CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

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CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

DIRECTORY OF PRINCIPAL OFFICIALS

BOARD OF DIRECTORS

Treney Tweedy, Chair
City of Lynchburg, Virginia

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

Alexander W. Brebner, Secretary
Central Virginia Planning District Commission

Sara McGuffin, Treasurer
Town of Amherst, Virginia

KEY EMPLOYEES

Traci Blido, Workforce Development Director

Alexander W. Brebner, Executive Director

Kelly Hitchcock, Planning and Development Director

Tonya Hengeli, Finance Director

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise Central Virginia Planning District Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Central Virginia Planning District Commission, as of June 30, 2022, and the 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Virginia Planning District Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, Central Virginia Planning District Commission adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, and 92, *Omnibus 2020*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Virginia Planning District Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Virginia Planning District Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Central Virginia Planning District Commission's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Central Virginia Planning District Commission's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, 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 30, 2022

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, 2022. 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 40 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 $10,434,196 (net position). Of this amount $2,342,462 (unrestricted) may be used to meet the Commission's ongoing obligations to customers and creditors.

The Commission's total net position decreased by $46,543 in the most recent fiscal year.

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 $10,489,196 at the close of the most recent fiscal year.

	Net Position	
	2022	2021
Current and other assets	$ 3,524,754	$ 4,344,407
Capital assets	12,929,413	12,459,436
Total assets	$ 16,454,167	$ 16,803,843
Deferred outflows of resources	$ 89,551	$ 126,398
Current liabilities	$ 114,422	$ 276,459
Long-term liabilities	5,646,613	6,122,248
Total liabilities	$ 5,761,035	$ 6,398,707
Deferred inflows of resources	$ 348,487	$ 50,795
Net position:		
Net investment in capital assets	$ 7,334,667	$ 6,479,436
Restricted - net pension asset	757,067	440,363
Unrestricted	2,342,462	3,560,940
Total net position	$ 10,434,196	$ 10,480,739

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

	Change in Net Position	
	2022	2021
Revenues:		
Operating revenues, other than dues	$ 3,197,765	$ 3,594,869
Participating government operating contributions (dues)	158,836	156,242
Nonoperating revenue	1,015,198	1,112,020
Total revenues	$ 4,371,799	$ 4,863,131
Expenses:		
Operating expenses	$ 4,318,819	$ 4,553,693
Interest expense	98,399	204,389
Bond issuance costs	55,000	-
Total expenses	$ 4,472,218	$ 4,758,082
Capital contributions	$ 53,876	$ 1,620,883
Change in net position	$ (46,543)	$ 1,725,932
Net position - July 1	8,754,807	8,754,807
Net position - June 30	$ 8,708,264	$ 10,480,739

The Commission receives capital contributions from Campbell County in order for the county to participate in the Radio Board. Total revenues, including capital contributions, decreased $2,058,339 from fiscal year 2022 to fiscal year 2021, while expenses decreased 285,864 over the same periods.

Capital Asset Administration

The Commission's investment in capital assets as of June 30, 2022 amounted to $12,929,413 (net of accumulated depreciation). Investment in capital assets increased 3.77% during the year. Below is a comparison of the items that made up capital assets as of June 30, 2022 and June 30, 2021.

	Capital Assets	
	2022	**2021**
Land	$ 100,000	$ 100,000
Construction in progress	495,000	-
Regional radio	11,854,451	12,345,836
Furniture and equipment	4,832	13,600
Leased land	177,747	-
Leased office space	7,682	
Leased tower space	289,701	-
Total Capital Assets	$ 12,929,413	$ 12,459,436

Review of Operations

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 Transportation Planning Organization (TPO)
- 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. Having staff to serve these organizations under 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. During 2023, Campbell County will be joining the system.

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. HumanKind serves as the Workforce Board's contract vendor providing direct services.

Transportation

The Central Virginia TPO and the Planning District Commission continued to provide transportation planning services in the region. We provided technical assistance to Smart Scale and Transportation Alternative Program Grants in the region. Staff also completed a corridor study on Village Highway in Rustburg.

Transit Services

The Planning District Commission and Central Virginia TPO 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 Amherst County with a housing rehabilitation project in Old Town Madison Heights improving neighborhoods and sub-standard housing. We completed our work with Appomattox Town in the Meadowlark Neighborhood. We were selected to receive $2 million from Virginia Housing for new housing starts and received authorization to apply for funds for a regional housing study.

Central Virginia Community College Career and Technical Education Academy

The Planning District Commission approved $134,000 in funding to match GO Virginia funds to provide staffing for CVCC's new Career and Technical Education Academy.

Ride Solutions

The Ride Solutions and Vanpool programs were dormant due to COVID-19 during the year. It is expected that they will restart with the new year.

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 and other grants

The Hazard Mitigation Plan was updated and accepted by all of our jurisdictions. The PDC authorized staff to apply for a Brownfields Assessment grant from the federal Environmental Protection Agency.

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, 12th Floor, Lynchburg, VA 24504.

Basic Financial Statements

STATEMENT OF NET POSITION
AT JUNE 30, 2022
WITH COMPARATIVE TOTALS AT JUNE 30, 2021

	At June 30, 2022	At June 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	$ 2,293,982	$ 3,364,616
Accounts/grants receivable/Due from other governments (Note 3)	434,810	532,693
Prepaid expenses	38,895	6,735
Total current assets	$ 2,767,687	$ 3,904,044
Long-term assets:		
Net pension asset (Note 5)	$ 757,067	$ 440,363
Capital assets, net (Note 4)	12,929,413	12,459,436
Total long-term assets	$ 13,686,480	$ 12,899,799
Total assets	$ 16,454,167	$ 16,803,843
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	$ 74,481	$ 108,304
OPEB related items	15,070	18,094
Total deferred outflows of resources	$ 89,551	$ 126,398
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	$ 32,787	$ 176,840
Accrued interest payable	11,670	30,299
Funds held for others	5,687	5,042
Compensated absences (Note 6)	64,278	64,278
Revenue bonds, current portion (Note 13)	992,000	920,000
Lease liabilities, current portion (Note 13)	156,517	-
Total current liabilities	$ 1,262,939	$ 1,196,459
Long-term liabilities:		
Revenue bonds, less current portion (Note 13)	$ 4,119,000	$ 5,060,000
Lease liabilties, less current portion (Note 13)	327,229	-
Net OPEB liabilities	51,867	142,248
Total long-term liabilities	$ 4,498,096	$ 5,202,248
Total liabilities	$ 5,761,035	$ 6,398,707
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$ 255,717	$ 33,219
OPEB related items	92,770	17,576
Total deferred inflows of resources	$ 348,487	$ 50,795
NET POSITION		
Net investment in capital assets	$ 7,334,667	$ 6,479,436
Restricted - net pension asset	757,067	440,363
Unrestricted	2,342,462	3,560,940
Total net position	$ 10,434,196	$ 10,480,739

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	Year Ended June 30, 2022	Year Ended June 30, 2021
Operating Revenues		
Grants		
Commonwealth of Virginia		
Department of Housing and Community Development	$ 97,971	$ 99,097
Virginia Employment Commission	-	70,691
Department of Emergency Management	-	6,266
Department of Transportation	48,001	68,508
Federal		
Department of Transportation - Highway Planning and Construction	180,737	282,368
Department of Transportation - Planning	50,226	115,137
Environmental Protection Agency		
Chesapeake Bay Program	58,000	52,000
Workforce Investment Act		
Adult Programs	525,007	453,309
Youth Programs	524,838	459,948
Dislocated Worker Formula Grants	316,749	406,808
Department of Labor - Employment Service/Wagner-Peyser Funded Activities	-	124,905
Department of Treasury - Coronavirus Relief Funds	4,733	22,086
Department of Emergency Management		
Hazard Mitigation Grant	-	23,498
Other Revenue		
Regional Radio Board	1,156,297	1,200,313
Dues and matching funds - participating localities	158,836	156,242
Grant management and other fees	171,164	205,462
Miscellaneous	64,042	4,473
Total operating revenues	$ 3,356,601	$ 3,751,111
Operating Expenses		
Administrative		
Salaries	$ 91,067	$ 68,346
Fringe benefits	52,334	37,004
Other unallocated overhead	284,879	127,212
Program		
Allocated administrative salaries	505,338	623,688
Allocated fringe benefits	290,408	318,792
Direct program	3,094,793	3,378,651
Total operating expenses	$ 4,318,819	$ 4,553,693
Operating income (loss)	$ (962,218)	$ (802,582)
Nonoperating Revenues (Expenses)		
Interest income	$ 4,522	$ 7,042
Interest expense	(98,399)	(204,389)
Bond issuance costs	(55,000)	-
Member jurisdiction payments	1,010,676	1,104,978
Total nonoperating revenues (expenses)	$ 861,799	$ 907,631
Income (loss) before contributions	$ (100,419)	$ 105,049
Capital contributions	$ 53,876	$ 1,620,883
Change in net position	$ (46,543)	$ 1,725,932
Net position - beginning at July 1	10,480,739	8,754,807
Net position - ending at June 30	$ 10,434,196	$ 10,480,739

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

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	Year Ended June 30, 2022	Year Ended June 30, 2021
Cash Flow From Operating Activities		
Receipts from granting agencies and participating localities	$ 3,454,484	$ 3,617,096
Payments to suppliers	(2,428,318)	(2,596,812)
Payments to and on behalf of employees	(1,011,693)	(1,078,666)
Net cash provided by (used for) operating activities	$ 14,473	$ (58,382)
Cash Flow From Capital and Related Financing Activities		
Purchase of capital assets	$ (962,380)	$ (222,754)
Capital contributions	53,876	1,620,883
Member jurisdiction payments	1,010,676	1,104,978
Principal payments on bonds and leases	(1,074,773)	(892,000)
Interest paid on bonds and leases	(117,028)	(208,908)
Payment of bond issue costs	(55,000)	-
Refunding of bonds	(5,980,000)	-
Proceeds from the issuance of debt	6,035,000	-
Net cash provided by (used for) capital and related financing activities	$ (1,089,629)	$ 1,402,199
Cash Flow From Investing Activities		
Interest income	$ 4,522	$ 7,042
Net increase (decrease) in cash and cash equivalents	$ (1,070,634)	$ 1,350,859
Cash and cash equivalents at beginning of year	3,364,616	2,013,757
Cash and cash equivalents at end of year	$ 2,293,982	$ 3,364,616
Reconciliation of Operating income (loss) to Net Cash provided by (used for) operating activities		
Operating income (loss)	$ (962,218)	$ (802,582)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	1,126,922	922,974
Accounts and grants receivable	97,883	(134,015)
Prepaid expenses	(32,160)	19,159
Net pension asset	(316,704)	91,281
Deferred outflows - pension related items	33,823	(38,446)
Deferred outflows - OPEB related items	3,024	2,650
Accounts payable	(144,053)	(33,457)
Funds held for others	645	375
Compensated absences	-	5,259
Net OPEB liabilities	(90,381)	(15,342)
Deferred inflows - pension related items	222,498	(70,760)
Deferred inflows - OPEB related items	75,194	(5,478)
Net cash provided by (used for) operating activities	$ 14,473	$ (58,382)

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 and amortization of leased assets is discussed in the Leases section of Note 1. 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 and software	3-5 years

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

Leases:

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

Lessee
The Commission recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of $2,000, individually or in the aggregate. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

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

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

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

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.

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

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. 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 amortization 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.

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.

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on this item, reference the related notes.

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

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

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 fiduciary net 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:

For purposes of measuring the net GLI OPEB Plan 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 OPEB Plan and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Adoption of accounting principles:

The Commission implemented provisions of GASB Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the Commission recognized leased assets and lease liabilities of $634,519 related to the leases as of July 1, 2021.

NOTE 2—DEPOSITS AND INVESTMENTS:

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.

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

The Commission does not have a formal investment policy.

Credit Risk of Debt Securities

The Commission's rated debt investments as of June 30, 2022 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.

Commission's Rated Debt Investments' Values

		Fair Quality Ratings
		AAAm
Local Government Investment Pool	$	1,296,330
VIP Stable NAV Liquidity Pool		195,800
Total	$	1,492,130

Fair Value Measurements: Fair value of the Virginia Investment Pool (VIP) 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).

Redemption Restrictions: The Commission is limited to two VIP Stable NAV Liquidity Pool withdrawals per month which requires a five day notice.

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk

	Investment Maturities (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	$ 1,296,330	$ 1,296,330
VIP Stable NAV Liquidity Pool	195,800	195,800
	$ 1,492,130	$ 1,492,130

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/GRANTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS:

Accounts and grants receivable are as follows:

	2022	2021
Virginia Department of Transportation	$ 109,741	$ 88,636
Virginia Department of Rail and Public Transportation	10,966	34,029
Virginia Department of Emergency Management	29,764	29,764
Virginia Employment Commission	19,293	22,509
VCCS for Workforce Investment Opportunity Act	238,639	149,676
Radio Board	-	9,391
Region 2000 Services Authority	513	122,679
Town of Bedford	17,378	-
Others	8,516	76,009
Total	$ 434,810	$ 532,693

NOTE 4—CAPITAL ASSETS:

Capital asset activity was as follows:

	Beginning Balance	Increases*	Decreases	Ending Balance
2022				
Capital assets not being depreciated:				
Land	$ 100,000	$ -	$ -	$ 100,000
Construction in progress	-	495,000	-	495,000
Total capital assets not being depreciated	$ 100,000	$ 495,000	$ -	$ 595,000
Other capital assets:				
Leasehold improvements	$ 12,212	$ -	$ -	$ 12,212
Regional radio	16,870,413	467,380	-	17,337,793
Furniture and equipment	80,201	-	-	80,201
Leased land	-	193,430	-	193,430
Leased office space	-	81,378	-	81,378
Leased tower space	-	359,711	-	359,711
Subtotal other capital assets	$ 16,962,826	$ 1,101,899	$ -	$ 18,064,725
Accumulated depreciation and amortization				
Leasehold improvements	$ 12,212	$ -	$ -	$ 12,212
Regional radio	4,524,577	958,765	-	5,483,342
Furniture and equipment	66,601	8,768	-	75,369
Leased land	-	15,683	-	15,683
Leased office space	-	73,696	-	73,696
Leased tower space	-	70,010	-	70,010
Subtotal accumulated depreciation and amortization	$ 4,603,390	$ 1,126,922	$ -	$ 5,730,312
Other capital assets, net	$ 12,359,436	$ (25,023)	$ -	$ 12,334,413
Total capital assets, net	$ 12,459,436	$ 469,977	$ -	$ 12,929,413
2021				
Capital assets not being depreciated:				
Land	$ 100,000	$ -	$ -	$ 100,000
Total capital assets not being depreciated	$ 100,000	$ -	$ -	$ 100,000
Other capital assets:				
Leasehold improvements	$ 12,212	$ -	$ -	$ 12,212
Regional radio	16,650,291	220,122	-	16,870,413
Furniture and equipment	77,569	2,632	-	80,201
Subtotal other capital assets	$ 16,740,072	$ 222,754	$ -	$ 16,962,826
Accumulated depreciation				
Leasehold improvements	$ 12,212	$ -	$ -	$ 12,212
Regional radio	3,613,544	911,033	-	4,524,577
Furniture and equipment	54,660	11,941	-	66,601
Subtotal accumulated depreciation	$ 3,680,416	$ 922,974	$ -	$ 4,603,390
Other capital assets, net	$ 13,059,656	$ (700,220)	$ -	$ 12,359,436
Total capital assets, net	$ 13,159,656	$ (700,220)	$ -	$ 12,459,436

* Increases for leased assets are adjustments for adoption of GASB 87

NOTE 5—PENSION PLAN:

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 with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

NOTE 5—PENSION PLAN: (CONTINUED)

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 service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees. 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. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Commission's contractually required employer contribution rate for the year ended June 30, 2022 and 2021 was 4.20% and 4.20% of covered employee compensation, respectively. The rates are based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

The rates, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during each year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were $33,701 and $26,497 for the years ended June 30, 2022 and June 30, 2021, respectively.

NOTE 5—PENSION PLAN: (CONTINUED)

Net Pension Asset

At June 30, 2022 and 2021, the Commission reported an asset of $757,067 and $440,363 respectively, for its proportionate share of the net pension asset. The Commission's net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The Commission's proportionate share of the same was calculated using creditable compensation as of June 30, 2021 and 2020 as a basis for allocation. At June 30, 2021 and 2020, the Commission's proportion was 43.91% and 43.91% 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, 2020, 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, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

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

NOTE 5—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board Action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

NOTE 5—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return: (Continued)

* The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 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 6.75%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	(5.75%)	**(6.75%)**	**(7.75%)**
Central Virginia Planning District Commission's Net Pension Liability (Asset)	$ (491,802)	$ (757,067)	$ (889,728)

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

For the year ended June 30, 2022, the Commission recognized pension expense of ($33,464). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

NOTE 5—PENSION PLAN: (CONTINUED)

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

At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	15,269	$	11,553
Change in assumptions		32,294		-
Net difference between projected and actual earnings on pension plan investments		-		244,164
Employer contributions subsequent to the measurement date		26,918		-
Total	$	74,481	$	255,717

$26,918 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2023	$	(41,156)
2024		(37,791)
2025		(55,987)
2026		(73,220)
2027		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Annual Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 6—COMPENSATED ABSENCES:

Following is a summary of changes in compensated absences:

	2022	2021
Balance, July 1	$ 64,278	$ 59,019
Increase (decrease)	7,516	5,259
Balance, June 30	$ 71,794	$ 64,278

NOTE 7—RISK MANAGEMENT:

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 8—REGION 2000 SERVICES AUTHORITY:

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.

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS:

Health Insurance

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.

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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, 2022 (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	11
Total retirees with coverage	-
Total	11

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 years ended June 30, 2022 and 2021 was $1,427 and $19,621, respectively.

Total OPEB Liability

The Commission's total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of January 1, 2022.

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance: (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2022 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, 2022 and 2021
Salary Increases	Graded scale
Discount Rate	3.54% as of June 30, 2022; 2.16% as of June 30, 2021

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 3.54% as of June 30, 2022 and 2.16% as of June 30, 2021.

Changes in Total OPEB Liability

	2022	2021
Balances at Beginning of Year	$ 75,931	$ 84,973
Changes for the year:		
Service cost	4,625	8,595
Interest	1,725	1,852
Difference between expected and actual experience	(71,522)	-
Changes in assumptions	1,534	132
Benefit payments	(1,427)	(19,621)
Net changes	$ (65,065)	$ (9,042)
Balances at End of Year	$ 10,866	$ 75,931

NOTE 9—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 (2.54%) or one percentage point higher (4.54%) than the current discount rate:

1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
$ 9,962	$ 10,866	$ 11,594

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:

1% Decrease in Trend Rate	Healthcare Cost Current Trend Rate	1% Increase in Trend Rate
$ 10,093	$ 10,866	$ 11,653

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

For the year ended June 30, 2022, the Commission recognized OPEB expense in the amount of ($7,165). At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 67,313
Changes of assumptions	943	1,323
Total	$ 943	$ 68,636

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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		
2023	$	(13,515)
2024		(13,533)
2025		(13,550)
2026		(13,550)
2027		(11,289)
Thereafter		(2,256)

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI 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 Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were $3,936 and $3,928 for the years ended June 30, 2022 and June 30, 2021, 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, 2022, the entity reported a liability of $41,001 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was .008% as compared to .009% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of $365. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

NOTE 9—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, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,676	$ 312
Net difference between projected and actual earnings on GLI OPEB plan investments	-	9,786
Change in assumptions	2,260	5,610
Changes in proportionate share	3,255	8,426
Employer contributions subsequent to the measurement date	3,936	-
Total	$ 14,127	$ 24,134

$3,936 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	$ (3,325)
2024	(2,165)
2025	(2,377)
2026	(4,349)
2027	(1,727)
Thereafter	(1)

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

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

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

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

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

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

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Plan
Total GLI OPEB Liability	$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	$	1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

NET GLI OPEB Liability: (Continued)

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.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan: (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, 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, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Commission's proportionate share of the GLI Plan Net OPEB Liability	$ 59,903	$ 41,001	$ 25,736

GLI Program Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 9—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

OPEB Aggregate Totals

	Central Virginia Planning District Commission			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Group Life Insurance Plan	$ 14,127	$ 24,134	$ 41,001	$ 365
Commission's Stand-Alone Plan	943	68,636	10,866	(7,165)
Totals	$ 15,070	$ 92,770	$ 51,867	$ (6,800)

NOTE 10—INDIRECT COST ALLOCATIONS:

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, 2022 was 57.47% and was calculated as follows:

Release time salaries	$ 136,886
Payroll taxes	55,048
Insurance	106,715
Retirement	31,573
Other benefits	12,520
Total fringe benefit expense	$ 342,742

Fringe benefit expenses	$ 342,742	= 57.47%
Total labor costs	$ 596,405	

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, 2022 was 35.80% and was calculated as follows:

Total indirect costs	$ 284,879	= 35.80%
Direct labor and fringes	$ 795,746	

NOTE 10—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	$	91,067
Employee Benefit Rate		52,334
Total Indirect Personnel Costs	$	143,401
Office Expenses		
Auditing Services	$	4,560
Payroll Accounting Services		6,964
Legal Services		3,268
Liability Insurance (General Liability Insurance)		943
Contractual Services (Management Consulting Services)		26,641
Telephone		5,075
Internet Services		644
Office Supplies		2,643
Travel		2,292
Education & Training (Travel - Convention & Education)		940
Dues, Subscriptions (Dues & Association Memberships)		9,286
Publications (Books & Subscriptions)		347
Miscellaneous Expenses (Miscellaneous Administrative Expenses)		5,200
Rental Office Equipment (Lease/Rent - Equipment)		1,590
Office Rent/(Lease/Rent - Buildings)		61,130
Computer Equipment/Software (EDP Equipment)		9,955
Total Office Expenses	$	141,478
Total Indirect Costs	$	284,879
DIRECT CHARGEABLE PERSONNEL COSTS		
Direct Chargeable Salaries	$	505,338
Employee Benefit Rate		290,408
Total Direct Chargeable Personnel Costs	$	795,746
CALCULATION OF INDIRECT COST ALLOCATION RATE		
Total Indirect Costs	$	284,879
Total Direct Chargeable Personnel Costs	$	795,746

NOTE 11—CONTINGENT LIABILITIES:

Federal programs in which the Commission participates were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the provisions of Uniform Guidance 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 12—JOINT VENTURE:

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%

In FY21, Campbell County joined the Board. Campbell County paid $1,620,883.

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.

NOTE 13—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. In February 2022, the remaining balance was refunded with a Series 2022 Public Facilities Revenue Bond in the amount of $6,035,000. 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. Additional details on this bond are available later in this note.

A summary of long-term obligations is presented below:

For the year ended June 30, 2022:

	Balance July 1, 2021	Issuances/ Additions*	Retirements/ Reductions	Balance June 30, 2022	Due Within One Year
Direct Borrowings and Placements:					
Revenue bonds	$ 5,980,000	$ 6,035,000	$ 6,904,000	$ 5,111,000	$ 992,000
Compensated absences	64,278	7,516	-	71,794	71,794
Lease liabilities	-	634,519	150,773	483,746	156,517
Net OPEB liabilities	142,248	24,806	115,187	51,867	-
Totals	$ 6,186,526	$ 6,701,841	$ 7,169,960	$ 5,718,407	$ 1,220,311

For the year ended June 30, 2021:

	Balance July 1, 2020	Issuances/ Additions	Retirements/ Reductions	Balance June 30, 2021	Due Within One Year
Direct Borrowings and Placements:					
Revenue bonds	$ 6,872,000	$ -	$ 892,000	$ 5,980,000	$ 920,000
Compensated absences	59,019	5,259	-	64,278	64,278
Net OPEB liabilities	157,590	79,277	94,619	142,248	-
Totals	$ 7,088,609	$ 84,536	$ 986,619	$ 6,186,526	$ 984,278

* Additions for lease liabilities are adjustments for adoption of GASB 87

NOTE 13—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	Direct Borrowings and Placements Interest	Leases Principal	Leases Interest
2023	$ 992,000	$ 153,824	$ 156,517	$ 6,011
2024	1,007,000	124,944	89,566	4,594
2025	1,022,000	95,152	85,651	3,607
2026	1,037,000	64,418	21,898	2,862
2027	1,053,000	32,710	14,898	2,554
2028-2032	-	-	87,771	7,660
2033-2034	-	-	27,445	405
Total	$ 5,111,000	$ 471,048	$ 483,746	$ 27,693
Less current portion:	992,000	153,824	156,517	6,011
Noncurrent portion:	$ 4,119,000	$ 317,224	$ 327,229	$ 21,682

Details of long-term obligations:

	Amount Outstanding
Direct Borrowings and Direct Placements:	
Revenue bonds:	
$6,035,000 Series 2022 Public Facilities Revenue Bond dated February 10, 2022 due in varying annual principal installments from May 1, 2022 to May 1, 2027. Interest at 1.37% is payable semi-annually at May 1 and November 1.	$ 5,111,000
Other Liabilities:	
Lease liabilities:	
Lease agreement for the use of office space with monthly payments of $6,123 for July 2022 and $6,305 thereafter until July 2023. A discount rate of 1.00% was used for this lease.	$ 81,379
Lease agreement for the use of tower space with monthly payments of $5,003 through October 2022 and 1.50% annual increases thereafter until July 2025. A discount rate of 1.00% was used for this lease.	187,025
Lease agreement for the use of tower space with monthly payments of $862 through September 2025. A discount rate of 1.00% was used for this lease.	33,092
Lease agreement for the use of land with monthly payments of $1,267 through October 2022 and 3.00% annual increases thereafter until October 2033. A discount rate of 2.07% was used for this lease.	182,250
Total lease liabilities	$ 483,746
Compensated absences	$ 71,794
Net OPEB liabilities	$ 51,867
Total long-term obligations	$ 5,718,407

NOTE 14—UPCOMING PRONOUNCEMENTS:

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, and for the Commission will be effective for reporting periods beginning after June 15, 2023

Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101, *Compensated Absences,* updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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, 2021

Measurement Date	Commission's Proportion of the Net Pension Asset (NPA)	Commission's Proportionate Share of the NPA (a)	Commission's Covered Payroll (b)	Commission's Proportionate Share of the NPA as a Percentage of Covered Payroll (a)/(b)	Plan Fiduciary Net Position as a Percentage of Total Pension Asset
2021	43.9100% $	757,067 $	727,481	104.07%	146.22%
2020	43.9100%	440,363	896,218	49.14%	129.29%
2019	48.1400%	531,644	874,489	60.79%	141.39%
2018	48.1400%	512,833	844,650	60.72%	145.61%
2017	48.1400%	465,335	637,007	73.05%	146.06%
2016	42.7000%	266,609	703,759	37.88%	131.99%
2015	42.7000%	294,516	626,889	46.98%	141.90%
2014	52.0000%	231,364	703,759	32.88%	146.20%

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

Schedule of Employer Contributions
Pension Plan
Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2022	$ 33,701	$ 33,701	$ -	$ 728,842	4.62%
2021	26,497	26,497	-	727,481	3.64%
2020	39,033	39,033	-	896,218	4.36%
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%

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

Notes to Required Supplementary Information
Pension Plan
Year Ended June 30, 2022

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Health Insurance Plan
Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 4,625	$ 8,595	$ 7,443	$ 7,127	$ 7,185
Interest	1,725	1,852	3,690	4,256	4,076
Changes in assumptions	1,534	132	(3,167)	1,464	(1,499)
Differences between expected and actual experience	(71,522)	-	(12,820)	-	-
Benefit payments	(1,427)	(19,621)	(16,160)	(19,242)	(13,178)
Net change in total OPEB liability	$ (65,065)	$ (9,042)	$ (21,014)	$ (6,395)	$ (3,416)
Total OPEB liability - beginning	75,931	84,973	105,987	112,382	115,798
Total OPEB liability - ending	$ 10,866	$ 75,931	$ 84,973	$ 105,987	$ 112,382
Covered payroll	$ 23,458	$ 125,816	$ 149,350	$ 203,642	$ 231,174
Commission's total OPEB liability (asset) as a percentage of covered payroll	46.32%	60.35%	56.90%	52.05%	48.61%

Notes to Required Supplementary Information
Health Insurance Plan
Year Ended June 30, 2022

Valuation Date: January 1, 2022
Measurement Date: June 30, 2022

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	3.54% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2022
Healthcare Trend Rate	6.90% - 3.90% over 51 years
Salary Increase Rates	Salary increase rates of 3.50% - 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 (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date	Commission's Proportion of the Net GLI OPEB Liability (Asset)	Commission's Proportionate Share of the Net GLI OPEB Liability (Asset) (a)	Commission's Covered Payroll (b)	Commission's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (a)/(b)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
2021	0.00351%	$ 41,001	$ 727,481	5.64%	67.45%
2020	0.00397%	66,317	896,218	7.40%	52.64%
2019	0.00405%	72,617	874,489	8.30%	52.00%
2018	0.00407%	67,396	844,650	7.98%	51.22%
2017	0.00355%	58,730	637,007	9.22%	48.86%

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2022	$ 3,936	$ 3,936	$ -	$ 728,842	0.54%
2021	3,928	3,928	-	727,481	0.54%
2020	4,660	4,660	-	896,218	0.52%
2019	4,661	4,661	-	874,489	0.53%
2018	4,426	4,426	-	844,650	0.52%
2017	2,888	2,888	-	637,007	0.45%

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
Year Ended June 30, 2022

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Compliance

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

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

To the Board of 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, 2022, 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 30, 2022.

Report on 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) as a basis for designing 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 30, 2022

RFC
CPAs | Consultants

Robinson, Farmer, Cox Associates, PLLC
Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Central Virginia Planning District Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Central Virginia Planning District Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Central Virginia Planning District Commission's federal programs compliance.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Central Virginia Planning District Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Central Virginia Planning District Commission's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Central Virginia Planning District Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Central Virginia Planning District Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Central Virginia Planning District Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 30, 2022

CENTRAL VIRGINIA PLANNING DISTRICT COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Environmental Protection Agency			
Pass-through payments:			
Virginia Department of Environmental Quality			
Geographic Programs - Chesapeake Bay Program	66.466	unavailable	$ 58,000
Total Environmental Protection Agency			$ 58,000
Department of Treasury			
Pass-through payments:			
Virginia Employment Commission:			
COVID-19 - Coronavirus Relief Fund	21.019	unavailable	$ 4,733
Total Department of Treasury			$ 4,733
Department of Labor			
Pass-through payments:			
Virginia Community College System:			
City of Lynchburg, Virginia:			
Workforce Innovation and Opportunity Act Cluster:			
WIOA Adult Program	17.258	LWDA 7	$ 525,007
WIOA Youth Activities	17.259	LWDA 7	524,838
WIOA Dislocated Worker Formula Grants	17.278	LWDA 7	316,749
Subtotal Workforce Innovation and Opportunity Act Cluster			$ 1,366,594
Total Department of Labor			$ 1,366,594
Department of Transportation			
Pass-through payments:			
Virginia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	FY-21	$ 180,737
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	unavailable	50,226
Total Department of Transportation			$ 230,963
Total expenditures of federal awards			$ 1,660,290

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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, 2022. 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 subreceipients.

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	$ 1,660,290
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 1,660,290

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

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:

Federal Assistance Listing #	Name of Federal Program or Cluster
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.