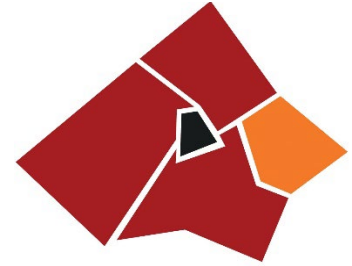


**Central Virginia Planning District Commission
Regular Meeting Agenda
5:00 p.m., September 21, 2023**



**CVPDC Offices – 828 Main Street, 12th Floor
Lynchburg, VA**

Electronic connection: <https://us02web.zoom.us/j/85882504953?pwd=cEN4MU1GUEZlVmhQU29jRlpuODlQUt09>

Dial In: (301) 715-8592
Meeting ID: 858 8250 4953
Passcode: 389007

- 1) Welcome & Introduction of New Members Richard Conner, CVPDC Chair
- 2) Consideration of Requests for Electronic Participation..... Chair
- 3) Special Guest: David Blount, Executive Director of the Virginia Association of PDCs
- 4) Presentation: CVPDC Housing Market Analysis.....Jonathan Knopf, HD Advisors
- 5) Meeting Minutes: Regular meeting, July 20, 2023 Chair
- 6) CVPDC Housing Development Program Awards..... Chair & Staff
- 7) Organizational Reports Staff
 - a) Financial ReportSandy Dobyns
 - b) Executive Director’s ReportAlec Brebner
 - i. Annual Audit Update
 - ii. Transportation Matters: PL funding, SMART SCALE
 - iii. On-Call Service Providers Procurement Renewal
- 8) Schedule of Events Chair
 - a) Next meeting: November 16, 2023
 - b) Holiday social/informal gathering: TBD in December (The third Thursday is Dec. 21.)
- 9) Other Business and Regional Roundtable Chair
- 10) Adjournment..... Chair

Central Virginia Planning District Commission
Amended Meeting Agenda Brief Sheet
5:00 p.m., September 21, 2023



- 1) Welcome and Introduction of New Members..... Richard Conner, CVPDC Chair
- 2) Consideration of Requests for Electronic Participation..... Dwayne Tuggle, Chair
- 3) Special Guest: David Blount, Executive Director of the Virginia Association of PDCs

4) Presentation: CVPDC Housing Market Analysis.....Jonathan Knopf, HD Advisors
CVPDC commissioned a regional housing market analysis funded by a \$100,000 grant from Virginia Housing (formerly VHDA). The analysis process included conversations with local governments, homebuilders, realtors, non-profit housing providers, and other stakeholders in the spaces of housing markets, choice, and attainability. Commissioners are encouraged to ask questions and engage in dialogue about findings and recommendations.

- 5) Meeting Minutes: Regular meeting, July 20, 2023 (page5).....Chair
The request of the Commission is approval of the minutes for its July meeting.

6) CVPDC Housing Development Program Awards (page 10) Chair & Staff
CVPDC’s third and final request for proposals of affordable housing construction has been reviewed and scored by staff. The CVPDC Housing Development Program invests \$2 million into new housing for lower-income households throughout the region over four years.

The request of the Commission is approval of staff recommendations to award grants to affordable housing providers as indicated in the attached report.

- 7) Organizational Reports Staff
 - a) Financial Report, Month Ending June 2023 (page 12).....Sandy Dobyns
 - b) Executive Director’s ReportAlec Brebner
 - i. Annual Audit Update (page 15)
 - ii. Transportation Matters: PL funding, SMART SCALE
 - iii. On-Call Service Providers Procurement Review

Staff will present items that may be of interest to the Commission. Discussion is encouraged. No action is required.

- 8) Schedule of Events..... Chair
 - a) Next meeting: November 16, 2023
 - b) Holiday social/informal gathering: TBD in December (The third Thursday of December is the 21st.)

The Chairman will entertain conversation about PDC meetings’ start time to encourage attendance as well as discussion about a date for a second annual holiday gathering.

c) Other Business and Regional Roundtable Chair
Commissioners may address the group with items of interest to the region.

d) Adjournment..... Chair



**Central Virginia Planning
District Commission**
828 Main Street, 12th Floor
Lynchburg, VA 24504
Office: (434) 845-3491
cvpdc.org

Central Virginia Planning District Commission Regular Meeting Minutes

Draft Minutes

July 20, 2023; 5:00 p.m.

CVPDC Offices

**828 Main Street, 12th Floor
Lynchburg, VA 24504**

Members Present:

Reggie Bennett, Vice-Mayor of Altavista
Jeremy Bryant, Amherst County
Richard Conner, Mayor of Appomattox
Jeff Helgeson, City of Lynchburg
Robert Hiss, Bedford County
Bruce Johannessen, Bedford Town
Megan Lucas, Lynchburg Regional Business
Alliance

Terry McGhee, Appomattox Town
Sara McGuffin, Amherst Town
Frank Rogers, Campbell County
Gary Shanaberger, Altavista Town
John Spencer, Appomattox County
Dwayne Tuggle, Mayor of Amherst
Drew Wade, Amherst County

Staff Present:

Alec Brebner, CVPDC
Kelly Hitchcock, CVPDC
Sara Oakley, CVPDC
Kirsten Trautman, CVPDC
Sandy Dobyns, CVPDC

Other:

John McGuire, District 56, House of Delegates

Order of Business:

1. Welcome

Chairman Dwayne Tuggle thanked everyone for coming to the meeting and officially called the meeting to order at 5:00 p.m. Richard Conner introduced special guest John McGuire, a member of the House of Delegates, District 56.

2. Consideration of requests for Electronic Participation

With no electronic participation, Dwayne moved to the next item on the agenda.

3. Meeting Minutes

There were two meeting minutes that needed to be approved by the board, the executive meeting minutes of May 11th and the regular meeting minutes of May 18th. Chairman Tuggle asked for a motion to approve both sets of minutes.

Robert Hiss made the motion, and Richard Connor seconded it.

All were in favor. The motion passed.

4. Regional Technology and Innovation Hub Planning Grant

The chair opened the floor to Alec Brebner and Megan Lucas to give more information regarding this planning grant. Alec explained that they were looking for authorization to proceed with the application.

Megan Lucas explained that they would be applying for the grant, which if awarded is \$500,000 for a year-long planning process. This would allow them to do the strategy to then apply for a “tech hub” designation. She explained that only two other communities were applying for this grant with the intent to specialize in nuclear. The application was due August 15th, and she credited Alec and Kelly of the CVPDC for their help with this process. Megan mentioned she and her team had already been working on making Lynchburg a Nuclear Hub and would continue that work even if the current application was unsuccessful. She explained that the geographic footprint is GO Virginia regions 1 and 2, and half of GOVA region 3.

John McGuire asked where the Governor was on this process.

Megan explained that he was fully behind this.

Jeff Helgeson asked what support from the CVPDC is needed for this process.

Alec said that if awarded the grant, they would be receiving the money and then distributing it.

Dwayne asked for a motion to approve the authorization to proceed with the application.

Richard Conner made the motion to approve authorization and Drew Wade seconded the motion.

All were in favor. The motion passed.

5. CVPDC Housing Development Program Awards

a. Exploration of a Bridge Loan Program for Local Housing Non-Profits and RFP for a Third Round of Affordable Housing Proposals

Alec reminded everyone of the \$2 million grant from Virginia Housing that was awarded a few years ago to the PDC. The PDC has invested about half a million dollars in different projects and now has half of the grant sum left. The question for the PDC was how to proceed with the rest of the grant available. Alec opened the floor to Kelly, who presented different ways the PDC could allocate the remainder of the grant including a Bridge Loan Program that nearby PDCs are now doing.

Kelly explained that Housing Forward Virginia was the consultant hired to lead a regional housing study. From data collection, focus study groups, and policy evaluations, along with speaking with many individuals from housing developers to staff, the consultant was able to collect the information needed to develop the housing study. Kelly explained that staff would be bringing the whole study back to the board in September.

Explaining more about the housing development program, Kelly said that originally the plan was to award \$1.7 million of the grant leaving \$300,000 as PDC funds. The PDC has not spent out this \$300,000 due to staffing changes and other grants. The PDC would submit to Virginia Housing a request to use \$100,000 to see a revolving loan fund or Bridge Loan Program. Staff would propose to publish another RFP for the remaining balance.

The request of the Commission is authorization to proceed with exploration of a Bridge Loan Program for Local Housing Non-Profits and an RFP for a Third Round of Affordable Housing Proposals.

Dwayne asked for a motion to authorize the investigation of the Bridge Loan Program.

Terry McGhee made the motion to authorize staff to proceed with exploration of the Bridge Loan Program. Gary Shanaberger seconded the motion.

All were in favor. The motion passed

Dwayne then asked for a motion to authorize the RFP for a Third Round of Affordable Housing Proposals.

Richard Conner made the motion to authorize the RFP, and Drew Wade seconded the motion.

All were in favor. The motion passed.

6. On-Call Service Providers Procurement Renewal

Alec explained that the board had discussed in March that the CVPDC on-call consulting contracts are up for renewal. They directed the staff to explore opportunities for regional contracting. The conclusion of discussions with local government managers is that CVPDC will renew efforts to convene local procurement managers for discussions about future collaborations. CVPDC staff will proceed with RFQs for on-call consultants for work in General Planning, GIS, Transportation Planning and engineering, and Stormwater Planning and Engineering. Successful bids will be brought back for approval.

Dwayne entertained a motion to proceed with the requests for qualifications for on-call consultants.

John Spencer made the motion for authorization, and Wynter Benda seconded the motion for this.

All were in favor. The motion passed.

7. Organizational Reports

a. Financial Reports

Sandy Dobyns reported on year-to-date financials, noting that operations were under budget due to staffing shortages and that direct expenses for projects and revenues were also under budget. This did not include billing for the fourth quarter and there was additional revenue coming that was not on the report but will be included in the fourth quarter.

b. Executive Director's Report

i. Hazard Mitigation Grant Program

This grant program was underway and this grant instead of being an 80/20 match. This Hazard Mitigation Grant 95% funding, and the PDC would only have to contribute a 5% match. Alec thanked the board for everyone's fast response that helped secure this grant.

ii. State Homeland Security Grant Program

Alec thanked Campbell County who was able to apply for this grant and be the recipient for this. The purpose of the grant is to buy generators for radio communication towers that help first responders communicate.

iii. Southeast Crescent Regional Commission

The first requirement for the PDC under this new multi-state commission would be to register as a local development district. This could be an opportunity to provide a funding stream to the area. The board decided to have Alec register the region in this commission, qualifying the PDC and its member local governments to apply for implementation grants. Dwayne asked the board if there was consensus on this, and the board concurred.

iv. Staffing

Alec introduced Sara Oakley, a new member of the staff, and said that they were very excited to have her aboard, and she will be working directly with Kelly.

8. Selection of PDC officers for 2023-2024

The start of the fiscal year is time to appoint new officers. Richard Conner was nominated for chair and Jeff Helgeson was nominated for vice-chair. Terry McGhee was nominated for treasurer.

Megan Lucas made the motion for nomination and election, and Gary Shanaberger seconded the motion.

All were in favor. The motion passed.

9. Other Business

With no other business for the board to discuss, Dwayne moved to the final item on the agenda and asked for a motion to adjourn.

10. Adjournment

Megan Lucas made the motion to adjourn the meeting, and Richard Connor seconded the motion.

All were in favor. The meeting officially ended at 5:35 pm.

CVPDC Housing Development Program – Grant Award Consideration

Staff Report

Purpose:

Request Commission approval consideration for Round 3 Request for Application (RFA) award from the CVPDC Housing Development Program funds, from the \$2,000,0000 Virginia Housing grant award, to support affordable housing development.

Program Overview:

The CVPDC was awarded \$2,000,000 in program funding, with an assurance of full award with the completion of at least 20 units by July 30, 2024. The Commission, from September 16, 2021, to March 16, 2023 has awarded \$1,223,131 to five developers that will result in 47 affordable units, 31 apartments, and 10 single-family homes.

Current Application Round

The CVPDC issued the Round 3 RFA July 31, 2023, with proposals due September 7, 2023, to expend \$476,800 in grant funding. Seven (7) applications, totaling \$1,607,869 in requests were received.

As with the previous RFA round, we received compelling applications from affordable housing development leaders. All of the projects are needed in our area.

Based on the evaluation criteria, with project readiness associated with secured leveraged project funds to ensure completion by the June 30, 2025, deadline and the amount of funding requested, weighing heavily on the rating evaluations, staff has recommended awards for three (3) projects totaling \$476,800. All three projects are proposed by housing non-profits. Two are located in Lynchburg City and one in Amherst County. A summary of all of the applications, with staff-recommended projects shown in red, is provided below.

Of those projects not recommended by staff for funding, applicants B&W Investments and The Lighthouse did not clearly demonstrate mechanisms to maintain affordability of proposed units. Three of the remaining four applicants have track records of approval in CVPDC's Housing Development Program.

Staff Recommendation: CVPDC approval award of \$476,800 in the CVPDC Housing Development Program funds as follows:

- \$2200,000 Greater Lynchburg Habitat for Humanity for Knott Street homes,
- \$150,000 Amherst County Habitat for Humanity for Madison Heights homes, and
- \$106,800 to RUSH Homes for Carolyn's Place.

Staff would further recommend condition approvals for both Amherst County Habitat for Humanity and RUSH Homes; wherein, the conditions are each applicant will secure properly zoned sites for their projects by the end of the 2023 calendar year and demonstrate adequate leverage by June 30, 2024, to begin construction. The awards to these agencies will be reserved until June 2024. If they cannot secure leverage funding and be ready to begin drawing funds, CVPDC can move to seek other award options in Fiscal Year 2025.

REQUEST FOR APPLICATION - Round 3
CVPDC - Housing Development Program

APPLICATION SUBMISSION SUMMARY SHEET

Company/Agency Name	Location	General Grant Request Summary			
		Total Request Amount	General Structure Request	Request per Structure	Compelling Factors
Greater Lynchburg Habitat for Humanity	Lynchburg	\$220,000	4 Single Family, create home ownership	\$55,000/unit	Creates home ownership. Will complete the new housing development along Knott Street (9 homes)
B & W Investments, LLC	Gladys	\$62,000	Single family house rehab for rental	\$62,000	More private rehab project
B & W Investments, LLC	Altavista	\$49,000	Single Rehab for resale	\$49,000	More of a house flipping application
Lynchburg Redevelopment Housing Authority	Lynchburg	\$476,869	37-unit rental units; part of Dearington Hills Redevelopment	\$15,383/unit	Readiness and lack of committed partnership funding to ensure completion by 6/2025
Amherst County Habitat for Humanity	Amherst County	\$150,000	2 single-family, homeownership	\$75,000/unit	Creates home ownership. Award conditional on completed funding by June 2024. If not ready, will award to another agency.
The Lighthouse	Lynchburg	\$150,000	10 Single Family, homeownership (land lease)	\$15,000/unit	Readiness and lack of committed partnership funding to ensure completion by 6/2025
Rush Homes	Lynchburg	\$500,000	8 rental units, special needs	\$13,350/unit	Provides much needed special population housing. Award amount \$106,800. Less than asking and conditional on completed funding by June 2024. If not ready, will award to another agency.

Central Virginia Planning District Commission				
Budget vs Actual FY24				
Actual as of August 31, 2023				
	<u>FY 24</u> <u>Approved</u> <u>Budget</u>	<u>Actual</u> <u>as of</u> <u>8/31/2023</u>	<u>Balance of</u> <u>Budget</u> <u>Available</u>	<u>% of Budget</u> <u>Used Y-T-D</u>
OPERATIONS FUND (EXPENDITURES)				
SALARY				
ADMINISTRATION	180,621	30,104	150,518	16.67%
FINANCE	138,600	18,752	119,848	13.53%
OPERATIONS	228,469	32,078	196,391	14.04%
	547,690	80,933	466,757	14.78%
INTERNSHIP	5,400		5,400	
PART TIME HELP	20,857	2,394	18,463	11.48%
Total Salaries & Wages	573,947	83,328	490,619	14.52%
EMPLOYER COST FICA	43,907	6,167	37,740	14.04%
EMPLOYER COST V R S	23,753	2,482	21,271	10.45%
EMPLOYER COST HEALTH INS	116,257	16,438	99,820	14.14%
EMPLOYER COST LIFE INS	7,733	1,421	6,312	18.37%
WORKERS COMP	1,900	466	1,434	24.54%
UNEMPLOYMENT COMPENSATION			0	#DIV/0!
Total Fringe Benefits	193,550	26,973	166,577	13.94%
OFFICE EXPENSES				
AUDITING SERVICES	7,500		7,500	0.00%
PAYROLL ACCOUNTING SERVICES	8,000	2,384	5,616	29.80%
LEGAL SERVICES	3,000		3,000	0.00%
LIABILITY INSURANCE	1,200	3,546	(2,346)	295.51%
CONTRACTUAL SERVICES	35,000	2,475	32,525	7.07%
ADVERTISING	1,500		1,500	0.00%
POSTAGE	600	64	536	10.62%
TELEPHONE	6,000	1,379	4,621	22.98%
INTERNET SERVICES	1,000	166	834	16.64%
OFFICE SUPPLIES	5,000	446	4,554	8.92%
PRINTING & BINDING	1,000		1,000	0.00%
TRAVEL	10,000	231	9,769	2.31%
SPECIAL MEETINGS	5,000	1,400	3,600	28.00%
EDUCATION & TRAINING	5,000	2,397	2,603	47.94%
DUES, SUBSCRIPTIONS	10,000	4,148	5,852	41.48%
PUBLICATIONS	500		500	0.00%
MISCELLANEOUS EXPENSES	1,000	45	955	4.46%
FURNITURE & FIXTURES	1,000	-	1,000	0.00%
RENTAL OFFICE EQUIPMENT	4,000	618	3,382	15.45%
OFFICE RENT	71,314	12,124	59,190	17.00%
PARKING	1,200	200	1,000	16.67%
CONTINGENT 2% SALARY INCREASE	10,297		10,297	
COMPUTER EQUIP/SOFTWARE	12,000	2,885	9,115	24.04%
Total Office Expenses	201,111	34,508	166,603	17.16%
Total Operations Expenses	968,608	144,808	823,800	14.95%

Central Virginia Planning District Commission				
Budget vs Actual FY24				
Actual as of August 31, 2023				
	<u>FY 24</u> <u>Approved</u> <u>Budget</u>	<u>Actual</u> <u>as of</u> <u>8/31/2023</u>	<u>Balance of</u> <u>Budget</u> <u>Available</u>	<u>% of Budget</u> <u>Used Y-T-D</u>
Total Operations Expenses (from Page 1)	968,608	144,808	823,800	14.95%
Direct Project Expenses				
Appomattox Church Street Water Line	300	-	300	0.00%
Bedford Town CDBG	700	155	545	22.14%
CEDS	49,000	-	49,000	0.00%
Brownfields Assessment - EPA	160,000	23,328	136,672	14.58%
CVCC-CTE GoVA	13,939		13,939	0.00%
Chesapeake Bay WIP III - DEQ	4,000		4,000	0.00%
DCR CFPF Resiliency Plan	60,000		60,000	0.00%
DRPT / FTA	90,000		90,000	0.00%
National Fish & Wildlife Middle James Proj	40,000		40,000	0.00%
Regional Radio Board	1,000		1,000	0.00%
RideSolutions	8,216	306	7,910	3.72%
RideSolutions Mobility	8,000		8,000	0.00%
US DOT Safe Streets & Roads for All (SS4A)	160,000		160,000	0.00%
VDOT - PL	320,000	579	319,421	0.18%
VDOT - Rural	3,000		3,000	0.00%
Virginia Housing	100		100	0.00%
WIOA	544,004		544,004	0.00%
	-		-	
Total Direct Project Expenses	1,462,259	24,368	1,437,891	1.67%
TOTAL OPERATING & DIRECT PROJECT EXPENSES	\$2,430,867	169,176	\$2,261,691	6.96%
Pass Thru Expenses				
Regional Radio Board	1,248,668	128,292	1,120,376	10.27%
Virginia Housing	1,300,000		1,300,000	
WIOA	1,135,000	226,838	908,162	19.99%
Total Pass Thru Expenses	\$3,683,668	355,130	\$3,328,538	9.64%
Total Expenses	\$6,114,535	524,306	\$5,590,229	8.57%

Central Virginia Planning District Commission				
Budget vs Actual FY24				
Actual as of August 31, 2023				
	<u>FY 24 Approved Budget</u>	<u>Actual as of 8/31/2023</u>	<u>Balance of Budget Available</u>	<u>% Of Budget Received</u>
Revenues				
OPERATIONS FUND (REVENUE)				
Dues	175,688	175,688	0	100.00%
DHCD	89,971		89,971	0.00%
Miscellaneous Revenue	0		0	#DIV/0!
Total Operations Revenue	265,659	175,688	89,971	66.13%
Direct Project Revenues				
Appomattox Church Street Water Line	10,000		10,000	0.00%
Bedford Town CDBG (Hilltop)	46,250		46,250	0.00%
CEDS	30,000		30,000	0.00%
Brownfields - EPA	203,500	22,000	181,500	10.81%
Chesapeake Bay WIP III - DEQ	35,000		35,000	0.00%
DCR CFPF Resiliency Plan	54,000		54,000	
DRPT / FTA	131,879		131,879	0.00%
National Fish & Wildlife Middle James Proj	44,000		44,000	
Regional Radio Board	34,000		34,000	0.00%
Region 2000 Services Authority	182,700	13,004	169,696	7.12%
RideSolutions	51,200		51,200	0.00%
Ride Solutions Mobility	14,000		14,000	0.00%
US DOT Safe Streets & Roads for All (SS4A)	160,000		160,000	
VDOT-PL	445,851		445,851	0.00%
VDOT-Rural	58,000		58,000	0.00%
Virginia Housing	50,000	7,066	42,934	14.13%
WIOA	609,004	3,491	605,513	0.57%
Total Direct Project Revenues	2,159,384	45,561	2,113,823	2.11%
Interest	6,000	1,340	4,660	22.34%
TOTAL OPERATIONS & DIRECT PROJECT REVENUES	2,431,043	222,589	2,208,454	9.16%
Surplus/(Use of Fund) Balance	176	53,413	(53,237)	30348.09%
Funding from Fund Balance				
CVCC-CTE			0	#DIV/0!
CEDS	30,000	-	30,000	0.00%
Funding from Fund Balance	30,000	-	30,000	0.00%
	\$30,176	\$53,413	(\$23,237)	177.00%
Pass Thru Revenue				
Regional Radio Board	1,248,668	1,027,204	221,464	82.26%
Virginia Housing	1,300,000		1,300,000	
WIOA	1,135,000	142,527	992,473	12.56%
Total Pass Thru Revenues	\$3,683,668	\$1,169,731	\$2,513,937	31.75%
Total Revenue	6,144,711	1,392,320	4,752,391	22.66%
Net Surplus/(Use of Fund) Balance	30,176	868,013	(837,837)	
Local Government Investment Pool (LGIP) Balance	296,533			



June 27, 2023

Mr. Alec Brebner, Executive Director
Central Virginia Planning District Commission
828 Main Street, 12th Floor
Lynchburg, Virginia 24504

Dear Mr. Brebner:

We are pleased to confirm our understanding of the services we are to provide Central Virginia Planning District Commission for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities, and the disclosures, which collectively comprise the basic financial statements of Central Virginia Planning District Commission as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement Central Virginia Planning District Commission’s 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. As part of our engagement, we will apply certain limited procedures to Central Virginia Planning District Commission’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis
- 2) Schedules related to pension and OPEB funding

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Audit Scope and Objectives (Continued)

We have also been engaged to report on supplementary information other than RSI that accompanies the Commission's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements:

1) Schedule of expenditures of federal awards

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Auditor’s Responsibilities for the Audit of the Financial Statements and Single Audit (Continued)

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government’s ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management Override of Controls
- Implementation of new accounting pronouncements

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Audit Procedures—Internal Control (Continued)

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Central Virginia Planning District Commission’s compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Central Virginia Planning District Commission’s major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Central Virginia Planning District Commission’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

Financial Statement and SEFA Preparation

We will also assist in preparing the financial statements, schedule of expenditures of federal awards (SEFA), and related notes of Central Virginia Planning District Commission in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement, schedule of expenditures of federal awards, and related notes, and the data collection form. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Virginia Retirement System Examination

We will examine management’s assertion that the census data reported to the Virginia Retirement System (“VRS”) by the Central Virginia Planning District Commission during the year ended June 30, 2023, is complete and accurate. The objectives of our examination are to (1) obtain reasonable assurance about whether management’s assertion that the census data reported to the VRS is free from material misstatement based on the requirements to be met by participants in the VRS as defined by the VRS and the Board of Trustees’ plan provisions as mandated in the Code of Virginia Section 51.1-136; and (2) to express an opinion as to whether management’s assertion that the census data reported to the VRS is fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the AICPA. Accordingly, it will include examining, on a test basis, management’s records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to Central Virginia Planning District Commission and the Auditor of Public Accounts of the Commonwealth of Virginia. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance about whether management’s assertion that the census data reported to the VRS is free from material misstatement, based on the requirements to be met by participants in the VRS as defined by the VRS and the Board of Trustees’ plan provisions as mandated in the Code Section of Virginia Section 51.1-136. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, known and suspected fraud, noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud, noncompliance with laws or regulations, internal control deficiencies identified during the engagement and uncorrected misstatements that come to our attention, unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the preparation of the subject matter, but the responsibility for the subject matter remains with you.

Management is responsible for the presentation of the census data described above in accordance with the requirements described above; and for selecting the criteria and determining that such criteria are suitable, will be available to intended users, and are appropriate for the purpose of the engagement. Management is responsible for, and agree to provide us with, a written assertion about whether the presentation of the census data described above is presented in accordance with the requirements described above. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America, with the oversight of those charged with governance; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

Responsibilities of Management for the Financial Statements and Single Audit (Continued)

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

As an attest client, Robinson, Farmer, Cox Associates cannot retain your documents on your behalf. This is in accordance with the ET 1.295.143 of the *AICPA Code of Professional Conduct*. Central Virginia Planning District Commission is responsible for maintaining its own data and records.

Engagement Administration, Fees, and Other (Continued)

ShareFile is used solely as a method of exchanging information and is not intended to store Central Virginia Planning District Commission’s information. At the end of the engagement, Robinson, Farmer, Cox Associates will provide Central Virginia Planning District Commission with a copy (in an agreed-upon format) of deliverables and data related to the engagement.

Upon completion of the engagement, data and other content will either be removed from the ShareFile portal or become unavailable to Robinson, Farmer, Cox Associates within a reasonable time frame as determined by our internal record retention policy.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management’s responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor’s reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor’s reports or nine months after the end of the audit period.

The audit documentation for this engagement is the property of Robinson, Farmer, Cox Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Robinson, Farmer, Cox Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the granting agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Matthew A. McLearn is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in August 2023 and to issue our reports upon approval and receipt of required signed representations.

Our fee for these services for the year ended June 30, 2023 will be as follows:

Central Virginia Planning District Commission Audit	\$	14,100
Implementation of GASB 96, if applicable		<u>2,000</u>
Total	\$	<u><u>16,100</u></u>

Our fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

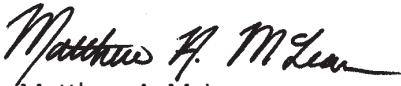
We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and those charged with governance of Central Virginia Planning District Commission. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Central Virginia Planning District Commission and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

ROBINSON, FARMER, COX ASSOCIATES



Matthew A. McLearn
Certified Public Accountant
Member

RESPONSE:

This letter correctly sets forth the understanding of Central Virginia Planning District Commission.

By: _____ By: _____

Title: _____ Title: _____

Central Virginia Planning District Commission
Inquiries of Those Charged with Governance about the Risk of Fraud and How Risks are
Addressed For the Year Ended June 30, 2023

Confidential communication with auditor

Name _____ Title _____

How many years have you been on the Board? _____

Do you have an understanding of the risks of fraud within the organization? Yes _____ No _____

Please explain the Board's role in the organization's assessment of the risks of fraud and the programs and controls established to mitigate those risks.

Please list any specific fraud risks, if any, the organization has identified or account balances or transaction classes that may be susceptible to fraud?

Has the Board implemented any new financial policies in the last year?
If so, please explain. Yes _____ No _____

Do you have any knowledge of any fraud, allegations of fraud, or suspected fraud?
If yes, please explain: Yes _____ No _____

Does the organization have operating locations that are susceptible to fraud?
If yes, what are the locations and how are they monitored? Yes _____ No _____

Are you aware of any noncompliance with any laws or regulations within the organization?
If yes, please explain: Yes _____ No _____

Does the organization communicate to employees the importance of ethical behavior and appropriate business practices? Yes _____ No _____

Does the organization have procedures employees are to follow if they become aware of fraud, alleged fraud or suspect fraud? Yes _____ No _____

Signature: _____ Date: _____

Please return completed questionnaire directly to the auditor.

*Robinson, Farmer, Cox Associates
P.O. Box 6580, Charlottesville, VA 22906
Phone (434) 973-8314
Fax (434) 974-7363
Matt McLearen
Email: [__mmclearen@rfca.com](mailto:mmclearen@rfca.com)*