice the expected employment compared to the nation and an LQ of 0.50 would mean the region has half the expected employment in comparison to the nation.

## What is separation demand?

Separation demand is the number of jobs required due to separations—labor force exits (including retirements) and turnover resulting from workers moving from one occupation into another. Note that separation demand does not include all turnover—it does not include when workers stay in the same occupation but switch employers. The total projected demand for an occupation is the sum of the separation demand and the growth demand (which is the increase or decrease of jobs in an occupation expected due to expansion or contraction of the overall number of jobs in that occupation).

## What is a cluster?

A cluster is a geographic concentration of interrelated industries or occupations. If a regional cluster has a location quotient of 1.25 or greater, the region is considered to possess a *competitive advantage* in that cluster.

## What is the difference between industry wages and occupation wages?

Industry wages and occupation wages are estimated via separate data sets, often the time periods being reported do not align, and wages are defined slightly differently in the two systems (for example, certain bonuses are included in the industry wages but not the occupation wages). It is therefore common that estimates of the average industry wages and average occupation wages in a region do not match exactly.

## What is NAICS?

The North American Industry Classification System (NAICS) is used to classify business establishments according to the type of economic activity. The NAICS Code comprises six levels, from the “all industry” level to the 6-digit level. The first two digits define the top level category, known as the “sector,” which is the level examined in this report.

## What is SOC?

The Standard Occupational Classification system (SOC) is used to classify workers into occupational categories. All workers are classified into one of over 820 occupations according to their occupational definition. To facilitate classification, occupations are combined to form 23 major groups, 96 minor groups, and 449 occupation groups. Each occupation group includes detailed occupations requiring similar job duties, skills, education, or experience.

## About This Report

This report and all data herein were produced by JobsEQ®, a product of Chmura Economics & Analytics. The information contained herein was obtained from sources we believe to be reliable. However, we cannot guarantee its accuracy and completeness.

# Virginia Manufacturing Competitive Indexes

Updated November 2019

## Introduction to the Indexes

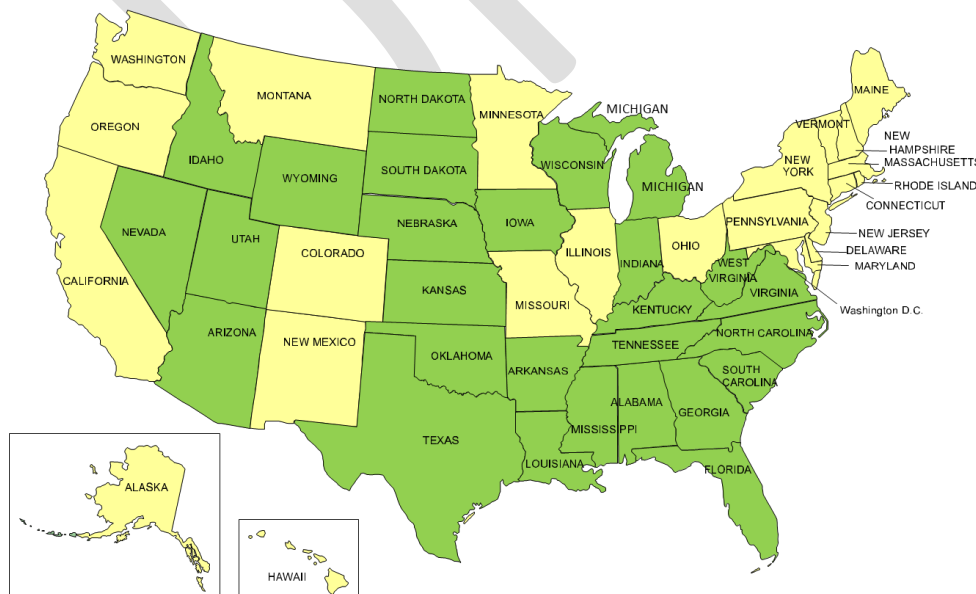
The Virginia Manufacturers Association has worked for the past several years to develop a multifactor **Manufacturing Competitiveness Index** that allows members and policymakers to assess complex data and inform strategic choices. This data analytics tool is used to help craft our messaging and policy agenda.

In 2017, the Virginia Manufacturers Association Board reviewed the metrics used in the *Manufacturing Competitiveness Index* report, which was part of *A New Blueprint – Making the American South’s Manufacturing Sector More Competitive by 2030*, a report for the Economic Development Administration. In addition, the Association held several member meetings to review the individual metrics and discuss the rankings. The original report divided the metrics into five categories: Business Climate, Workforce, Infrastructure, Innovation and Economic Strength. For the 2017 report, the categories of metrics were weighted to calculate the final state rankings.

This was followed up with a report in 2018, which used the same metrics as the 2017 report. The data was updated to the most recent available. The only significant change from the 2017 report was that the indexes are not weighted in the final overall state rankings. At the direction of the Virginia Manufacturers Association, the index weighting was removed, and all the indexes carried equal weight.

This year the existing metrics were updated, where available, and were used to rank the fifty states. In addition, the Board decided to add three new metrics. Right-to-Work was added to the Workforce Index as a positive measure. In the Economic Strength Index two metrics were added that reflect manufacturing’s impact on private sector GDP.

### RIGHT-TO-WORK STATES 2019- IN GREEN



Data was gathered from public sources including the Bureau of Economic Analysis, National Science Foundation, Bureau of Labor Statistics, Energy Information Administration, and the US Census Bureau. Indicators were standardized to account for differences in states' population or economy size. The most recent available data was used, meaning most data is from the years 2018 or 2019. To evaluate time trends, a five-year percent change was used. All data, and these tools, are part of a broader competitive picture and should be used in conjunction with other information to further public policy discussion to improve Virginia's economy.

## The Index Results

### Business Climate Index

Manufacturing sensitive to labor costs and other costs of doing business. These factors are often cited as critical reasons when manufacturing companies consider expansion or relocation. The Business Climate Index focuses on wages, taxes, and legal barriers. These metrics are often related to state government policy choices and are opportunities for states to make changes that will improve manufacturing competitiveness. The Business Climate Index consisted of the following nine metrics.

#### *Business Climate Index Metrics*

- Manufacturing Industry Health Scorecard (Conexus Indiana) 2019
- Top marginal corporate tax rate 2019
- Legal Climate Rankings 2019
- Air Quality – Average Exposure to PM2.5 2017
- Workers Comp insurance premium per \$100/payroll 2018
- State and Local Tax Costs for Capital-Intensive Manufacturing 2014 (this metric was not updated as more current information is not available)
- State and Local Tax Costs for Labor-Intensive Manufacturing 2014 (this metric was not updated as more current information is not available)
- Value of \$100 2019
- Greenhouse Gas Emissions Per Capita (Metric Tons of CO<sub>2</sub>) 2017

#### *Business Climate Index Performance*

In the 2018 index Virginia ranked as the 5<sup>th</sup> most competitive state. As can be seen in the new data below, Virginia is now ranked 8<sup>th</sup>, ranking in second place of all Southern states. In the individual metrics, Virginia has remained stable, with the rankings staying the same or shifting by one position, except for Top Marginal Corporate Tax Rate which moved from 16<sup>th</sup> position nationally in 2018 to 19<sup>th</sup> in 2019, as several other states have aggressively reduced their corporate tax rate. Virginia's Manufacturing Health Scorecard ranking moved from a "D" to "D-" which changed the state's rank for this metric from 39<sup>th</sup> to 44<sup>th</sup>; the Legal Climate Ranking, (from the Institute for Legal Reform) moved from 10<sup>th</sup> nationally in 2018 to 12<sup>th</sup> in 2019; and the bi-annual Workers Compensation Premium Rating fell from 5<sup>th</sup> nationally in 2018 to 10<sup>th</sup> in 2019.

Southern States Business Climate Index Performance

State	Business Climate Rank	State	Business Climate Rank
North Carolina	3T	Oklahoma	25
Virginia	8	Alabama	26
Kentucky	13T	Georgia	27
Missouri	15T	Maryland	29
South Carolina	19T	Mississippi	30T
Tennessee	19T	Florida	35
Arkansas	22T	West Virginia	41
Texas	24	Louisiana	42

MANUFACTURING COMPETITIVENESS INDEX

BUSINESS CLIMATE	Manufacturing Industry Health Scorecard (Conexus Indiana) 2019	top marginal corporate tax rate 2019	Legal Climate Rankings (2019)	Air Quality - Average Exposure to PM2.5 (2017)	Workers Comp insurance premium per \$100/payroll 2018	State and Local Tax Costs for Capital-Intensive Manufacturing 2014	State and Local Tax Costs for Labor-Intensive Manufacturing 2014	Value of \$100 (2019)	Greenhouse Gas Emissions Per Capita (Metric Tons of CO2) 2017	AVERAGE RANKING	STATE RANK
Alabama	8	24	42	40	22	19	23	3	36	24.1	26
Alaska	47	45	5	22	47	32	36	41	46	35.7	48
Arizona	20	10	17	48	11	10	7	26	17	18.4	6
Arkansas	20	24	30	16	3	44	39	2	35	23.7	22
California	16	43	48	50	49	44	43	48	3	38.2	50
Colorado	38	9	21	10	16	41	32	40	25	25.8	30
Connecticut	16	33	3	27	44	14	12	45	6	22.2	13
Delaware	38	42	1	41	46	19	26	37	21	30.1	44
Florida	38	15	46	16	30	29	21	36	12	27.0	35
Georgia	32	16	41	41	45	9	3	20	20	25.2	27
Hawaii	47	23	15	6	38	34	49	50	19	31.2	45
Idaho	8	30	9	10	30	36	36	21	11	21.2	11
Illinois	16	46	50	47	29	38	48	33	26	37.0	49
Indiana	1	16	31	44	2	50	45	11	44	27.1	36
Iowa	1	50	23	20	21	1	16	11	40	20.3	9
Kansas	6	31	32	14	6	29	40	13	33	22.7	17
Kentucky	1	12	40	35	18	24	22	5	43	22.2	13
Louisiana	20	38	49	33	41	15	9	14	47	29.6	42
Maine	32	44	2	9	32	48	44	32	15	28.7	39
Maryland	38	40	27	36	12	24	4	46	2	25.4	29
Massachusetts	20	38	28	8	13	36	45	44	4	26.2	33
Michigan	1	19	33	36	14	15	9	21	24	19.1	7
Minnesota	14	47	20	16	23	2	17	29	27	21.7	12
Mississippi	6	12	47	25	20	49	35	1	37	25.8	30
Missouri	20	22	44	31	24	12	6	9	34	22.4	15
Montana	44	29	7	12	38	39	28	24	45	29.6	43
Nebraska	32	36	8	16	25	10	5	10	41	20.3	9
Nevada	47	1	29	45	8	13	14	30	18	22.8	18
New Hampshire	8	35	18	2	25	33	38	42	9	23.3	21
New Jersey	36	49	43	36	48	7	23	47	14	33.7	47
New Mexico	47	18	22	6	17	27	30	23	38	25.3	28
New York	44	24	36	15	50	6	17	49	1	26.9	34
North Carolina	16	7	16	22	32	17	19	18	13	17.8	3
North Dakota	38	8	6	1	1	18	25	14	49	17.8	3
Ohio	8	1	35	46	15	8	13	7	31	18.2	5
Oklahoma	20	19	14	31	27	29	29	8	39	24.0	25
Oregon	14	34	25	27	6	35	33	35	4	23.7	22
Pennsylvania	20	48	39	48	34	4	11	31	29	29.3	40
Rhode Island	38	31	24	25	43	39	50	34	8	32.4	46
South Carolina	1	12	37	22	37	42	20	16	22	23.2	19
South Dakota	20	1	10	5	28	4	7	6	28	12.1	1
Tennessee	8	24	34	27	19	28	30	16	23	23.2	19
Texas	20	1	38	41	9	23	14	27	41	23.8	24
Utah	20	11	19	36	5	26	26	27	32	22.4	15
Vermont	20	41	11	4	42	47	41	39	6	27.9	38
Virginia	44	19	12	20	10	19	1	38	16	19.9	8
Washington	32	1	26	33	35	22	33	43	10	26.1	32
West Virginia	20	24	45	30	4	43	47	4	48	29.4	41
Wisconsin	8	37	13	12	40	46	42	19	30	27.4	37
Wyoming	36	1	4	2	35	3	2	25	50	17.6	2





## Workforce Index

The availability of a skilled labor force is consistently ranked in the top five factors impacting site selection by *Area Development* magazine. In 2019, it moved up in the rankings to #1, ahead of access to highways and labor costs. Today, manufacturing business leaders often express concern about difficulties finding skilled employees such as CNC machinists and other middle-skilled credentialed workers. As manufacturing becomes more advanced and computer-based, the importance of STEM education rises for the manufacturing workforce. The Workforce Index measures education, health of the population, creative class population, and manufacturing productivity. For 2019 the Board included Right-to-Work as a positive measurement. The Workforce Index consisted of the following sixteen metrics.

### Workforce Index Metrics

- Right-to-Work State 2019
- Percentage of Population with Adult Obesity 2018
- Persons age 18 to 24 not attending school, not working, and no degree beyond high school 2017
- High School Graduation Rate for all students 2016-17
- Labor Force Participation Rate 2018
- Manufacturing Output Per Manufacturing Employee 2018
- Change in Manufacturing Output Per Manufacturing Employee 2013-2018
- Age 25-44 Population Growth 2012-2017
- Completed Tech & STEM Education Programs Per 1,000 Enrolled Students 2017
- Percent Change in Tech & STEM Education Program Completions 2013-2018
- Average 8th Grade Reading Score 2017
- Average 8th Grade Math Score 2017
- Veteran Unemployment Rate 2018
- Veteran % share of total population 2018
- Total number of sub-baccalaureate occupational credentials in manufacturing 2013 (this metric has not been updated as new data is not available)
- Sub-baccalaureate occupational credentials in manufacturing as percent of total credentials 2013 (this metric has not been updated as new data is not available)

### Workforce Index Performance

Virginia's workforce competitiveness continues to be good and Virginia dropped from 9<sup>th</sup> ranked in 2018 to 14<sup>th</sup> ranked in 2019, behind only Maryland among Southern states. In the individual metrics, Virginia improved in the categories of Persons Age 28-24 not attending school or working; 4-year High School Graduation Rate; and Labor Force Participation Rate while in the category of Manufacturing Output per Manufacturing Employee the state fell from 12<sup>th</sup> in 2018 to 29<sup>th</sup> in 2019, and in Percent Change in Tech & STEM Education Completions Virginia moved from 36<sup>th</sup> to 45<sup>th</sup>. A new metric was added: Right-to-Work State. All of the 27 states that are Right-to-Work States were ranked equally at #1 and the remaining states were equally ranked at 28<sup>th</sup>.

Southern States Workforce Index Performance

State	Workforce Rank	State	Workforce Rank
Maryland	8T	Oklahoma	34
Virginia	14	Tennessee	39
North Carolina	18	Arkansas	40
Kentucky	19	Louisiana	42
Texas	20T	Alabama	46
Georgia	25T	West Virginia	47
Missouri	30	South Carolina	48
Florida	32	Mississippi	49

MANUFACTURING COMPETITIVENESS INDEX

WORKFORCE	Right-to-Work State (2019)	Percentage of Population With Adult Obesity (2018)	Persons age 18 to 24 not attending school, not working, and no degree beyond high school (2017)	4 year High School Graduation Rate 2016-17	Labor Force Participation Rate (2018)	Manufacturing Output Per Manufacturing Employee (2018)	Change in Manufacturing Output Per Manufacturing Employee (2013-2018)	Age 25-44 Population Growth (2012-2017)	Completed Tech & STEM Education Programs Per 1,000 Enrolled Students (2017)	Percent Change in Tech & STEM Education Program Completions (2013-2018)	Average 8th Grade Reading Score (2017)	Average 8th Grade Math Score (2017)	Veteran Unemployment Rate 2018	Veteran % share of total population 2018	total number of sub-baccalaureate occupational credentials in manufacturing 2013	sub-baccalaureate occupational credentials in manufacturing as % of total credentials 2013	AVERAGE RANKING	STATE RANK
Alabama	1	45	44	7	48	42	39	40	20	15	46	49	33	16	27	22	30.9	46
Alaska	28	15	42	46	15	45	15	11	34	44	46	38	16	1	45	29	29.4	43
Arizona	1	15	34	48	36	19	28	12	31	49	34	24	26	10	9	24	25.0	30
Arkansas	1	48	44	14	46	50	36	29	31	8	41	45	4	25	24	14	28.8	40
California	28	5	21	34	31	5	13	14	45	17	34	38	44	48	1	35	25.8	35
Colorado	28	1	6	45	3	26	34	2	14	21	8	15	8	19	14	12	16.0	2
Connecticut	28	7	14	15	14	9	18	49	26	19	4	21	33	44	19	4	20.3	10
Delaware	28	33	34	19	30	2	2	18	2	1	34	36	46	14	49	50	24.9	29
Florida	1	24	27	38	42	30	8	4	38	41	20	34	32	18	4	41	25.1	32
Georgia	1	30	38	41	26	39	42	26	16	9	26	30	20	30	4	5	24.2	25
Hawaii	28	2	21	34	35	16	1	14	50	45	39	38	29	6	47	36	27.6	37
Idaho	1	12	34	43	21	35	14	10	49	21	8	21	38	7	40	33	24.2	25
Illinois	28	27	27	18	19	14	40	48	23	32	20	24	20	45	3	15	25.2	33
Indiana	1	35	27	30	17	22	47	35	7	34	6	8	20	34	23	36	23.9	24
Iowa	1	44	6	1	6	28	20	24	24	37	17	15	13	30	28	31	20.3	10
Kansas	1	38	10	24	12	32	33	38	40	30	20	20	7	22	26	21	23.4	22
Kentucky	1	46	42	4	43	18	26	42	5	5	30	36	29	30	10	3	23.1	19
Louisiana	1	47	48	47	44	3	48	19	8	11	48	50	49	38	6	2	29.3	42
Maine	28	22	14	19	25	49	19	44	48	25	11	21	1	5	39	20	24.4	27
Maryland	28	25	21	16	11	4	10	29	1	18	20	30	11	28	33	32	19.8	8
Massachusetts	28	3	2	12	10	8	22	23	6	13	1	1	25	47	35	42	17.4	4
Michigan	1	31	27	42	36	27	31	37	9	37	30	33	42	39	18	42	30.1	45
Minnesota	28	20	2	34	1	31	29	26	44	43	11	2	20	39	17	27	23.4	22
Mississippi	1	49	47	33	49	47	21	41	34	3	49	47	41	36	31	15	34.0	49
Missouri	28	42	21	12	24	25	23	29	27	31	26	30	11	25	21	25	25.0	30
Montana	28	6	14	27	28	12	6	8	17	24	20	15	26	4	46	17	18.6	5
Nebraska	1	35	6	8	3	36	37	21	47	41	11	8	4	25	36	6	20.3	10
Nevada	1	15	44	40	27	37	32	9	30	4	41	42	38	10	44	49	28.9	41
New Hampshire	28	18	4	10	6	23	5	43	46	2	2	3	16	16	48	47	19.8	8
New Jersey	28	3	14	2	31	6	17	45	15	14	2	4	44	49	29	45	21.8	17
New Mexico	28	29	48	50	47	15	38	38	39	48	49	48	48	9	34	27	37.2	50
New York	28	9	21	39	40	11	9	33	18	15	33	24	35	49	13	46	26.4	36
North Carolina	1	31	27	22	38	21	49	26	12	11	34	24	13	21	11	19	22.5	18
North Dakota	1	43	1	17	2	40	25	1	20	37	30	8	2	28	43	13	19.4	6
Ohio	28	34	21	28	31	20	30	35	13	21	17	8	19	33	12	40	24.4	27
Oklahoma	1	40	38	37	38	38	27	14	9	35	39	42	13	10	16	7	25.3	34
Oregon	28	19	27	49	34	24	50	7	36	27	26	24	29	19	37	39	29.7	44
Pennsylvania	28	25	27	22	29	17	16	34	4	27	8	15	37	35	7	9	21.3	15
Rhode Island	28	10	6	29	19	43	7	24	37	35	26	38	50	43	38	11	27.8	38
South Carolina	1	37	34	32	45	44	43	13	41	32	41	42	42	8	25	23	31.4	48
South Dakota	1	20	14	31	5	48	11	17	11	27	20	15	10	22	42	17	19.4	6
Tennessee	1	38	38	3	41	33	35	21	42	47	38	34	38	22	15	10	28.5	39
Texas	1	40	38	4	22	7	45	4	29	10	41	24	35	39	2	30	23.2	20
Utah	1	11	10	26	8	34	44	4	33	6	11	14	20	46	32	26	20.4	13
Vermont	28	8	4	8	12	41	4	47	22	19	4	8	26	42	50	48	23.2	20
Virginia	1	22	10	19	15	29	46	32	28	45	17	5	8	2	22	36	21.1	14
Washington	28	13	14	44	23	10	41	3	3	26	6	6	16	13	8	5	16.2	3
West Virginia	1	49	48	6	50	13	12	49	25	7	45	46	46	14	41	44	31.0	47
Wisconsin	1	28	10	11	9	46	24	46	18	37	11	8	4	36	20	34	21.4	16
Wyoming	1	14	14	25	18	1	3	20	42	50	11	6	2	2	30	1	15.0	1



## Infrastructure Index

Highway accessibility was ranked as the number three factor for site selection by *Area Development* in 2019 and is always among the top 10 factors. Over 87 percent of managers considered highway accessibility as very important or important when deciding on a new facility, expansion, or relocation. Infrastructure is still tremendously significant for manufacturing firms because of the need to move raw materials in and products out to major markets. The growing trend of large industrial parks (with large distribution centers) and consumer demand for on-time, quick delivery also drives the call for improved infrastructure. The American Society of Civil Engineers currently gives the nation a grade of D+ when it comes to infrastructure, estimating a needed investment of \$3.6 trillion by 2020. These findings show that for economic development, infrastructure is a quantity as well as a quality issue. Improving aging infrastructure not only supports current industry but is also seen as an investment to spur future growth. Broadband was added and is now often a key infrastructure measure. The Infrastructure Index consisted of the following nine metrics.

### Infrastructure Index Metrics

- Total State Spending on Transportation Per Capita FY2018
- Average Retail Electricity Price for Industrial Customers, Cents Per kWh Aug 2019
- Percent of bridges in poor condition 2018
- Percentage growth in Freight Shipments tons (thousands) 2013-2017
- Percentage growth in Freight Shipments \$\$ (millions) 2013-2017
- Miles of Interstate highways per 10,000 population 2018
- Average Retail Natural Gas Price for Industrial Customers, \$ per thousand cubic feet Aug 2019
- State Transportation Expenditures as Percent of Total Expenditures FY2018
- Percentage of Population Without 25 Mbps/3 Mbps Broadband Access - All Areas Dec 2017

### Infrastructure Index Performance

Infrastructure is another critical area for manufacturers, and Virginia rose in the rankings from 15<sup>th</sup> to 9<sup>th</sup> (tied with Kansas) and is now the fourth highest ranked Southern state after Texas, Kentucky and Florida. In the individual metrics, Virginia improved in the category of Total State Spending on Transportation per Capita from 10<sup>th</sup> to 8<sup>th</sup>; State Spending on Transportation as Percent of Total Spending from 6<sup>th</sup> to 2<sup>nd</sup>; Average Price of Electricity for Industrial Customers from 24<sup>th</sup> to 21<sup>st</sup>; Percent of Bridges in Poor Condition from 16<sup>th</sup> to 11<sup>th</sup>; while the Percent Growth in Freight Shipment Value ranking dropped from 28<sup>th</sup> in 2018 to 33<sup>rd</sup> in 2019; and Percent of Population Without Broadband dropped from 25<sup>th</sup> to 27<sup>th</sup>.

### Southern States Infrastructure Index Performance

State	Infrastructure Rank	State	Infrastructure Rank
Texas	2	West Virginia	20
Kentucky	6	Oklahoma	22
Florida	8	South Carolina	25
Virginia	9T	Louisiana	26

Alabama	12	North Carolina	32
Maryland	13T	Mississippi	45
Georgia	17	Arkansas	46
Tennessee	18T	Missouri	48

## MANUFACTURING COMPETITIVENESS INDEX

INFRAS	Total State Spending on Transportation Per Capita (FY2018)	Average Retail Electricity Price for Industrial Customers, Cents Per KwH (Aug 2019)	% bridges in poor condition (2018)	% growth in Freight Shipments tons (thousands) 2013-2017	% growth in Freight Shipments \$\$ (millions) 2013-2017	Miles of Interstate highways per 10,000 people (2018)	Average Retail Natural Gas Price for Industrial Customers, \$ per thousand cubic feet (Aug 2019)	State Transportation Expenditures as % of Total Expenditures (FY2018)	Percentage of Population Without 25 Mbps/3 Mbps Broadband Access - All Areas (Dec 2017)	AVERAGE RANKING	STATE RANK
Alabama	43	13	9	20	8	19	7	40	42	22.3	12
Alaska	1	49	38	43	2	2	27	1	47	23.3	13
Arizona	29	23	3	32	40	30	14	28	40	26.6	33
Arkansas	21	17	11	46	38	16	40	37	50	30.7	46
California	32	48	23	14	10	47	44	44	9	30.1	42
Colorado	47	30	18	23	14	27	33	46	21	28.8	39
Connecticut	5	45	26	40	48	41	36	15	1	28.6	38
Delaware	3	27	8	2	43	49	49	19	6	22.9	14
Florida	27	31	6	6	37	45	31	4	10	21.9	8
Georgia	42	24	7	13	17	39	17	30	24	23.7	17
Hawaii	2	50	22	39	30	50	50	7	11	29.0	40
Idaho	39	20	23	29	44	8	11	18	43	26.1	30
Illinois	38	18	31	22	9	26	34	31	15	24.9	23
Indiana	45	25	21	34	21	22	37	40	33	30.9	47
Iowa	19	40	48	4	13	14	18	26	32	23.8	18
Kansas	41	26	16	7	23	10	6	39	30	22.0	9
Kentucky	24	3	25	37	5	23	8	32	31	20.9	6
Louisiana	48	1	44	14	11	20	5	48	38	25.4	26
Maine	23	41	45	36	35	12	32	22	19	29.4	41
Maryland	7	33	15	9	35	44	47	7	6	22.6	13
Massachusetts	12	46	36	28	31	43	46	25	5	30.2	44
Michigan	36	28	41	3	3	36	41	28	26	26.9	34
Minnesota	14	36	14	14	20	30	16	19	13	19.6	4
Mississippi	28	9	37	44	42	13	20	34	48	30.6	45
Missouri	44	32	33	41	34	18	28	26	37	32.6	48
Montana	14	4	28	49	49	3	25	14	41	25.2	24
Nebraska	26	35	34	27	21	15	13	24	39	26.0	29
Nevada	34	38	2	42	14	21	42	16	22	25.7	28
New Hampshire	36	44	35	12	11	29	38	16	15	26.2	31
New Jersey	9	42	29	21	28	48	43	9	1	25.6	27
New Mexico	16	5	20	30	4	7	9	32	45	18.7	3
New York	25	7	39	31	46	42	35	43	3	30.1	42
North Carolina	18	19	40	34	41	37	30	6	13	26.4	32
North Dakota	5	39	42	1	1	5	2	11	20	14.0	1
Ohio	49	12	19	19	27	34	26	47	15	27.6	35
Oklahoma	40	2	43	18	14	17	1	37	49	24.6	22
Oregon	32	14	16	8	6	25	24	48	25	22.0	9
Pennsylvania	11	16	46	11	31	33	45	12	12	24.1	21
Rhode Island	20	47	50	17	25	46	48	40	4	33.0	49
South Carolina	31	11	31	33	29	27	14	19	33	25.3	25
South Dakota	13	37	47	47	38	4	29	2	36	28.1	37
Tennessee	46	8	9	25	19	24	10	45	28	23.8	18
Texas	30	29	1	5	7	38	3	9	22	16.0	2
Utah	17	14	4	45	45	11	21	5	18	20.0	5
Vermont	4	43	5	24	50	6	12	13	35	21.3	7
Virginia	8	21	11	38	33	35	23	2	27	22.0	9
Washington	35	6	11	10	24	40	39	34	8	23.0	15
West Virginia	10	10	49	48	18	9	4	23	44	23.9	20
Wisconsin	22	34	27	25	25	32	22	36	28	27.9	36
Wyoming	50	22	30	50	47	1	19	50	46	35.0	50



## Innovation Index

The Innovation Index measures states' performance in university technology transfer, patent development, research & development funding, and venture capital funding. Innovation and research help generate new manufacturing companies and products. Innovation is a tool that grows manufacturing from within a region, as businesses are more likely to start and remain close to their original research connection. An area known for innovation and a talented technological workforce is more likely to attract businesses looking to relocate. It is also more likely to draw top talent in the creative class. The Innovation Index consisted of the following seven metrics.

### *Innovation Index Metrics*

- Technology Licenses and Options Executed from Universities 2017
- Patents Issued 2010-2017
- Total Technology Industry Employment Growth 2013-2018
- Total R&D percent of GDP 2016
- Business Performed R&D - Percent of Private Industry Output 2016
- Average Venture Capital Funding Per \$1 Million of GDP 2013-2018
- Average Annual Number of New Entrepreneurs per 100,000 people 2018, replacing Start-Up Firms per 1,000 Firms 2016 (this metric has not been updated as new data is not available)

### *Innovation Index Performance*

Virginia dropped in the Innovation Index from 23<sup>rd</sup> in 2018 to 31<sup>st</sup> in 2019, remaining in the middle of the Southern states. In the individual metrics, Virginia has remained stable, with the rankings staying the same or shifting by one position, except for Technology Industry Employment Growth which improved from 36<sup>th</sup> in 2018 to 30<sup>th</sup> in 2019. Technology Licenses and Options which dropped from 20<sup>th</sup> in 2018 to 23<sup>rd</sup> in 2019; Total R&D as Percent of GDP from 20<sup>th</sup> to 26<sup>th</sup>; Business Performed R&D as Percent of Private Output from 28<sup>th</sup> to 30<sup>th</sup>. In the future, a state economic development focus on attracting and growing technology companies and advanced industry manufacturing firms is likely to provide improvements in this index.

### *Southern States Innovation Index Performance*

State	Innovation Rank	State	Innovation Rank
North Carolina	4	South Carolina	33
Florida	8	Alabama	37
Maryland	10	Oklahoma	40
Texas	12	Kentucky	43
Georgia	15	Mississippi	45
Missouri	18	Louisiana	46
Tennessee	29	Arkansas	47
Virginia	31	West Virginia	50

# MANUFACTURING COMPETITIVENESS INDEX

INNOVATION	Technology Licenses and Options Executed from Universities (2017)	Patents Issued (2010-2017)	Total Technology Industry Employment Growth (2013-2018)	Total R&D % of GDP (2016)	Business Performed R&D - % of Private Industry Output (2016)	Average Venture Capital Funding Per \$1 Million of GDP (2013-2018)	Average Annual Number of New Entrepreneurs per 100,000 people (2018)	AVERAGE RANKING	STATE RANK
Alabama	26	35	29	17	29	44	42	31.7	37
Alaska	47	50	50	44	49	42	7	41.3	49
Arizona	16	15	14	14	12	17	13	14.4	7
Arkansas	37	43	47	44	42	38	25	39.4	47
California	1	1	12	4	1	1	2	3.1	1
Colorado	22	14	18	23	25	6	13	17.3	14
Connecticut	41	18	37	7	6	8	45	23.1	22
Delaware	42	37	43	10	7	16	38	27.6	28
Florida	6	10	6	35	32	20	1	15.7	8
Georgia	10	16	19	31	27	14	5	17.4	15
Hawaii	40	45	35	44	48	45	22	39.9	48
Idaho	32	26	4	9	9	30	10	17.1	13
Illinois	18	8	27	21	16	10	36	19.4	19
Indiana	14	21	28	21	16	35	42	25.3	26
Iowa	20	27	31	23	20	41	28	27.1	27
Kansas	28	28	45	28	23	33	29	30.6	35
Kentucky	34	32	42	40	35	39	34	36.6	43
Louisiana	31	38	43	50	49	48	15	39.1	46
Maine	not reported	41	9	40	35	24	21	28.3	30
Maryland	11	22	23	2	16	9	29	16.0	10
Massachusetts	2	4	10	3	2	2	38	8.7	3
Michigan	12	7	15	6	4	32	38	16.3	11
Minnesota	9	6	26	17	13	12	45	18.3	17
Mississippi	39	42	39	38	46	50	17	38.7	45
Missouri	18	24	17	19	13	26	17	19.1	18
Montana	34	44	36	38	42	23	8	32.1	38
Nebraska	30	40	22	35	35	37	22	31.6	36
Nevada	38	31	1	49	42	28	15	29.1	32
New Hampshire	17	30	5	11	9	11	41	17.7	16
New Jersey	25	9	33	11	8	25	25	19.4	19
New Mexico	29	36	34	1	33	31	5	24.1	23
New York	5	3	13	29	27	3	17	13.9	6
North Carolina	8	13	3	14	15	7	29	12.7	4
North Dakota	48	46	46	35	35	47	11	38.3	44
Ohio	15	12	24	26	23	29	45	24.9	24
Oklahoma	36	33	40	40	40	46	9	34.9	40
Oregon	13	17	11	8	5	13	29	13.7	5
Pennsylvania	3	11	25	19	16	15	48	19.6	21
Rhode Island	44	39	38	13	22	21	50	32.4	39
South Carolina	32	29	6	34	33	40	34	29.7	33
South Dakota	43	48	15	44	42	43	17	36.0	42
Tennessee	21	25	21	31	40	27	29	27.7	29
Texas	7	2	32	29	26	18	4	16.9	12
Utah	26	23	8	14	11	4	25	15.9	9
Vermont	45	34	41	33	30	19	11	30.4	34
Virginia	23	20	30	26	30	22	49	28.6	31
Washington	4	5	2	5	2	5	22	6.4	2
West Virginia	46	47	48	44	46	49	42	46.0	50
Wisconsin	24	19	20	23	20	34	36	25.1	25
Wyoming	not reported	49	49	40	35	36	2	35.2	41



## Manufacturing Economic Strength

Finally, the Economic Strength Index evaluates the existing presence of the manufacturing sector within each state and evaluates indicators of overall economic performance. Existing industry in a state can create a clustering effect and attract further manufacturing to the area. Clusters have been known to attract other prospective businesses because of the benefit of higher concentrations of skilled employees and regional suppliers. A strongly performing overall economy beyond manufacturing is important for prospective companies as growth inspires innovation, talent movement, and investment. For 2019 two new metrics were added to reflect manufacturing's impact on private sector gross state product. The Economic Strength Index consisted of the following twelve metrics.

### Manufacturing Economic Strength Index Metrics

- Manufacturing's Share of Gross State Product 2018
- Change in Manufacturing's Share of Gross State Product 2013 -2018
- NEW - Manufacturing's Share of PRIVATE Gross State Product 2018
- NEW - Change in Manufacturing's Share of PRIVATE Gross State Product 2013 -2018
- Growth in Manufacturing GDP 2013 - 2018
- Total Manufacturing Employment 2018
- Manufacturing Employment as percent of Total Employment 2018
- Change in Real GDP per Capita 2013-2018
- Change in Real Personal Income per Capita 2013-2018
- Change in Real GDP chained 2009 dollars 2013-2018
- Exports of Manufactured Goods percent change 2017 - 2018
- Total Exports of Goods Per Capita 2018
- Manufacturing establishments total capital expenditures (\$millions) 2016
- Manufacturing establishments total capital expenditures per manufacturing employee 2016

### Economic Strength Results

Virginia improved its position from 46<sup>th</sup> in 2018 to 37<sup>th</sup> (tied with North Dakota) in the 2019 economic strength index. In the individual metrics, Virginia remained stable in five categories and improved in seven categories: Five Year Change in Manufacturing's Share of GSP (from 35<sup>th</sup> in 2018 to 29<sup>th</sup> in 2019); Five Year Change in Manufacturing GDP (from 43<sup>rd</sup> to 34<sup>th</sup>); Five Year Change in Real GDP per Capita (from 45<sup>th</sup> to 35<sup>th</sup>); Five Year Change in Real Personal Income per Capita (from 37<sup>th</sup> in 2018 to 33<sup>rd</sup> in 2019); Five Year Change in Real GDP (from 38<sup>th</sup> in 2018 to 33<sup>rd</sup> in 2019); One Year Change in Export of Manufactured Goods (from 39<sup>th</sup> in 2018 to 12<sup>th</sup> in 2019); and in Total Exports per Capita (from 43<sup>rd</sup> in 2018 to 41<sup>st</sup> in 2019). In the two new metrics Virginia ranked 34<sup>th</sup> in Manufacturing's Share of Private Gross State Product and 35<sup>th</sup> in Five Year Change in Manufacturing's Share of Private Gross State Product.

State	Economic Strength Rank	State	Economic Strength Rank
South Carolina	1	Kentucky	23
Georgia	7T	North Carolina	25
Tennessee	10	Alabama	26



Louisiana	13	Maryland	30
Texas	17	Missouri	33T
Florida	18	Oklahoma	36
Arkansas	19	Virginia	37T
Mississippi	22	West Virginia	46

## MANUFACTURING COMPETITIVENESS INDEX

ECONOMIC STRENGTH	Manufacturing's Share of Gross State Product 2018	Change in Manufacturing's Share of Gross State Product 2013-2018	Manufacturing's Share of PRIVATE Gross State Product 2018 (chained 2012 dollars)	Change in Manufacturing's Share of PRIVATE Gross State Product 2013-2018 (chained 2012 dollars)	Growth in Manufacturing GDP 2013-2018	Total Manufacturing Employment 2018	Manufacturing Employment as percent of Total Employment 2018	Change in Real GDP per Capita (2013-2018)	Change in Real Personal Income per Capita (2013-2018)	Change in Real GDP (2013-2018) chained 2012 dollars	Exports of Manufactured Goods % change 2017-2018	Total Exports Per Capita (2018)	Manufacturing establishments total capital expenditures per manufacturing employee 2016	Manufacturing establishments total capital expenditures per manufacturing employee 2016	AVERAGE RANKING	STATE RANK
	Alabama	8	35	7	37	41	17	5	35	38	39	47	21	14	10	25.3
Alaska	49	5	48	4	8	49	45	49	46	50	49	7	49	13	33.6	48
Arizona	37	7	35	5	3	25	39	27	17	9	15	35	29	26	22.1	15
Arkansas	13	5	15	22	25	27	7	43	26	42	5	42	28	22	23.0	19
California	28	35	25	22	10	1	31	1	1	3	27	20	2	42	17.7	4
Colorado	40	37	40	27	27	29	41	4	9	5	34	49	32	36	29.3	35
Connecticut	24	45	26	46	50	28	22	45	22	47	6	13	33	45	32.3	45
Delaware	41	29	41	10	20	45	40	38	32	29	7	12	41	6	27.9	31
Florida	45	14	45	13	2	12	43	17	11	6	26	36	15	35	22.9	18
Georgia	26	21	27	27	9	11	25	5	8	8	18	31	13	28	18.4	7
Hawaii	50	24	50	18	18	48	50	13	10	24	50	50	50	46	35.8	50
Idaho	20	7	22	22	5	37	24	18	16	7	39	39	34	5	21.1	14
Illinois	19	40	18	32	43	5	19	22	21	36	28	11	8	27	23.5	21
Indiana	1	40	1	42	32	7	1	30	28	30	23	8	7	20	19.3	9
Iowa	4	11	9	42	15	23	4	22	41	22	22	17	17	9	18.4	7
Kansas	11	1	12	1	1	26	11	14	47	27	29	25	27	18	17.9	5
Kentucky	6	37	3	44	44	18	6	40	36	40	32	5	16	11	24.1	23
Louisiana	2	26	2	8	46	32	32	44	45	44	4	1	4	1	20.8	13
Maine	31	29	31	29	31	39	28	19	14	28	37	43	44	47	32.1	43
Maryland	43	18	42	13	12	34	46	14	24	19	3	44	35	33	27.1	30
Massachusetts	34	43	33	32	36	21	34	6	7	13	42	27	25	44	28.4	32
Michigan	3	26	4	39	15	4	3	7	12	16	45	9	5	25	15.2	2
Minnesota	16	26	16	16	23	14	13	24	23	17	14	24	19	37	20.1	11
Mississippi	12	3	8	3	20	30	8	42	48	44	24	30	30	32	23.9	22
Missouri	18	21	19	35	35	16	21	40	33	40	33	37	21	38	29.1	33
Montana	41	18	39	5	28	47	43	46	33	35	16	47	38	3	31.4	42
Nebraska	23	42	27	47	47	35	17	37	43	32	11	23	36	29	32.1	43
Nevada	46	18	46	19	6	38	47	34	6	10	48	32	42	40	30.9	41
New Hampshire	22	14	20	9	13	36	15	16	19	18	41	28	39	50	24.3	24
New Jersey	38	14	38	16	17	20	37	29	14	34	40	26	22	31	26.9	29
New Mexico	48	12	46	10	14	44	49	21	30	31	30	45	40	7	30.5	40
New York	47	34	48	26	36	10	42	8	5	23	16	22	10	30	25.5	28
North Carolina	7	48	6	48	40	9	14	28	19	15	35	34	9	34	24.7	25
North Dakota	39	3	43	10	25	46	37	50	50	49	1	3	47	19	30.1	37
Ohio	10	29	11	25	24	3	8	11	30	21	19	16	3	12	15.9	3
Oklahoma	32	14	36	41	42	31	30	25	49	25	13	48	26	8	30.0	36
Oregon	15	43	13	29	10	24	17	3	3	2	44	10	23	17	18.1	6
Pennsylvania	21	29	24	32	30	6	19	10	17	20	19	33	6	21	20.5	12
Rhode Island	36	12	37	13	22	42	28	39	29	43	43	40	46	48	34.1	49
South Carolina	9	7	9	19	7	19	11	25	13	12	21	6	18	15	13.6	1
South Dakota	29	2	31	2	4	41	16	47	40	38	25	46	45	41	29.1	33
Tennessee	14	37	14	38	18	13	10	12	27	14	38	14	11	14	19.6	10
Texas	17	49	17	49	49	2	32	32	42	11	9	2	1	4	22.6	17
Utah	27	47	20	39	29	33	26	9	4	4	2	18	31	24	22.4	16
Vermont	33	24	30	19	33	43	22	30	37	37	10	15	48	43	30.3	39
Virginia	35	29	34	35	34	22	36	35	33	33	12	41	20	23	30.1	37
Washington	24	50	23	50	48	15	27	2	2	1	36	4	24	49	25.4	27
West Virginia	30	21	29	29	45	40	35	33	38	46	46	19	37	16	33.1	46
Wisconsin	4	45	4	44	38	8	2	19	24	26	31	29	12	39	23.2	20
Wyoming	44	7	44	5	38	50	48	47	44	48	8	38	43	2	33.3	47





## Overall Manufacturing Competitiveness Index All States

In addition to each of the five indexes a composite index was created using all of the 52 data points. As the chart below shows, Virginia is ranked as the 15<sup>th</sup> most competitive state in overall manufacturing competitiveness, a drop from its 8<sup>th</sup> overall ranking in 2018. Close neighbors North Carolina and Maryland also scored high finishing #6 and #9. The chart below provides a quick visual reference with states ranked among the 15-best coded in green and states scoring in the bottom 15 coded red.

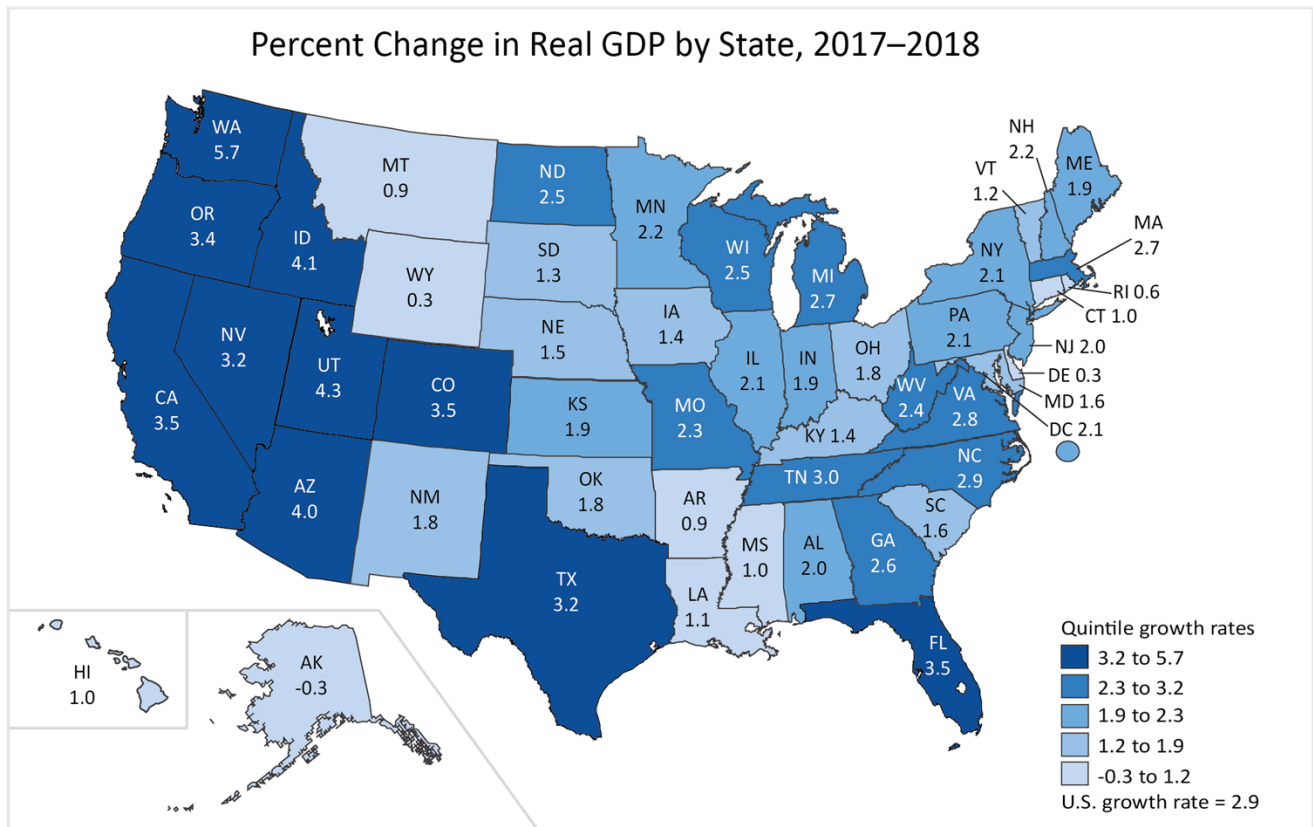
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2019 OVERALL STATE RANKINGS								
		BUSINESS CLIMATE	WORKFORCE	INFRA-STRUCTURE	INNOVATION	ECONOMIC STRENGTH	TOTAL RANKINGS	AVERAGE RANK
1	Utah	15T	13	5	9	16	58	11.6
2	Minnesota	12	22T	4	17	11	66	13.2
3	Iowa	9T	10T	18T	27	7T	71	14.2
4	Texas	24	20T	2	12	17	75	15.0
5	Washington	32	3	16	2	27	80	16.0
6	North Carolina	3T	18	32	4	25	83	16.6
7	Oregon	22T	44	9T	5	6	86	17.2
8	Kansas	17	22T	9T	35	5	88	17.6
9	Maryland	29	8T	13T	10	30	90	18.0
10T	Georgia	27	25T	17	15	7T	91	18.2
10T	Arizona	6	30T	33	7	15	91	18.2
10T	North Dakota	3T	6T	1	44	37T	91	18.2
13	Idaho	11	25T	30	13	14	93	18.6
14	Ohio	5	27T	35	24	3	94	18.8
15T	Michigan	7	45	34	11	2	99	19.8
15T	Virginia	8	14	9T	31	37T	99	19.8
17	New Hampshire	21	8T	31	16	24	100	20.0
18	Florida	35	32	8	8	18	101	20.2
19	Kentucky	13T	19	6	43	23	104	20.8
20	Pennsylvania	40	15	21	21	12	109	21.8
21	Tennessee	19T	39	18T	29	10	115	23.0
22	Massachusetts	33	4	44	3	32	116	23.2
23	South Dakota	1	6T	37	42	33T	119	23.8
24	Colorado	30T	2	39	14	35	120	24.0
25	South Carolina	19T	48	25	33	1	126	25.2
26	Nebraska	9T	10T	29	36	43T	127	25.4
27	Connecticut	13T	10T	38	22	45	128	25.6
28	California	50	35	42T	1	4	132	26.4
29	Wisconsin	37	16	36	25	20	134	26.8
30	Vermont	38	20T	7	34	39	138	27.6
31	New Jersey	47	17	27	19T	29	139	27.8
32	Wyoming	2	1	50	41	47	141	28.2
33	Indiana	36	24	47	26	9	142	28.4
34T	Missouri	15T	30T	48	18	33T	144	28.8
34T	New Mexico	28	50	3	23	40	144	28.8
36	Illinois	49	33	23	19T	21	145	29.0
37	New York	34	36	42T	6	28	146	29.2
38T	Alabama	26	46	12	37	26	147	29.4
38T	Delaware	44	29	15	28	31	147	29.4
40	Montana	43	5	24	38	42	152	30.4
41	Oklahoma	25	34	22	40	36	157	31.4
42	Nevada	18	41	28	32	41	160	32.0
43	Louisiana	42	42	26	46	13	169	33.8
44	Arkansas	22T	40	46	47	19	174	34.8
45	Maine	39	27T	41	30	43T	180	36.0
46	Mississippi	30T	49	45	45	22	191	38.2
47	Alaska	48	43	13T	49	48	201	40.2
48	West Virginia	41	47	20	50	46	204	40.8
49	Hawaii	45	37	40	48	50	220	44.0
50	Rhode Island	46	38	49	39	49	221	44.2
			top 15			bottom 15		



## Conclusions –

The overall economy in Virginia has begun to rebound from the post great recession challenges that the state faced. From 2011 to 2016, Virginia's change in GDP per capita and real personal income growth were among the lowest in the country. As the chart below shows from 2017-2018 state GDP growth grew at 2.8 percent, still below some neighboring states, but in the fourth best quintile for growth.



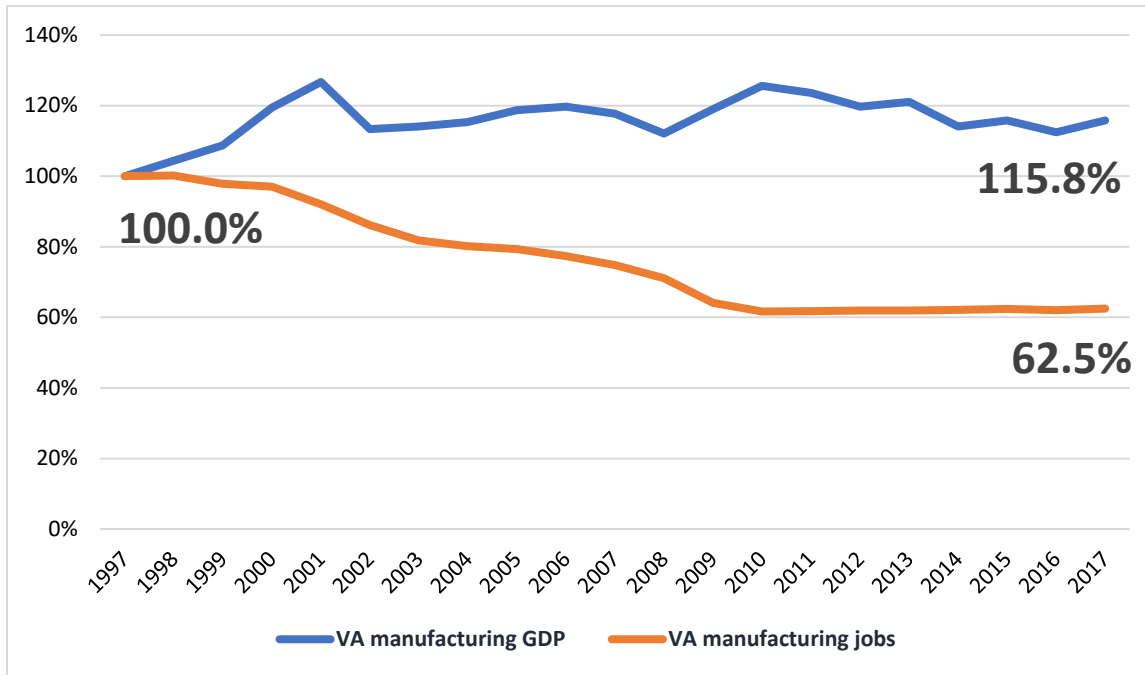
U.S. Bureau of Economic Analysis

The fundamentals of the Virginia economy's business climate and workforce appear to be positioned as one of the most competitive states, but some headwinds remain. The Federal government's large and rising debt will likely limit future investment and, as home to significant military facilities and government contractors, will impact the state. Another concern is the widening gap between prosperous areas of the state and those that have yet to experience new growth.

An economic development prioritization to strengthen Virginia's manufacturing sector could take better advantage of the state's skilled workers, sound infrastructure and stream of innovative ideas. New manufacturing investment and jobs could also better spread prosperity across more of Virginia. While manufacturing jobs have declined over the past 30 years due to

many factors, including automation, per employee output expanded significantly. The chart below shows that despite fewer jobs, manufacturing GDP has risen over 50 percent in the past 20 years.

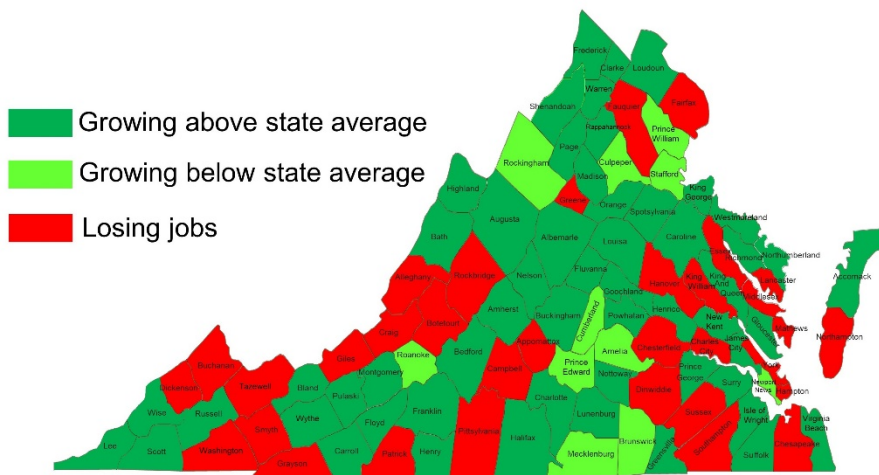
### Virginia Manufacturing Jobs and Manufacturing GDP Growth 1997 – 2018 (normalized as percent of levels in 1997)



Source: US Bureau of Labor Statistics QCEW & US Bureau of Economic Analysis GDP

This map shows that manufacturing job expansion over the past five years has been widespread across the state, bringing growth and prosperity to places that have been experiencing economic hardship.

### Percent Manufacturing Job Growth 2013 to 2018 Virginia average 3.5%



Source: US Bureau of Labor Statistics

Manufacturing can be better supported by a strategic commitment to

improve the business climate, focus on middle skill job training, increased global trade,



improved innovation commercialization, a cluster approach to economic development and to sustained private sector engagement. Virginia can be a national leader in nurturing tomorrow's advanced manufacturing. The foundation is strong. The Virginia Manufacturers Association is a ready and willing partner.

Below are the 2018 and 2017 Overall State Rankings.

2018 OVERALL STATE RANKINGS								
		BUSINESS CLIMATE	WORKFORCE	INFRA-STRUCTURE	INNOVATION	ECONOMIC STRENGTH	TOTAL RANKINGS	AVERAGE RANK
1	Minnesota	12	8	6	12	10	48	9.6
2	Texas	20T	10	3	14	7	54	10.8
3	Utah	14	11	4	6	21T	56	11.2
4	Washington	24	4	12	2	20	62	12.4
5	Iowa	10T	14	10	33	8T	75	15.0
6	North Carolina	8	23	25	7	14	77	15.4
7	Oregon	13	36	9	4	23	85	17.0
8	Idaho	7	37	5	21	26	96	19.2
9	Virginia	5	9	15	23	46	98	19.6
10	North Dakota	10T	5	1	41	42	99	19.8
11	Michigan	4	47	40T	8	2	101	20.2
12	Kansas	16	22	11	32	21T	102	20.4
13T	Arizona	6	31T	21	10	35T	103	20.6
13T	Colorado	30T	3	32T	11	27	103	20.6
15	Massachusetts	25	7	45	3	25	105	21.0
16	South Dakota	1	16	6	45	38	106	21.2
17T	Nebraska	9	13	16	40	29	107	21.4
17T	Pennsylvania	41	15	23	20	8T	107	21.4
19T	Maryland	30T	6	17	15T	41	109	21.8
19T	Ohio	2	28T	49	25T	5	109	21.8
21	Indiana	34	20	34T	24	1	113	22.6
22	Tennessee	19	34	32T	27	4	116	23.2
23	Kentucky	18	27	20	39	15	119	23.8
24	Florida	29	40	24	9	18	120	24.0
25T	Georgia	20T	38	37T	15T	11	121	24.2
25T	New Hampshire	26	12	48	18T	17	121	24.2
27	Wyoming	3	1	27	46	45	122	24.4
28	South Carolina	15	42	30	31	6	124	24.8
29	Illinois	50	24	18T	17	16	125	25.0
30	Nevada	17	45	2	30	32	126	25.2
31	Montana	45	2	13	37	30	127	25.4
32	California	49	33	44	1	3	130	26.0
33	Connecticut	32T	18	18T	22	47	137	27.4
34	Missouri	22T	19	47	13	40	141	28.2
35T	New Jersey	47	25	26	18T	28	144	28.8
35T	Wisconsin	38T	17	42	28	19	144	28.8
37T	Alabama	27T	44	39	35T	12	157	31.4
37T	New York	35	43	43	5	31	157	31.4
39	Vermont	32T	31T	8	38	49	158	31.6
40	Arkansas	22T	46	40T	43	13	164	32.8
41	Oklahoma	38T	21	22	42	43	166	33.2
42	Delaware	43T	39	36	25T	33	176	35.2
43	New Mexico	36	48	14	29	50	177	35.4
44	Louisiana	37	41	29	48	24	179	35.8
45	Maine	42	30	28	35T	48	183	36.6
46	Mississippi	27T	50	34T	47	35T	193	38.6
47	Rhode Island	46	28T	50	34	37	195	39.0
48T	Alaska	48	35	37T	49	34	203	40.6
48T	Hawaii	43T	26	46	44	44	203	40.6
50	West Virginia	38T	49	31	50	39	207	41.4
			top 15			bottom 15		



2017 OVERALL STATE RANKINGS								
		BUSINESS CLIMATE	WORKFORCE	INFRA-STRUCTURE	INNOVATION	ECONOMIC STRENGTH	TOTAL RANKINGS	AVERAGE RANK
1	Minnesota	9	8	7	15	9	48	9.6
2	Utah	10	11	17	4	21	63	12.6
3	Washington	32	4	13	2	16	67	13.4
4	Texas	34	10	1	16	8	69	13.8
5	Iowa	6	14	8	34	12	74	14.8
6	Massachusetts	17	7	39	3	17	83	16.6
7	Colorado	28	3	17	10	27	85	17.0
8	North Carolina	3	23	29	9	22	86	17.2
9	Virginia	4	9	11	25	46	95	19.0
10T	Idaho	21	37	9	19	13	99	19.8
10T	Connecticut	11	18	6	22	42	99	19.8
12	North Dakota	23	5	3	39	30	100	20.0
13	Michigan	2	47	46	5	1	101	20.2
14T	Ohio	8	28	40	26	5	107	21.4
14T	Pennsylvania	31	14	30	21	11	107	21.4
14T	Maryland	18	6	22	16	45	107	21.4
17T	Nebraska	4	13	21	35	36	109	21.8
17T	South Dakota	1	16	2	43	47	109	21.8
19T	Kentucky	24	27	13	40	6	110	22.0
19T	Missouri	15	19	50	8	18	110	22.0
21	Oregon	7	35	34	7	29	112	22.4
22	Kansas	20	22	12	33	27	114	22.8
23T	Illinois	50	24	16	11	14	115	23.0
23T	New Hampshire	16	12	44	20	23	115	23.0
25	Georgia	13	38	35	12	19	117	23.4
26	Indiana	25	20	47	24	3	119	23.8
27T	Tennessee	13	34	43	27	4	121	24.2
27T	Wisconsin	38	16	26	27	14	121	24.2
29	Wyoming	18	1	22	49	39	129	25.8
30	Montana	45	2	5	41	37	130	26.0
31	California	49	33	49	1	2	134	26.8
32	Arizona	12	31	48	13	34	138	27.6
33	New York	34	43	31	5	26	139	27.8
34	Florida	33	40	24	18	25	140	28.0
35	Vermont	30	31	4	38	43	146	29.2
36T	Alabama	21	44	38	36	9	148	29.6
36T	Oklahoma	42	20	20	42	24	148	29.6
38T	South Carolina	25	42	44	31	7	149	29.8
38T	New Jersey	39	25	37	14	34	149	29.8
40	Delaware	34	39	15	22	48	158	31.6
41	Louisiana	25	41	27	47	19	159	31.8
42	Nevada	37	45	10	32	38	162	32.4
43	Maine	41	30	31	30	44	176	35.2
44	Rhode Island	43	28	40	36	33	180	36.0
45	Arkansas	29	46	33	44	32	184	36.8
46	New Mexico	44	48	19	29	49	189	37.8
47	Mississippi	40	50	25	45	30	190	38.0
48	Hawaii	48	26	42	46	41	203	40.6
49	Alaska	47	35	27	48	50	207	41.4
50	West Virginia	46	49	36	50	40	221	44.2
			top 15			bottom 15		





# HIGHLIGHT

## Transportation Planning

**Transportation Planning has been a core function of the CVPDC since its formation in 1969.**

- The CVPDC houses the **Central Virginia Metropolitan Planning Organization (CVMPO)**, which is a federally-mandated body that facilitates long-range transportation planning in the region, fosters interjurisdictional communication and collaboration on transportation issues, and approves federal funding for transportation projects in the urbanized area.
- CVPDC staff also provide planning services to the **Greater Lynchburg Transit Company (GLTC)**, coordinate the CVMPO **Transportation Technical Committee**, and provide support on an as-needed basis for several community groups, including the LRBA's Lynchburg Regional Transportation Advocacy Group and the Lynchburg Pedestrian Advisory Committee.
- The PDC and MPO collaborate with federal, state, and local partners to **identify, prioritize, and secure funding** for transportation projects throughout the region. To achieve these objectives, the PDC conducts **transportation studies**, develops and maintains **Long-Range Transportation Plans (LRTPs)** for the urban and rural areas, assists localities with **plan and project development**, and provides **funding application** and **grant writing** assistance to localities.



### Long-Range Transportation Plan 2045 Update

The CVMPO is currently updating the LRTP looking out to a horizon of 2045. When completed in the fall of 2020, the plan will provide a strategy for providing transportation solutions for the region for the next twenty-five years. Unlike previous iterations of the plan, the 2045 update will **combine the formerly-separate urban and rural plans into one unified document**, and will incorporate the 2017 Lynchburg Regional **Connectivity Study**, which has been embraced by the area's business community.



The project team is also deploying some innovative public involvement strategies. These included having a **presence at large community events** like Get!Downtown (Lynchburg) and Centerfest (Bedford) where attendees learned about the process and play the **"Money Game,"** allocating a limited amount of play money towards different transportation priorities like road safety, public transit, new roads, bike/ped, etc. In partnership with VDOT, an interactive web-based **public survey** ran from December 6-January 15. Typically, LRTPs ultimately become bound books that are over two inches thick. For this update, the plan will be converted into a **web-based format** with maps and charts that will be easily-consumable by the public.



For more information on the plan update, visit [www.connectcentralvirginia2045.com](http://www.connectcentralvirginia2045.com).

### Planning & Project Assistance for Localities

CVPDC staff have been busy working with the region's localities to develop plans to move community initiatives forward. Planning projects or funding applications that are currently underway or that have been recently completed include:

- Town of Bedford Bike | Walk Plan
- Graves Mill Road Corridor Study (Lynchburg City & Bedford County)
- Appomattox Town Comprehensive Plan (Transportation Chapter)
- Forest Brook Road Corridor Study (Lynchburg City)
- Independence Boulevard & Forest Road Intersection Study (Town of Bedford)
- Riveredge Park Trail Extension (Amherst County)
- Town of Altavista Main Street Sidewalk Connector



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